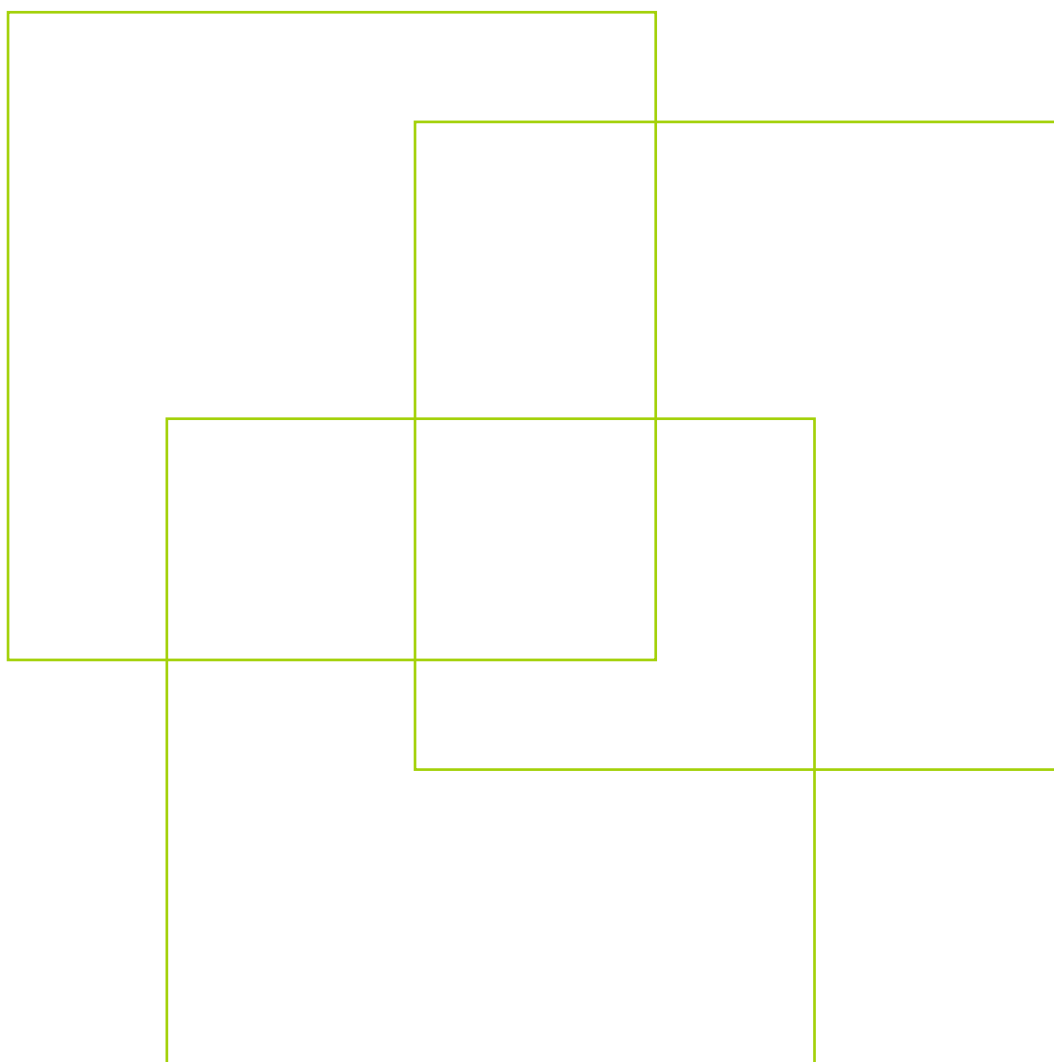




Report II

# Draft Programme and Budget for 2016-17 and other questions



**International Labour Conference, 104th Session, 2015**

**Report II**

# **Draft Programme and Budget for 2016–17 and other questions**

**Second item on the agenda: Programme and Budget proposals for 2016–17  
and other questions**

**International Labour Office, Geneva**

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## Preface

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1. This report comprises, in addition to material submitted for information, a number of items requiring action by the Conference. Any other items which may arise after the publication of this report and which also call for action by the Conference will be submitted to the participants through the *Provisional Record*.
2. This report deals with the draft Programme and Budget for 2016–17 as examined by the Governing Body at its 323rd Session (March 2015). The full material relating to the draft Programme and Budget for 2016–17 appears on pages 1–4. This material should be read in conjunction with the Director-General’s original Programme and Budget proposals for 2016–17 (GB.323/PFA/1) as indicated in paragraph 2 on page 1.
3. Other items requiring action are:
  - (a) Financial report and audited consolidated financial statements for the year ended 31 December 2014, which is published in a separate document available to Conference participants;
  - (b) Scale of assessments of contributions to the budget for 2016;
  - (c) Authority for the Director-General to enter into a loan agreement with the Government of Switzerland as part of the financing of the renovation of the ILO headquarters building; and
  - (d) Composition of the Administrative Tribunal of the International Labour Organization.
4. Details of these items are set out in the following pages of this report.



# Contents

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	<i>Page</i>
Preface.....	iii
<b>Programme and Budget for 2016–17</b> .....	yellow pages
Consideration of the Director-General's Programme and Budget proposals for 2016–17 by the Governing Body .....	1
Recommendations of the Governing Body to the Conference at its 104th Session (June 2015) .....	2
<b>Summary tables</b>	
Strategic budget: Proposed expenditure budget by appropriation line (table A).....	3
Strategic framework, total estimated resources in 2014–15, preliminary total resources for 2016–17 (in US\$ million) and country targets (table B) .....	4
<b>Other financial and administrative questions</b>	
Financial report and audited consolidated financial statements for the year ended 31 December 2014.....	5
Scale of assessments of contributions to the budget for 2016.....	6
Financing the renovation of the ILO headquarters building .....	7
Composition of the Administrative Tribunal of the International Labour Organization .....	8
<b>Appendices</b>	
I. Excerpt – Draft minutes of the Programme, Financial and Administrative Section of the Governing Body at its 323rd Session (March 2015) (GB.323/PFA/PV/Draft).....	blue title page
II. Director-General's proposals for adjustments to the Programme and Budget proposals for 2016–17 (GB.323/PFA/1/1) .....	pink title page
III. Addendum to the Director-General's Programme and Budget proposals for 2016–17 .....	green title page
IV. Report of the Government members of the Governing Body for allocation of expenses (GB.323/PFA/5) .....	golden title page
V. Update on the headquarters building renovation project (GB.323/PFA/3 and GB.323/PFA/3(Add.)).....	orange title page
VI. Composition of the Administrative Tribunal of the ILO (GB.323/PFA/11/1) .....	dark yellow title page



# Programme and Budget for 2016–17

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## Consideration of the Director-General's Programme and Budget proposals for 2016–17 by the Governing Body

1. The Director-General's original Programme and Budget proposals for 2016–17 were submitted to the Governing Body at its 323rd Session (March 2015) in document GB.323/PFA/1. That document is being reissued as a supplement to the present report.
2. The discussion of the original proposals, and adjustments subsequently proposed by the Director-General, was recorded in the draft minutes of the Programme, Financial and Administrative Section of the Governing Body, which is reproduced in Appendix I to the present report.<sup>1</sup> The Governing Body decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 75th financial period, ending 31 December 2017, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 8.
3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of US\$797,388,828 estimated at the 2014–15 budget exchange rate of 0.95 Swiss francs to the US dollar. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.
4. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals together with the provisional programme level for 2016–17 as endorsed by the Governing Body following its approval of adjustments proposed by the Director-General. The Director-General's proposed adjustments are set out in Appendix II to this report, and are incorporated in table A on page 3.
5. Appendix III to the present report consists of an addendum to the Director-General's Programme and Budget proposals for 2016–17 following the discussion in the Governing Body and subsequent consultations with Governing Body representatives. It provides changes in respect of indicators, targets and provisional baselines that will be incorporated into the final Programme and Budget for 2016–17 as adopted by the International Labour Conference.

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<sup>1</sup> See blue title page. This report for the Conference was prepared immediately after the 323rd Session (March 2015) of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations.



6. Table B, which is set out on page 4, and is entitled “Strategic framework, total estimated resources in 2014–15, preliminary total resources for 2016–17 (in US\$ million) and country targets”, presents the strategic framework by outcome incorporating these adjustments.

## **Recommendations of the Governing Body to the Conference at its 104th Session (June 2015)**

7. The Governing Body recommends to the International Labour Conference at its 104th Session (June 2015) that the final amount of the 2016–17 budget be based on the endorsed proposed expenditure budget of US\$797,388,828 estimated at the 2014–15 budget exchange rate of 0.95 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference.
8. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 75th financial period, ending 31 December 2017, the budget of expenditure for the International Labour Organization amounting to US\$ ..... and the budget of income amounting to US\$ ....., which, at the budget rate of exchange of ..... Swiss francs to the US dollar, amounts to ..... Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

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

	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.

**Table B.** 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 prospects	139.3	142.5		133.2	127.1		94
<b>Outcome 2:</b> Ratification and application of international labour standards	78.4	20.4		73.5	24.6		54
<b>Outcome 3:</b> Creating and extending social protection floors	47.4	8.1		50.5	12.3		45
<b>Outcome 4:</b> Promoting sustainable enterprises	59.8	48.8		58.7	53.3		55
<b>Outcome 5:</b> Decent work in the rural economy	29.4	16.3		33.9	15.6		27
<b>Outcome 6:</b> Formalization of the informal economy	27.8	8.1		42.5	8.2		36
<b>Outcome 7:</b> Promoting workplace compliance through labour inspection	93.6	48.8		70.5	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		33
<b>Outcome 10:</b> Strong and representative employers' and workers' organizations	94.7	8.1		86.2	16.0		122
<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>577</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 2010–2015 against the results framework for 2016–17.

## **Other financial and administrative questions**

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### **Financial report and audited consolidated financial statements for the year ended 31 December 2014**

1. In accordance with articles 28 and 29 of the Financial Regulations, the International Labour Conference will be called upon to adopt the audited consolidated financial statements for 2014 after their examination by the Governing Body. The statements cover the regular budget, the Working Capital Fund, extra-budgetary accounts administered by the Organization, and all other special funds and accounts.
2. The Director-General's financial report and the statements for 2014, together with the Auditor's report, will be communicated to Members as a separate document. The Governing Body's recommendation as to the adoption of the audited statements will be communicated to the Conference in a separate document which will be presented to the Finance Committee of Government Representatives.

## **Scale of assessments of contributions to the budget for 2016**

1. At its 323rd Session (March 2015), the Governing Body decided, on the recommendation of the Government members of the Governing Body, to propose to the Conference at its 104th Session (June 2015) that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it adopt the draft scale of assessments for 2016 as set out in the appendix to the report of the Government members of the Governing Body for allocation of expenses, which is reproduced as Appendix IV to this report.
2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessments for 2016 and to make appropriate proposals to the Conference.

## **Financing the renovation of the ILO headquarters building**

1. At its 323rd Session (March 2015), the Office submitted an update on the headquarters building renovation project and information on the revised financial plan in documents GB.323/PFA/3 and GB.323/PFA/3(Add.), respectively, providing information on the developments of the project since November 2014 and seeking authority for the Director-General to enter into a loan agreement with the Government of the host country. Both documents are reproduced in Appendix V to this report.

2. The Governing Body took note of the revisions to the financial plan and decided to recommend that the International Labour Conference adopt the following resolution at its 104th Session (June 2015):

The General Conference of the International Labour Organization decides that the Director-General be authorized to contract a loan with the Foundation for Buildings for International Organisations (FIPOI) amounting to not more than 130 million Swiss francs for the partial financing of the renovation of the ILO headquarters building.

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

## Composition of the Administrative Tribunal of the International Labour Organization

1. At its 323rd Session (March 2015), the Governing Body decided (see Appendix VI to this report) to recommend to the Conference at its 104th Session (June 2015) that it convey its deep appreciation to Mr Seydou Ba for the valuable services he has rendered to the work of the Administrative Tribunal of the International Labour Organization over the past 18 years as judge, Vice-President and President of the Tribunal; to propose to the Conference the renewal of the terms of office of Mr Giuseppe Barbagallo (Italy), Ms Dolores Hansen (Canada), Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint Kitts and Nevis) for three years each; to appoint Ms Fatoumata Diakité (Côte d'Ivoire) for a term of office of three years; and to propose to the Conference that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

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

(a) to convey its deep appreciation to Mr Seydou Ba (Senegal) for the valuable services he has rendered to the work of the Administrative Tribunal of the International Labour Organization over the past 18 years as judge, Vice-President and President of the Tribunal;

(b) to renew the appointments of Mr Giuseppe Barbagallo (Italy), Ms Dolores Hansen (Canada), Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint Kitts and Nevis) for a term of three years; and

(c) to appoint Ms Fatoumata Diakité (Côte d'Ivoire) for a term of three years.

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

## **Appendix I**

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**Excerpt – Draft minutes of the Programme,  
Financial and Administrative Section of  
the Governing Body at its 323rd Session  
(March 2015) (GB.323/PFA/PV/Draft)**







## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/PV/Draft

Programme, Financial and Administrative Section

PFA

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### DRAFT MINUTES

## Programme, Financial and Administrative Section

[...]

## Programme, Financial and Administrative Segment

### First item on the agenda

## The Director-General's Programme and Budget proposals for 2016–17 (GB.323/PFA/1, GB.323/PFA/1/D1 and GB.323/PFA/1/1)

3. *The Director-General* presented his Programme and Budget proposals for 2016–17 (his statement is reproduced in Appendix I).
4. *The Chairperson*, upon agreement of the structure of the discussion proposed in document GB.323/PFA/1/D1, opened the general discussion covering in particular the Executive overview (paragraphs 1–37).
5. *The Worker spokesperson* welcomed the continued commitment in the proposals to the goal of Decent Work for all, based on the ILO Declaration on Social Justice for a Fair Globalization. He supported the objective of strengthening the ILO's technical capacity, which should be aimed at improving services to constituents and enhancing ILO advocacy, and the proposed creation of new positions at headquarters and in the field, which should be allocated to priority areas that were currently under-resourced with regular budget funding (for instance, wage specialists, particularly in Africa; industrial relations specialists, particularly in Latin America; and labour standards specialists,

particularly in Asia, where there were currently only three). Headquarters needed more staff dedicated to collective bargaining, labour law and labour inspection, and strengthened capacity for work on international labour standards and the fundamental principles and rights at work. Enhanced field-based capacity in macroeconomics was also needed.

6. He warmly welcomed the clear format of the proposals and supported the framework of ten policy outcomes with three enabling outcomes and three cross-cutting policy drivers. The four dimensions of the Decent Work Agenda must be addressed by each outcome. Care must be taken to avoid creating new silos in the allocation of work. His group accepted, under the current circumstances, the zero real growth of the budget, and noted that a nominal reduction of the budget had been possible.
7. Noting that the increased contribution to the United Nations (UN) Resident Coordinator system should lead to better country-level engagement with unions and respect for ILO values, including tripartism, he underscored the need to ensure that all external partnerships understood and respected the benefits that came from tripartism.
8. Technical cooperation resources should indeed be aligned with the Organization's strategic outcomes, and it was vital that constituents should exercise governance concerning their use and distribution. In that regard, while fully supporting the rationale behind the creation of the five flagship programmes that had been announced in February 2015, the Workers' group regretted that constituents had not been given the opportunity to express their views on the programmes' themes. He recalled that a decision had been taken by the Governing Body to hold informal tripartite consultations on matters of strategic importance in the area of development cooperation.
9. The Office should clarify whether the low level of extra-budgetary resourcing for outcome 3 was due to the fact that social protection floors would form part of one of the flagship programmes, and why outcome 10's extra-budgetary resources represented only 4 per cent of the total. More resources should be allocated to outcome 10 in future to reflect the importance of strengthening constituents' – and particularly workers' organizations' – capacity to implement ILO priorities at the national level.
10. The technical cooperation strategy required all major technical cooperation projects to include capacity-building components for all constituents; the Workers would, therefore, like to know how resources would be allocated, and proposed that part of the extra-budgetary resources and allocations under the Regular Budget Supplementary Account (RBSA) under each of the nine outcomes should be earmarked for assistance and activities for the social partners, including through the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP). That would strengthen synergies between the work of the bureaux and that of the technical departments, in line with the cross-cutting policy driver on social dialogue.
11. The Office should explain the rationale underlying regular budget resource allocation across outcomes: outcome 1 had double the resources of outcome 2, for example, and the budget for outcome 7 was significantly reduced compared with the previous biennium.
12. The new Decent Work Country Programmes would have to draw on the ten policy outcomes and better cover all four strategic areas of the Decent Work Agenda; work in the regions often took a piecemeal approach and neglected standards. Although the proposals had been improved since November 2014, the fact that regional priorities did not always reflect the four strategic areas or the guidance provided by Conference discussions remained a concern.

13. *The Employer coordinator* expressed frustration that the document did not reflect the priorities and concerns that his group had raised in November 2014. He felt that they had been systematically ignored on issues which were real priorities or serious concerns for employers. The group had agreed that it would try again to have its views heard, by highlighting four specific concerns (red lines) and making four associated proposals.
14. First, the description of outcome 8 was unclear because there was no consensus on the definition of “unacceptable forms of work”. The fundamental principles and rights at work provided a consensual starting point, but the upcoming Governing Body discussion on area of critical importance (ACI) 8 would be critical in defining the concept, and its result must be taken into consideration before the approval of the programme and budget.
15. Second, outcome 4 did not adequately reflect businesses’ key role in job creation. More attention and resources should be given to the enabling environment (indicator 4.1), the most important area under that outcome. Based on the positive results of relevant ILO activities, the target for indicator 4.1 should be increased to 24 countries, not eight, and the other targets reduced accordingly. The ILO’s Enabling Environment for Sustainable Enterprises tool had been successful, and should be mentioned. References to supply chains were confusing, did not add value and should be removed so as not to pre-empt the discussion to be held at the International Labour Conference in 2016.
16. Third, ACT/EMP remained insufficiently resourced to fully participate in the Organization’s activities; it urgently required more financial and human resources.
17. Fourth, on outcome 1, the ILO should focus on skills development and apprenticeships, using a labour market needs’ approach. The rationale behind the cuts to outcome 1, and to outcome 4, was unclear. Given that enterprises were the job creators, more resources should be allocated to outcome 1.
18. The Employers’ group could not support the programme and budget proposals unless the aforementioned issues were addressed positively.
19. *Speaking on behalf of the Government group*, a Government representative of Italy thanked the Office for having issued the document well in advance of the session. She noted with satisfaction that the proposed programme and budget reflected a coherent framework that was firmly rooted in the ILO Declaration on Social Justice for a Fair Globalization. The progress made in terms of internal ILO reform was welcome; it had increased value for money and ensured that resources went to more critical and technical areas. The focus on lessons learned was also welcome. While integrated approaches to the outcomes were valuable, new silos should not be created. The strategies accompanying each policy outcome provided important focus; however, the performance indicators could be transformed into outcomes that would be more readily comprehensible to constituents. Further consultations on developing baselines to measure progress were needed.
20. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of India welcomed the proposed ten policy outcomes and the focused indicators, which took regional and national contexts into consideration. She noted that most of the outcomes would remain relevant beyond 2018 and highlighted the importance of partnerships among multilateral institutions with regard to the post-2015 development agenda. With regard to outcome 1, her group welcomed the focus on wage growth and rising inequality and, given that underemployment posed a major challenge, on youth employment and small and medium-sized enterprise (SME) interventions in the region. The focus on expanding local supply chains, under outcome 4, was appreciated, although

it was necessary to ensure that interventions at the global level would not lead to non-tariff trade barriers. The partnership for transitioning to a green economy should be based on the principle of common but differentiated responsibilities. The ILO should work with national constituents to develop country-owned tools to improve the productivity and working conditions of SMEs.

21. Baseline data, including on numbers of workers and their access to social security, was needed in order to create decent work for vulnerable rural populations. The ILO should intervene at the country level to alleviate rural poverty. The ILO's advice and technical assistance on the ratification and application of international labour standards to the member States which had requested it would be welcome. The increase in the level of resources allocated to the region was appreciated, although the level of resources allocated to outcome 6 seemed low relative to the needs in the region and should be reviewed. The Office should recruit experts from under-represented countries for the 39 new technical positions and provide a roadmap for the recruitment process. The ILO should fully harness the potential of information technology, including by developing its public website in the remaining three UN working languages, to make it more widely accessible.
22. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe appreciated that the budget proposals were not only anchored on the reform agenda and the lessons learned so far, but also set the stage for innovation. He welcomed the proposal to redeploy US\$25 million to strengthen the technical capacity of the Organization and to maintain a zero growth budget. He also welcomed the clear structure of the proposals and agreed that baselines for the indicators were needed. The mainstreaming of the three cross-cutting policy drivers was welcome, particularly given the centrality of social dialogue to tripartism. However, his group had concerns about the prioritization of the regular budget proposals and extra-budgetary proposals, and the few country targets under outcome 5. The rural economy was a priority for the Africa region, and during the budget preview discussions, the group had called on the Office to focus on sectors such as agriculture, which had the potential to create more jobs. Clear workplans and coordination mechanisms should be developed to implement the budget proposals to avoid overlaps or duplication.
23. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Cuba supported the proposal to cap the 2016–17 budget at just over \$797 million, and welcomed efforts to present a zero real growth budget, establishing a balance between the resources needed by the Organization to carry out its mandate and building on the achievements of the reform to date, while taking into account the ongoing financial difficulties faced by some countries. GRULAC urged the Office to continue making progress on the reform and adopting innovative working methods to achieve greater savings and efficiencies, to be used for substantive activities, in areas such as travel and subsistence allowances. It welcomed the strong emphasis placed on knowledge management and capacity building in collaboration with the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR), and trusted that the ILO would continue to streamline and work with existing tools for technical assistance to ensure that the region benefited from more and better jobs for inclusive growth, improved youth employment prospects, the promotion of sustainable enterprises, and the formalization of the informal economy. It welcomed the \$25 million redeployment from administration and support functions to technical work, and supported the results framework for 2016–17. Noting with satisfaction the references in the document to South–South cooperation, GRULAC saw such cooperation as a specific

- demonstration of solidarity between the people and countries of the South and as a complement to North–South cooperation.
24. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the United Kingdom welcomed the document as a positive step forward, firmly framed in the context of the ILO Declaration on Social Justice for a Fair Globalization. To ensure coherence, there should be greater clarification of the relationship between the proposed programme and budget and the centenary initiatives. Applauding the ILO for the progress made in terms of internal reform, he urged the Office to maintain the pace and focus of that reform. He noted with satisfaction that the reforms had resulted in a budget that was identical in constant US dollars to the 2014–15 budget and respected the principle of zero growth. He sought clarification on how the efficiencies had led to savings. The ILO's deepening engagement with the One UN initiative was an important step in ensuring that the UN system worked as efficiently and effectively as possible. In that regard, IMEC appreciated the increase in the contribution towards the financing of the UN Resident Coordinator system. The focus on lessons learned and integrated approaches was welcome, but they needed to be common practices rather than approaches to be highlighted in the programme. Care should be taken to ensure that breaking down pre-existing silos did not lead to the creation of new ones. The results framework, the outcome strategies accompanying each policy outcome, and the strong emphasis on impact and effectiveness and the strengthening of the evaluation function were also welcome. The Office could go further in translating the performance indicators into outcomes that constituents could understand and identify with more easily. Furthermore, it was unclear why typically only one of the results criteria needed to be met. It would be useful if partial baselines could be provided in the interim and if the results criteria could better reflect the role of the ILO in achieving the desired outcomes.
  25. *Speaking on behalf of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) and the Netherlands*, a Government representative of Norway expressed support for the programme and budget proposals, which maintained the principle of a zero real growth budget, while striving to advance the ILO's ability to deliver. He welcomed the greater emphasis on technical work and presence in the regions, the increase in Regular Budget for Technical Cooperation (RBTC) funding, and the continued focus on results and effectiveness and on working with the rest of the United Nations, other international organizations and the private sector. The increased contribution towards the financing of the UN Resident Coordinator system was welcome and should be reflected in the budget breakdown. Gender equality could be better reflected and more systematically integrated, especially in the results framework. Similarly, combating all forms of discrimination could be reflected more explicitly under the different outcomes and integrated into the results framework. More should be done to address discrimination against marginalized and vulnerable groups. He supported the smaller and more focused set of policy outcomes, with the emphasis on collaborative and interdisciplinary delivery to ensure impact, and the strong emphasis on job creation and on promoting and protecting fundamental rights. More details should be provided on: how the total of estimated resources in the strategic budget related to the operational budget; estimated income, including how the Office had arrived at a 52 per cent expected increase in RBSA contributions; and the methodology planned for setting the baselines, including examples. Cost recovery should be reflected in the budget.
  26. *A Government representative of France* said that the budget proposals should enable the ILO to maintain its level of commitment in carrying out its mandate, while giving priority to field activities by optimizing available resources. He noted with satisfaction

that the reform was bearing fruit in budgetary terms and encouraged further efforts in that direction. The overall satisfaction with the zero nominal growth budget should not detract from the need to address the issues raised by IMEC. Moreover, with regard to expected budget savings, he was surprised that the travel policy reform had only had a slight impact on the draft budget, and that staff costs had failed to produce the level of savings usually generated from a reform process. He would therefore encourage continued efforts, along the lines of the changes made in the UN system. He expressed concern over after-service health insurance, and asked what steps would be taken to absorb that large liability and provide a solution that would not affect member State contributions.

27. *A Government representative of Mexico* noting that the programme and budget proposals were in keeping with the ILO reform process, expressed support for the transitional strategic plan and new results framework. The issues covered in the ten policy outcomes were of particular interest to Mexico. He commended the ILO on being one of the first specialized agencies in the UN system to ensure that its results framework was in line with the sustainable development goals. Its focus in that respect would assist member States in making, with ILO support, the changes needed in the areas of decent work, social protection and poverty eradication. Mexico endorsed the budget of just over \$797 million and welcomed the redeployment of \$25 million from administration and support services to technical work, and hence from headquarters to the regions. He called on the Director-General to continue his efforts to achieve efficiencies and savings.
28. *A Government representative of Canada* supported the proposed Programme and Budget for 2016–17. Underscoring the importance of the cross-cutting policy driver on gender equality and non-discrimination, he requested additional information on its linkages with the women at work and the future of work centenary initiatives. Canada had noted its national position in favour of zero nominal growth budgets and thus welcomed the proposal to maintain the identical US dollar level as for 2014–15, while absorbing new costs.
29. *A Government representative of Indonesia* said that his country continued to support the reform efforts. He noted that the policy outcomes reflected important aspects of the world of work, and that some resources would be allocated to strengthen ILO technical capacity. He hoped that the increased RBTC funding for the regions would be translated into strengthening the ILO's presence in the regions. Indonesia appreciated the proposed continued efforts to provide high-level policy advice and technical cooperation support to Asia and the Pacific countries and interventions for countries affected by natural disasters, and to maintain close collaboration with regional and subregional bodies, including the Association of Southeast Asian Nations (ASEAN).
30. *A Government representative of the Republic of Korea* welcomed the efforts to enhance the Organization's efficiency and effectiveness and its programmes. It supported the proposed policy outcomes and enabling outcomes, which would lead to greater promotion of decent work. Outcome 1 would require governments, employers and workers to cooperate closely with one another to improve economic growth through job creation. However, the indicators for assessing the results of policy outcomes and baselines for each target should be clearer, and there should be a more thorough approach in setting targets and assessing progress.
31. *A Government representative of Turkey* noted the coherence with the Declaration on Social Justice for a Fair Globalization, endorsed the transfer of resources from administration and support functions to technical work and the increase in RBTC

- funding for the regions. He also welcomed the inclusion of promoting fair and effective labour migration policies as a policy outcome, and urged the ILO to cooperate further with its constituents and other international organizations to that end.
32. *A Government representative of Trinidad and Tobago* appreciated that the ten policy outcomes responded to many of the issues faced by Caribbean countries. Ministers of labour in the region had met recently and reiterated their commitment to the decent work goals of the ILO. She underscored the need to address youth employment in particular and welcomed the effort to streamline and focus ILO activities.
  33. *A Government representative of Japan* supported the Programme and Budget proposals for 2016–17, acknowledging that the zero growth budget had been built on the achievements of the internal reforms. While recognizing that the proposals responded to new ILO challenges, Japan noted that the proposed budget was transitional, pending its alignment with the United Nations medium-term strategic planning framework in 2018, and should therefore ensure consistency and continuity with the previous biennium. The budget for 2018–19, on the other hand, should be subject to a more drastic review, as it would not be transitional.
  34. *A Government representative of the Islamic Republic of Iran* conveyed his country's endorsement of the ILO's holistic approach and commitment to reform. The ten policy outcomes captured the major challenges in the world of work and the focus of the document on strengthening the technical capacity of the Organization to provide high-value services to the constituents was praiseworthy, as was the initiative to improve the quality and relevance of the research, analytical and statistical capacities of the Office and to strengthen the strategic partnership between the ILO and the International Training Centre of the ILO (Turin Centre). The proposed programme and budget should ensure that the ILO had a proactive role in helping rebalance the global economy to promote strong and sustained growth alongside social justice, and lead to a deliverable, specific, measurable and time-bound plan of action for the next biennium.
  35. *A Government representative of China* said that the economic and social challenges faced by member States should be taken into consideration in the programme and budget, by ensuring it was more prioritized, effective and targeted. ILO support services to its member States should be further improved to enhance its response capacity in the world of work and its authority. China welcomed the results achieved through reform measures to date, and encouraged continued efforts. It called for more budget allocations to employment and social protection, for more technical cooperation in the regions, and for the establishment of an emergency response fund. It urged the ILO to strengthen its efforts to raise extra-budgetary funding and to draw on lessons learned when implementing the programme and budget. More attention should be paid to partnerships with stakeholders and to the economic, social and cultural diversity of member States.
  36. *A Government representative of the Russian Federation* supported the draft strategic plan with ten policy outcomes and three enabling outcomes, the format and structure of the results-oriented budget, and the redeployment of resources from administrative and support functions to technical activities. In difficult budget planning circumstances, it was important to target resources at a few key areas where their effect could be more easily monitored. She endorsed the allocation of increased funding to outcomes 3, 5, 6, 8 and 9.
  37. *A Government representative of Spain* drew attention to the situation of after-service health insurance. The proposed exercise exemplified the need to move gradually towards



greater transparency and stronger governance of activities. While he could support the budget proposals, clarification was required, since the budget should faithfully reflect expenditure commitments and revenue forecasts. It was not sufficient for each period to reflect after-service health insurance payments arising from past commitments; the accrual principle required a commitment to be reflected in the biennium in which it was generated, and it was to be hoped that subsequent budgets would reflect commitments for future payments. The situation was not currently problematic, but might become so in the future.

38. *A Government representative of the United States* endorsed the objective of strengthening the ILO's technical capacity and expanding its authority, which were essential in advancing the goal of decent work. She welcomed the emphasis in the proposed results framework on addressing key world-of-work challenges, for which the ongoing commitments to strengthening the knowledge base and impact assessments and applying the lessons learned would be critical. She applauded the internal reforms achieved to date and the continued commitment to reform and was pleased to see that the proposed zero growth budget would result in a decrease of 0.5 per cent over the current biennium without sacrificing programmatic capacity. She supported the ILO's deepened engagement within the One UN system and sought clarification on the relationship between the centenary initiatives and the programme and budget.
39. *The Employer coordinator* stated that the programme and budget failed to make a sufficiently clear link between the main challenges in the world of work and the ten outcomes. As the areas of critical importance (ACIs) were the basis for the outcomes, the lessons learned from them should have been mentioned in the executive overview and preface, as well as under the outcomes. He sought information on a number of points. First, he asked what new technical positions had been created within the Policy Portfolio and in the regions; which positions had been converted from managerial to technical positions; which positions had been re-profiled; which outcomes and regions were affected; how the Office had decided where to redeploy the funds; and how that related to achieving strategic priorities. Second, he asked why there were substantially fewer country targets for 2016–17, despite plans for a more ambitious strategy and 39 new technical positions. Third, he inquired which policy areas would be discontinued as a result of the focus on the ten outcomes and how their budget would be reallocated. Fourth, he requested the Office to provide more information on what reforms would be achieved in 2016–17, as well as on how successful the existing reforms had been and the relevant benchmarks. Fifth, three of the centenary initiatives (the enterprise, women at work, and future of work initiatives) warranted greater coverage in the proposed programme and budget, and he asked how the enterprise initiative in particular could be placed at the heart of ILO strategy. Sixth, the document did not mention flagship programmes or fragile and conflict-affected States, although they might account for substantial extra-budgetary technical cooperation expenditure in 2016–17. He called for an in-depth discussion on the flagship programmes and how they were determined.
40. On the matter of costs, it was unclear how the Office was considering certain costs, as management and reform costs had been included under policy outcomes, not management services. The Employers could not support the significant shifts in budget between different outcomes, as the rationale was incomprehensible. The coordinator asked on what grounds the units had made the decisions, and how that was cleared. The Office should explain the substantial cuts in the budget for outcomes 1, 4 and 7, and why the budget for outcome 5 was almost \$50 million for only 12 target countries. He wished to know how the RBSA, set to increase by \$12 million, would be allocated. He also inquired why outcome 10 on employers' and workers' organizations received the lowest

- allocation per target. He called on the Office to explain how the strategic resources were calculated. It should be made clear that the resource allocations per outcome in table 2 did not give a real picture of the level of resources directly available to constituents. Regarding outcome 10, the Employers' group requested separate figures for the amounts allocated to employers' and workers' organizations, with a detailed breakdown for the budget for employers' organizations.
41. *The Chairperson* opened the discussion on Policy outcomes (paragraphs 38–179), Regional contexts (paragraphs 180–203), and Research, knowledge, labour statistics and capacity development (paragraphs 204–223).
  42. *The Employer coordinator* noted that relationships between the various policy outcomes had not been made clear. His group did not support the emphasis on supply chains that appeared under many outcomes, despite its repeated requests not to pre-empt the relevant Conference discussion in 2016. The group welcomed the reduction in the number of cross-cutting policy drivers, but considered that they could have been clearer. To serve any real purpose, the section on regional contexts would have to contain substantive information and be better integrated into the ten outcome strategies. With regard to external partnerships, collaboration with other organizations in promoting the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was still missing. On indicators, many of the means of verification related to reports or official documents, which seemed to be weak. It was not clear how targets had been arrived at. He wondered whether a workplan would be developed for each outcome at the start of the biennium. The Employers' group proposed an increase in the budget of outcomes 1, 4, 7 and 10, and a corresponding reduction in outcomes 5 and 8, with the total budget remaining at the same level. The number of targets should be increased or decreased accordingly.
  43. On outcome 1, the Employers' group was pleased with the inclusion of the link to an enabling environment for sustainable enterprises given its importance for employment creation. However, the Office should have recognized it as a cross-cutting feature of any ILO work in that area and the starting point for job creation, alongside better reflection of business needs in order to encourage investment in productive activity. The text was overly focused on macroeconomic policy. It lacked an understanding of what job creation consisted of, and the indicators did not appear to measure it. Regarding youth unemployment, the focus needed to be on skills development and apprenticeships, not the rights-based approach proposed, as well as on youth entrepreneurship. More clarity was needed on the role of green policies in supporting youth employment, and why green policies were only mentioned in relation to that issue. The Office should include the Global Apprenticeships Network among its partner organizations. Indicator 1.1 did not help to assess ILO action and it was also a matter of concern that no indicators measured the expansion of employment. Concerning indicator 1.2, many countries had no apprenticeships and advocacy was needed. Outcome 1 had the largest budget reduction of all outcomes, despite the importance of tackling unemployment. The Employers' group therefore proposed that an additional \$13 million of regular budget be allocated for that outcome.
  44. On outcome 2, baseline figures should be provided, pending confirmation at the end of 2014–15. Text on regulatory impact assessments should be added to the legal gap analyses in paragraphs 60 and 63, with a view to looking more systematically at the possible impact of new regulations. Also in paragraph 60, the linkages with outcomes 7 and 8 should be clarified. In paragraph 61, cooperation with ACTRAV and ACT/EMP should be included alongside collaboration with the Turin Centre. Regarding indicator

- 2.1, it was unclear if the current target of 60 per cent related only to government responses – in which case, that should be clearly stated – or if it also included responses by employers’ and workers’ organizations – in which case, separate targets for governments, employers and workers should be specified. For indicator 2.2, the first results criterion should read “International labour standards are ratified and the necessary steps for effective application are taken”. Regarding indicator 2.3, the third results criterion should be made more specific in order to reflect increased capacity.
45. On outcome 3, the Employers’ group welcomed the broadened scope to include countries facing challenges in expanding social protection systems and making them more sustainable. However, it should be made clear that that extension included qualitative and quantitative extensions of coverage and of benefits. Sound costing and fiscal space analysis had been correctly identified as a success factor, but the ILO had to be careful both in terms of implementation and conclusions, as they should be undertaken with ministries of finance, and the ILO did not decide national budgetary priorities. In the fifth bullet of paragraph 71, an analysis of current schemes in terms of fund collection and management should be included.
  46. On outcome 4, the Employer coordinator stressed that without private enterprises there could be no economic growth. He asked why the Employers had not been consulted in order that they could provide content relevant to the objectives of the outcome. The latter was a mix of different lines of action which did not mutually reinforce each other, whereas it could have formed the pillar of technical work on an enabling environment. There should be a direct reference in the outcome statement to the 17 pillars of the 2007 resolution concerning the promotion of sustainable enterprises. The outcome contained a wide array of work areas and provided no indications as to how the ILO intended to achieve its objectives in key areas. Paragraph 79 should recognize the work already done as part of the Enabling Environment for Sustainable Enterprise (ESEE) process. It was surprising that no mention had been made of the growing demand for support for monitoring and evaluation, or of the activities of ACT/EMP in that respect.
  47. The ILO should devote greater attention to the link between job creation and environments conducive to sustainable enterprises, which should serve as a central focus of the work under the outcome. However, the proposed approach lacked focus. On improving working conditions and productivity in small and medium-sized enterprises, no details were given about how that would be achieved or whether the social actors would have a role in it. Although a concerted effort had been made to have green jobs featured in the outcome, the relationship to the other areas of work was not always clear. It was unclear how the framework of policies and regulations for promoting sustainable enterprises could be aligned with sustainable development objectives while the post-2015 sustainable development agenda was still under discussion. He reiterated that the target of eight countries for indicator 4.1 was low and should be increased to 24 countries; the targets for indicators 4.2 and 4.3 could be reduced to eight and 16 countries, respectively, so that the overall number of target countries would stay the same. The regular budget for the outcome should be increased by \$10 million.
  48. Outcome 5 was more an issue for the Sectoral Policies programme and should focus more on skills development. To unleash the potential of rural areas, the approaches recommended by the 2008 International Labour Conference conclusions on rural employment (strengthening entrepreneurship; building leadership capacity; and promoting rural sustainable enterprises) should be adopted. Outcome 5 was the most “inefficient” outcome with the lowest productivity (attaining the 12 targets would cost

more than \$4 million each); the budget for the outcome should therefore be reduced by \$10 million.

49. The link between outcomes 5 and 6 should be clearly stated. In the formulation of the problem to be addressed under outcome 6, reference to the “workforce worldwide” failed to cover the vast number of children and elderly people living in informality. It was doubtful that the informal economy had a negative impact on fair competition, since informal firms operated in distinct markets. A central goal should be to formalize not only employment but also enterprises, and hence employees. Efforts to extend social protection to informal workers must be designed in such a way as to avoid creating incentives to remain in the informal economy. Informality created barriers to the effective national implementation of international labour standards. It was important that member States had reliable data on the size and scope of informality in their countries.
50. The proposal in outcome 7 did not seem to contain a clear strategy. The key expected changes concerning strengthened capacity of labour inspectorates, employers’ and workers’ organizations, and of improved national institutional, legal and policy frameworks for workplace compliance, were not reflected in the indicators or results criteria. It was unclear why or how partnerships with the World Bank would be strengthened in order to improve workplace compliance. With regard to the second results criterion under indicator 7.2, strengthened collaboration could also take place with social partners individually and did not necessarily require bipartite or tripartite social dialogue mechanisms. It was not clear how cooperation with private or non-profit compliance initiatives could be taken into account at the institutional level within the ILO. Because the lack of workplace compliance was a major problem, an increase of \$2 million in the budget for the outcome would be expected.
51. There was an ongoing lack of clarity regarding the meaning and added value of the concept of unacceptable forms of work. When considering outcome 8, it would be useful to take account of the debate at the current Governing Body session on the paper concerning the corresponding ACI.<sup>1</sup> The scope of unacceptable forms of work should be limited to fundamental principles and rights at work, until the unacceptable dimensions of other working conditions, in particular wages, had been satisfactorily defined. The regular budget for the outcome should be reduced accordingly.
52. Concerning outcome 9, labour migration policies should not focus only on a rights-based approach, but also address skills shortages and take account of the needs of enterprises. A balanced approach would be required to promote social dialogue, help build the capacity of social partners and ministries of labour, and address the lack of data on migration among other things.
53. While outcome 10 stressed the importance of tripartism and social dialogue, that was not reflected in the proposed regular budget allocation, which would experience the second largest reduction. On the basis that there should be an equal budget for work of equal value, the resources available to ACT/EMP should be increased by at least \$4 million to allow it to participate fully in the activities of the Organization.
54. While he welcomed the reduction from five to three cross-cutting policy drivers, it was not clear how they fitted into the results-based framework or how they would be monitored. Moreover, there was the potential for overlap between the cross-cutting

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<sup>1</sup> GB.323/POL/1.

policy drivers and the outcomes. With regard to social dialogue, employers' and workers' organizations needed to be consulted on a regular basis at the beginning of processes.

55. The purpose of the overview of regional priorities was not clear. The section of the document should contain substantive information about how many resources each region would contribute to each outcome. In the priorities defined for Africa, mention should be made of the need for sustainable enterprises and the region's engagement to their promotion, especially SMEs. Youth and women entrepreneurship should also be included, in particular given the important role of women in conflict and post-conflict situations. For the Asia and the Pacific region, the distinction between middle-income and least developed countries should be graduated so that they were not provided only with high-level policy advice or technical cooperation. There were still high levels of informality in Latin America and, despite significant reductions in poverty and inequality, the region again faced a scenario of uncertainty. The Employers' group had not been consulted about the areas on which attention would be focused in that region (rural areas, labour migration and unacceptable forms of work). For the Europe–Central Asia region, the Employers expected that ILO cooperation with European social partners would be channelled through ACTRAV and ACT/EMP. The text for the Arab States was generic, making it difficult to comment.
56. *An Employer representative* said that the group recognized that research did not play a strategic role for the ILO and did not need the guidance or input of the Governing Body.
57. *The Employer coordinator* noted that one of the “red threads” running through each of the outcomes in the programme and budget proposals was the need to develop the capacity of constituents. However, it seemed that the Office's overall strategy was linked only to collaboration with the Turin Centre. The current approach seemed to be fragmented and lacked clear accountability and measurement mechanisms. The reference to the Turin Centre as a “global knowledge hub” was unclear: the Centre was a training facility and did not generate research and knowledge.
58. *The Worker spokesperson* said that the cross-cutting issues should be better reflected in the indicators for some policy outcomes. The reference to “governments, in consultation with social partners” should be standard language and practice in all relevant indicators. The phrase “in line with international labour standards” could also be taken as a model and used consistently throughout the document. The varying levels of ambition in some of the results criteria and disparities in the number of target countries (under outcomes 3 and 5, for instance) were causes for concern.
59. He supported the strategy for outcome 1 but called for indicator 1.4 to include a reference to structural transformation as an objective of various policy measures. The proposed work on youth was overly biased towards supply-side measures: more emphasis should be placed on the rights of young workers and the promotion of related tools. Indicator 1.2 and the corresponding results criteria should refer to “decent” employment, jobs and skills.
60. Under outcome 2, it was regrettable that the regions with the lowest ratification rates were also those with the lowest targets; his group expected to see higher targets for ratification across all regions. In view of the number of Decent Work Country Programmes being developed, a specific result criterion should be added under indicator 2.2: “percentage or number of Decent Work Country Programmes to be developed in the biennium that include targets for ratification of international labour standards”. Creation of a standards-review mechanism would make it possible to identify

- areas where there was a need for new standards. The ways in which the ILO would help promote the ratification and implementation of standards together with other organizations should be made clearer. The existing reference to national needs assessments made it superfluous to add a separate point on regulatory assessments.
- 61.** The Office could increase the level of ambition of outcome 3 by setting higher targets. A third results criterion could be added under indicator 3.3 in respect of ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102). With regard to outcome 4, a reference to the Promotion of Cooperatives Recommendation, 2002 (No. 193), should be added in the paragraph on international labour standards. The focus of the outcome should be on small and medium-sized and multinational enterprises. Cooperatives and the social economy should be key priorities. A balance should be struck, in indicator 4.2, between work on enterprises and cooperatives; targets under indicator 4.1 could be increased but the other targets should not be reduced. The ILO's approach to the rural economy in outcome 5 should be focused and not duplicate the work of organizations such as the Food and Agriculture Organization of the United Nations (FAO); it should therefore concentrate on the rural wage economy, especially plantations. Greater ILO engagement with the Committee on World Food Security was necessary. The very low targets should be clarified.
  - 62.** Under outcome 6, clear reference would need to be made to the proposed instrument concerning transition from the informal to the formal economy. National employment policy frameworks should give priority to job-centred macroeconomic policies and industrial policies that encouraged expansion of formal and higher added value jobs. Mention should be made of the benefits of formalization, and the targets for Africa should be strengthened. Conventions Nos 81 and 129 were particularly important with regard to outcome 7. Private compliance initiatives often operated in countries with weak public labour inspection, so the Office needed to ensure that unions and employers were involved in such initiatives. Reinforcing public inspections based on the relevant ILO standards should be a priority of ILO work.
  - 63.** Under outcome 8, particular attention should be paid to child and forced labour in agriculture, and to the reduction of anti-union discrimination. Limiting the definition of such discrimination to fundamental principles and rights at work would not be acceptable to his group. The ratification of Conventions Nos 87 and 98 was an important issue. The Office should collect statistics on freedom of association and collective bargaining, and the third results criterion under indicator 8.2 should refer to gender-disaggregated statistical data.
  - 64.** In the context of outcome 9, the Office should make better use of Decent Work Country Programmes to promote the relevant standards. An additional output should be included on the tripartite development of guidelines on recruitment. External partnerships needed to focus on joint efforts to enhance protection of the rights of migrant workers, and specifically migrant domestic workers. The surprisingly low number of countries listed as targets on a regional basis needed to be increased.
  - 65.** Under outcome 10, it was essential to develop the capacity and organizational base of unions at national level. Concerning the difference in funding for workers and employers, there were considerably more workers than employers in the world, and the central mandate of the ILO focused on the protection of workers; the concept of an equal budget for work of equal value did not therefore quite stand up.

66. The Office should give serious consideration to how the cross-cutting issues would be drawn out in all the outcomes in ways that delivered visible results. In the section on regional contexts, there was a lack of focus on international labour standards, particularly freedom of association and collective bargaining: none of the regions had highlighted outcomes 2, 5 or 10. In Africa, a broader strategy for industrial development was needed in order to obtain sustainable results, and the focus in fragile States should be on decent work, not just on productive employment. In the Americas, work on sustainable enterprises should include improving working conditions and promoting freedom of association and collective bargaining. The commitment to address the low rates of ratification of standards in the Asia and the Pacific region was welcome. In the section on Arab States, the promotion of freedom of association, trade union rights, social dialogue mechanisms and respect for the fundamental principles and rights at work of migrant workers should be reflected as main priorities. In Europe, the Office needed to offer stronger guidance on implementing ratified ILO standards and maintaining meaningful social dialogue.
67. ILO research should place more emphasis on the quality of employment and the key role of international labour standards in contributing to sustainable development, and on addressing income inequalities globally. The research opportunities set out in the centenary initiative were welcome. The socio-economic impact of the increase in non-standard forms of work should be included in the Office's major research programmes. Research into macroeconomic, green and trade policies should include a focus on industrial policies.
68. The launch of the *World Employment and Social Outlook* report was welcome, as was a single database of all the main indicators of decent work. Greater emphasis should be placed on international labour standards and tripartism in the Turin Centre's courses, and a critical mass of policy and research staff should be maintained at headquarters and in the field.
69. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe noted with appreciation the indicators and the considerable number of targeted member States, particularly from his region, under outcome 1. On outcome 2, there was certainly a need to review international labour standards. Support for building the capacity of stakeholders other than ministries of labour was welcome. On outcome 3, the proposal to provide support on social protection floors through Decent Work Country Programmes would enable constituents to benefit directly at country level. Synergies needed to be developed between the means of action to be taken under outcomes 4 and 6. In view of the fact that eight out of ten of the world's poor lived in rural areas, a fair number of country targets and more resources should be allocated to outcome 5. Strengthening labour inspectorates was another means of protecting workers from unacceptable forms of work, so the Office should ensure synergy between outcomes 7 and 8. Regarding outcome 9, there was a need for strong advocacy for a rights-based approach to achieve increased recognition and implementation of ILO instruments. The issue of social protection for migrant workers should also be addressed under outcome 3 on social protection floors. The objective of building the capacity of employers' and workers' representatives to participate in developing informed policies, as set out in outcome 10, was welcome. The Africa group was ready to support the budget proposal, on the condition that its views on specific items were given due consideration.
70. *Speaking on behalf of GRULAC*, a Government representative of Cuba welcomed the fact that the conclusions of the Lima Declaration had been considered in the preparation of the programme and budget proposals, and agreed that the ILO should take into

account elements including different models, focuses, stages of development and priorities in order to achieve the objective of decent work for all workers. To ensure that developing countries could attain that objective, the Office needed to support and cooperate with middle-income countries in a way that was adapted to their needs and role in the development cooperation system. He asked whether it would not be more appropriate to distribute indicator 10.6 equally among all the regions.

71. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom noted that the policy outcomes should be more clearly defined, and requested more information on how implementation was to be carried out through workplans. Although she supported the focus of outcome 8, it appeared redundant in some respects, as various other outcomes would contribute to the same objective. In many outcomes, greater coherence was needed between expected changes and indicators. The programme and budget should recognize work involving the post-2015 development agenda and its implementation, particularly, but not limited to, sustainable development goal 8. It should include cooperation with the UN system to make the United Nations fit for purpose. The Standards Initiative should be reflected in outcome 2, and further information was required on how it would impact the overall budget. The strategies of many policy outcomes should be developed further to include meaningful baselines. Some outcomes were formulated as targets and others as processes, and some referred to actions to be taken by States, which might make it more complicated to assess the impact of ILO activities. The three cross-cutting policy drivers should be more visible in the outcome indicators, and gender equality should be given greater prominence. On the plans to develop policy tools and materials, she asked whether the Office had an inventory of its existing tools and how much it would spend on developing new ones. It should avoid developing numerous materials that would not be widely used.
72. *A Government representative of the United States* indicated that a clearer distinction should be made among the individual policy outcomes, and that the accomplishments expected under each one and the links existing among them should be clarified. She asked how and where the five global flagship programmes under the ILO Development Cooperation Strategy 2015–17 would fit in with the ten outcomes, and how their implementation would be reflected in the outcomes, targets and indicators for 2016–17. Information should be provided on how the proposed targets had been set, given that in the majority of cases baselines would not be available until the end of 2015. Recent developments relating to the effective functioning of the ILO supervisory system and the Standards Initiative should be reflected in the indicators and targets. She asked for information as to how that would be reflected in the budget. The proposed indicators and targets did not mention the standards relating to occupational safety and health, labour inspection and equality of opportunity and treatment. Additional indicators related to the Office’s production of working documents to support the work of the supervisory bodies, and the proposed training academy on international labour standards would be useful. The language of outcome 3 could be amended to “Establishing and maintaining social protection floors”, in order to be consistent with the ILO Social Protection Floors Recommendation, 2012 (No. 202). Environmental sustainability and industrial relations were not reflected in the results criteria for indicator 4.2 despite being included in the indicator itself. The results criteria for indicator 6.1 appeared too broad in some respects and too narrow in others. It was unclear whether unilateral actions by the government to develop or revise policies and laws would qualify as reportable. The means of action in outcome 7 should include working with constituents on their allocation of sufficient resources for effective labour inspection systems. On outcome 8, further thought was needed regarding the focus on particular populations, such as migrant workers, and its impact on other outcomes. The indicators and targets for outcome 9 required some



refinement. Examples of the “enhanced international cooperation” in the results criteria for indicator 9.3 should be provided. She asked how members of the Research Review Group would be chosen and how its work would relate to research done in field offices. Information would be welcome on the decrease in funding for outcomes 2 and 7, and on where to find in the programme and budget proposals the funding allocated to gender equality and non-discrimination.

73. *A Government representative of Brazil* commended the budget allocation for South–South and triangular cooperation and the balance between voluntary contributions and regular budget allocations. It was important for voluntary contributions not to outstrip the regular budget allocations. She observed that the ILO should not lose sight of the fact that most working poverty was in middle-income countries, and similarly, that the targets in outcome 5 seemed less ambitious than for other outcomes. Noting that in 2014 a number of documents had been published to coincide with the opening of the International Labour Conference, she indicated that a more opportune moment for the publication of the *World Employment and Social Outlook* report should be identified in 2015 so as to maximize its impact.
74. *A Government representative of the United Kingdom* welcomed the emphasis in the report on evidence and evaluation, as well as on collaboration with other international agencies and partners. The programme did, however, imply an over-reliance on subsidization for job creation, in spite of evidence showing that subsidies helped short-term job creation but had mixed success in the longer term. The programme also generally focused too much on job creation rather than raising incomes: in low-income countries, it was primarily the raising of incomes through inclusive growth that was needed.
75. *A Government representative of Japan* noted that, although the budget proposals had a simpler structure and clearer objectives than in 2014–15, the rationale behind the ten outcomes and the relationship with the four strategic objectives was unclear. While it was difficult to review the proposed budget at such a late stage, the policy outcomes should be reconsidered in the Strategic Policy Framework for 2018–21 and in the cycle of the United Nations Quadrennial Comprehensive Policy Review. In that context the linkages between the policy outcomes and the strategic objectives should be strengthened and made clearer, in line with the ILO Declaration on Social Justice for a Fair Globalization. Concerning resources for the regions, additional resources should be allocated to Asia and the Pacific, since 60 per cent of the global labour force lived there, many of whom worked in the informal sector and suffered from poverty and inequality. Also, the region was particularly susceptible to natural disasters.
76. *A Government representative of China* said that outcome 1 was crucial, yet the regular budget in that area had been reduced by several million US dollars in comparison with the previous budget period. To boost employment, he encouraged the ILO to step up external partnerships; carry out further research analysis on industry investment; and prioritize the role of technical matching of skills. He outlined the importance of policies taken by his Government in respect of outcomes 3 and 4, and advocated more sharing of experiences on labour policies regarding outcome 7 on labour inspection. When collecting and processing data on best practices as part of its research agenda, the ILO should place greater emphasis on the role of local experts.
77. *The Chairperson* opened the discussion on Enabling outcomes (paragraphs 224–254).

- 78.** *The Worker spokesperson* supported the general scope of the three enabling outcomes. Nevertheless, outcome A could be made more ambitious in view of the global importance of the Decent Work Agenda. As an example, indicator A.1 should state that United Nations Development Assistance Frameworks could incorporate all four pillars of the Decent Work Agenda rather than only two. In outcome B, follow-up to the evaluation of the impact of the ILO Declaration on Social Justice for a Fair Globalization should not be considered merely as a governance issue, since its results would also have to be integrated into the Organization's policy work. The Workers appreciated the emphasis on risk management, including the establishment of a risk register, and the detailed information provided by the Office in that regard.
- 79.** *The Employer coordinator* noted that in the previous programme and budget period, targets and indicators for outcomes B and C had been contained in the overarching management strategies on technical cooperation, evaluation, human resources, information technology and knowledge. He asked whether new strategies focusing on those areas would be developed for 2016–17. Referring specifically to outcome A, he called for stronger involvement of constituents. For the ILO to influence the G20, it should involve the B20 and the L20; and to influence governments, it should fully inform and involve the respective social partners. The means of verification needed to be further elaborated, since it was insufficient to rely on the reports of ministries of labour and *Official Gazettes*. Referring to outcome B, he asked the Office to: include more information on constituents' involvement in the outcome; establish governance structures and control mechanisms to ensure that all communications and publications from the Office reflected the ten outcomes; clarify the distinction between the ILO as an Organization and the ILO as an Office; assess the success of reform efforts to improve governance since the beginning of the new Director-General's mandate; and explain why the risk "exchange rate fluctuations" from the previous period no longer applied. Referring to outcome C, he suggested incorporating measures of the delivery rate of aspects of the budget such as the RBSA and the RBTC at different stages during the biennium so as to help resource management. In reference to the proposed operational budget in the annex, he welcomed the reduction of the budgets for the Director-General and the Deputy Directors-General offices but requested further details on "grants". He asked why programmes for major regional meetings had received an extraordinary increase in the budget of 26.6 per cent.
- 80.** *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe urged the Office to ensure that decent work was a key component in all its external partnerships. His group also encouraged the Organization to continue its reforms and to strengthen governance in order to improve its capacity to deliver on the ten outcomes.
- 81.** *Speaking on behalf of IMEC*, a Government representative of the United Kingdom praised the attention paid to the ILO's risk management capability and to external partnerships. He requested the Office to provide updates of the latest strategies and efforts at engagement with external partners so that constituents could support those efforts, and to revise the targets and indicators to reflect the importance of multilateral engagement. IMEC was pleased with the approach taken to ensure that voluntary contributions, such as those to the RBSA, aligned with strategic and country priorities, but requested more information on how that unearmarked fund would be used to support the outcomes. Outcomes B and C were high priorities for IMEC. In outcome B, the targets should be described in a more strategic way, while two targets should be added to outcome C: one relating to efficient support services and the second to monitoring the process of resource redeployment to technical and field roles, which was currently overly dependent on increases in voluntary contributions.

82. *A Government representative of the United States* observed that some targets, such as the follow-up to project evaluation recommendations and the percentage of Decent Work Country Programmes that met quality criteria, could be higher. She welcomed the increase in resource allocation to oversight and evaluation and the emphasis on impact assessment and looked forward to the independent external evaluation of the evaluation function. She proposed adding a further target to indicator B.4 to ensure that issues identified during the independent evaluation would subsequently be addressed.
83. *A Government representative of the United Arab Emirates* speaking in his capacity as the Government Vice-Chairperson of the Board of the International Training Centre of the ILO, Turin, welcomed the importance attached to capacity development through cooperation with the Turin Centre in a majority of policy outcomes. The consideration given to the Centre in the programme and budget proposals indicated the Director-General's commitment to its role and to further strengthening collaboration and coordination of resource mobilization; such a commitment was essential to ensure the smooth running of the Centre and would be important for the development of its new strategic plan.
84. *The Director-General* thanked the members of the Governing Body for their input and informed them that the Office would respond to points of technical information at the conclusion of the discussion of the PFA Section the following day; he would provide a more political response, as foreseen, on Wednesday of the following week.
85. *A representative of the Director-General* (Director, Strategic Programming and Management Department) recalled that, since 2000–01, budget proposals had been based on a strategic approach that derived from a results-based methodology. The strategic budget for each policy outcome as presented in table 2 included all costs, excluding the costs related to policy-making organs and management services. The strategic budget for each policy outcome was thus higher than the individual operational budgets for the corresponding administrative units. Preparation of the strategic budget was based on the priorities set by constituents and the capacities available to the Office. Using preliminary information on targets and available resources, technical units at headquarters and in the regions, provided a plan indicating resources linked to the different outcomes. The programme proposals and “resource linking” were then submitted to internal peer review, and adjustments were made accordingly. Care should be taken when comparing the strategic budgets for 2014–15 and for 2016–17 because they referred to two different frameworks. The changes resulting from the shift to ten outcomes, down from 19 outcomes, should therefore be analysed in relative rather than absolute terms.
86. With regard to the relationship between the strategic budget and targets, the latter were grounded in specific capacity and plans, as well as in experience regarding the results that could be achieved with currently available resources. Accordingly, the levels of targets under different outcomes were not comparable. Some criteria were relatively easy to meet, while others were not, and so required relatively more investment and resources. In consequence, some results were more resource-intensive than others.
87. With regard to the budget for gender equality, that was included in the operational budget of the Conditions of Work and Equality Department and of the regions where gender specialists were located. A number of technical cooperation projects specifically addressed the issue, and dedicated products and services were factored into several outcomes. It was important to remember that the ten strategic outcomes were interdependent and mutually reinforcing, and they should always be considered as integrated responses to the needs expressed by member States and in relation to the

- ILO's role in the multilateral system. Resource allocation continued to be a key concern. A more balanced distribution of resources from the regular budget and the RBSA had helped to offset the imbalance in the distribution of extra-budgetary resources.
88. The proposed formulation of indicator B.1 under the enabling outcome on governance reflected efforts to set more precise targets that would take account of the results achievable under the governance reform up to 2017. Regarding the absence of a target on improving the efficiency of support services under indicator C.3, the upcoming review of administrative, business and processing functions would provide further opportunities to determine the most efficient and effective service delivery models and identification of appropriate targets. Some existing management strategies (such as that on evaluation) had been extended to the end of 2017; a new technical cooperation strategy was being proposed, and human resources and information technology strategies had been developed as part of the reform process.
  89. With regard to the process and methodology for establishing targets and baselines, he recalled that some outcomes were clearly linked to the current Strategic Policy Framework, while others were derived from ACIs for which a clearly defined results framework did not exist in 2014–15. Targets had been formulated on the basis of country and constituent needs and of Office capacities. Baselines would be determined through a collaborative process involving headquarters and field offices on the basis of the ILO's performance at the end of 2015 and taking into account the Governing Body's guidance on the ACIs. With regard to the overview of regional contexts, the document emphasized outcomes for priority action in each region, but that did not mean that work would not be undertaken in relation to other outcomes.
  90. Regarding the increase in the RBSA, estimates were based on known approvals and estimated delivery as per data available in November 2014. RBSA contributions approved by eight donors had amounted to \$31.5 million in 2014. The Office expected total RBSA approvals to reach \$42 million for the biennium 2014–15. While it was difficult to anticipate the level of RBSA that would be allocated to employers' activities in 2016–17, an amount of \$1.9 million had been allocated since the beginning of 2014.
  91. *A representative of the Director-General* (Treasurer and Financial Comptroller) responding to the financial questions raised, said that the operational budget for 2016–17 reported the number of work-years, divided into "Professional" and "general service" categories, for each organizational unit. A direct comparison with the corresponding table for 2014–15 would clearly identify the areas of increase. He identified, by way of example, the increase in professional work-years for the Policy Portfolio, from 495 to 540 work-years. With the exception of the Deputy Director-General's Office and the Sectoral Policies Department, all departments in the Portfolio had budgeted for an increase in Professional staff. A comparison of the Field Operations and Partnerships Portfolio with the previous biennium showed an overall increase of 35 professional work-years with the individual regional office budgets showing an increase of 38 work-years. The net increase of 17 positions in the Portfolio translated into 19 positions directly in the regions, owing to reductions elsewhere in the Portfolio. Of the 60 re-profiled positions, 18 were conversions of general service positions to Professional positions; 11 were managerial positions converted to technical specialists; and 31 positions were re-profiled or redeployed within existing units, namely shifts from administrative to technical positions and from senior to junior technical specialists, which had increased the overall number and mix of specialists. Four of the 19 re-profiled positions were distributed in Africa, two in Asia, seven in the Americas and two in Europe. The Policy and Support Services Portfolios had a total of 32 re-profiled

positions. ACTRAV and ACT/EMP had four re-profiled positions, and in the management area there were five.

92. The redeployment of \$25 million for strengthening the technical and professional capacity of the Office came from re-profiling of positions, which accounted for \$16.4 million, and redeployment of non-staff resources towards priority areas, accounting for a further \$8.2 million. The \$25 million would be redeployed to fund ten new positions in the Policy Portfolio (\$4.6 million); 17 new positions in the regions (\$6.7 million); and increases in RBTC and in the Resident Coordinator system (\$2.5 million and \$2.7 million, respectively). There was also provision for an additional regional meeting at a cost of \$561,000, while the budget for Oversight and Evaluation had been increased by \$330,000. The balance of \$7 million would be redeployed to reinforce technical and professional capacity within existing departments.
93. The presentation of the risk register had changed, based on the advice of the newly appointed Senior Risk Officer. It contained more standardized definitions of risks, their root causes and remedial actions. In substance, however, it was consistent with the previous risk register. The risk related to foreign exchange was retained; it was described as one of the root causes of the economic risk in table 4, risk 6. The remedial actions remained valid and provided a good level of protection to the regular budget.
94. A \$1.5 million budget reduction due to the change in policy on travel on official business of ILO staff had been reflected in the Programme and Budget for 2012–13. Further savings resulting from the alignment of the travel rules for Governing Body members and meeting delegates with those for ILO staff, amounting to some \$500,000, had been taken into account in the proposals for 2016–17. When considering staff costs, it was necessary to look not only at the dollar amount but also at the volume of staff inputs. The availability of expertise would be increased by 100 professional work-years in 2016–17 compared with 2014–15. After-service health insurance (ASHI) was an increasing expense, but one that was due to demographic factors and the Organization's current policy on meeting that cost. No decision had been taken by the Governing Body at its 322nd Session on a change of policy on ASHI, pending the United Nations General Assembly's consideration of the system-wide review and as such the pay-as-you-go methodology had been retained. Following the removal of one regional meeting from the budgetary provisions for 2014–15, the proposals for 2016–17 included resources for two regional meetings, since there was no indication of a change to the practice of holding two regional meetings each biennium. He advised that grants included direct contributions to the Turin Centre (\$8.2 million), the Inter-American Centre for Knowledge Development in Vocational Training (\$2.3 million), the long-term building renovation fund (\$3.8 million), staff development and training (\$12.1 million) and the core structure of the Administrative Tribunal (\$600,000).
95. *The Worker spokesperson* recognized that a fuller draft of the programme and budget proposals had been provided than in the past. However, it would be useful to have had some of the additional information available beforehand, and to have the figures that had just been presented made available in a document. The Governing Body was not the appropriate place to demand substantial budget reallocations. Nonetheless, he wished to emphasize the importance of allocating adequate resources to deliver on all four pillars of the Decent Work Agenda.
96. *The Employer coordinator* agreed that having the figures presented in a document would facilitate consultation within the Employers' group.

97. *The Chairperson* suspended the discussion on the programme and budget proposals and recalled that the Director-General would provide his detailed response on Wednesday of the following week.
98. The Governing Body reconvened on 25 March. The Director-General introduced his proposals for adjustments to the Programme and Budget proposals for 2016–17.<sup>2</sup> The Director-General's statement is reproduced in Appendix II.
99. *The Employer coordinator* said that, for the sake of making progress, his group had proposed to the Strategic Programming and Management Department that discussions regarding remaining concerns should be continued with the Employers' Secretariat. Regarding outcome 4, the proposed adjustments were encouraging, although the group had requested that the number of target member States under indicator 4.1 be increased to 24, and still expected that adequate modifications could be made to that effect. Regarding outcome 1, he noted and accepted the points raised by the Director-General with regard to youth and skills. However, the group regretted that the focus had been on the size of the allocation, which remained the highest, not on the fact that it had been reduced the most. Regarding outcome 8, the Employers noted the Director-General's intention to direct resources to the most deserving and worst situations and to continue with a consensual approach to addressing unacceptable forms of work. It was regrettable that resources for ACT/EMP had not been increased, as the group remained convinced that the Bureau was not adequately resourced. However, the Director-General's intention to keep the situation under review was noted. Because the Governing Body would no longer be playing as strategic a role as previously envisaged, the Research Department should fall under the auspices of the Deputy Director-General for Policy. The group supported the Programme and Budget proposals for 2016–17.
100. *The Worker spokesperson* welcomed the Director-General's commitment to consult further on the indicators and targets under some of the outcomes and to look at how best the cross-cutting drivers could be reflected in all ten policy outcomes. He underscored the importance of including cooperatives and social enterprises in the work on sustainable enterprises and the enabling environment, and also welcomed the increase in the strategic budget for labour inspection. Work on the transition from the informal to the formal economy should remain fully covered by other relevant outcomes, and work on skills and quality employment for young people needed to include a rights dimension and be reflected in the indicators for outcome 1. There should be an open and transparent focus on where the RBSA, and especially extra-budgetary support, was being received and allocated. Concerning the redeployment of resources, his group expected that the number of technical specialists working on areas such as standards and industrial relations would be increased. The group supported the draft decision.
101. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe welcomed the reallocation of resources to both outcome 4 and outcome 7. A fair share of resources from outcome 6 could also have been redeployed to outcome 3. Nonetheless, taking note of the Director-General's submission that all the outcomes were mutually supportive, the group supported the draft decision.
102. *Speaking on behalf of GRULAC*, a Government representative of Cuba noted the Director-General's proposal to strengthen extra-budgetary resource mobilization, particularly through South–South cooperation and public–private partnerships, but emphasized that South–South cooperation was complementary and did not replace

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<sup>2</sup> GB.323/PFA/1/1.

official development assistance resources. His group would participate constructively in the consultations on strengthening the strategic framework announced by the Director-General. Taking into account the latest modifications, the group supported the draft decision.

103. *Speaking on behalf of ASPAG*, a Government representative of China expressed appreciation for the increase in the allocation for youth employment. The 39 new posts should be allocated to the underrepresented and non-represented countries. He reiterated that the ILO website should be developed in the remaining UN languages, namely Arabic, Chinese and Russian. The group supported the draft decision.
104. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom appreciated the Director-General's reassurance about avoiding complacency and the creation of new silos, and the offer of further consultations on baselines, targets and outcomes. The group supported the draft decision.
105. A Government representative of Panama said that the Programme and Budget proposals for 2016–17 reflected the ILO's promise to continue its work based on the revised strategic framework in order to achieve all ten outcomes. She supported the draft decision.
106. A Government representative of the Bolivarian Republic of Venezuela welcomed the fact that a zero real growth budget had been maintained in the proposals. While his country was facing financial constraints owing to the fall in oil prices, it was committed to paying its assessed contributions to the Organization. The cost of the budget proposals would continue to fluctuate through June 2015 when the budget would be adopted; any further savings would lessen the impact of that fluctuation. He supported the draft decision.
107. A representative of the Director-General (Treasurer and Financial Comptroller) announced that in the English version of the draft decision, the word "passes" would be amended to the correct term, "adopts".

## Decision

### 108. *The Governing Body:*

- (a) *recommended to the International Labour Conference at its 104th Session (June 2015) a provisional programme level of US\$797,388,828 estimated at the 2014–15 budget exchange rate of 0.95 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;*
- (b) *proposed to the Conference at the same session a resolution for the adoption of the programme and budget for the 75th financial period (2016–17) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, adopts for the 75th financial period, ending 31 December 2017, the budget of expenditure for the International Labour Organization amounting to \$..... and the budget of income amounting to \$....., which, at the budget rate of exchange of Swiss francs ..... to the US dollar amounts to Swiss francs ....., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

(GB.323/PFA/1/1, paragraph 5.)

## Appendix I

### **Statement by the Director-General to the Programme, Financial and Administrative Section of the Governing Body (323rd Session – 16 March 2015)**

I am pleased to have this opportunity to present to you my programme and budget proposals for the coming biennium, 2016–17, as a basis for the Governing Body to determine the recommendations that it will forward to the International Labour Conference for final adoption in June.

This is the second set of such proposals that I have presented, the first occasion having come very soon after my election. It is with this perspective in mind that I have felt it particularly important to ensure that the document and proposals now before you embody the key propositions and orientations of the vision statement upon which I was elected by you, and particularly that they provide a basis for the continuation and the deepening of the reform process that has been the driver of change and improvement in the ILO over the past two-and-a-half years.

I believe that these proposals do that; I believe also that they benefit significantly from the guidance that you have provided over that period and most particularly in the debate on the preview document that took place here last November. We have carefully considered in the secretariat everything that we heard then, and it has undoubtedly served to enrich the proposals that I now present. And, of course, we continue to listen.

It is a logical consequence of what I have just said that there must be a combination of continuity and of innovation in these proposals. Continuity, because moving the ILO forward towards the ambitions that together we have set for it, is not the business of a single biennium and so, in many respects, we must hold the course that has been set rather than be distracted from it. But innovation too, because both our circumstances and our efforts present new opportunities to do better than before, and we must take those opportunities.

At the outset let me recall that, within the established framework of the Decent Work Agenda and the ILO Declaration on Social Justice for a Fair Globalization, the overarching goal of the programme and budget proposals is to advance the task of making the ILO more influential and hence more capable of advancing its mandate for social justice. To do so, the proposals seek to enhance the ILO's technical and analytical capacities, to organize its substantive work around a limited number of key policy outcomes, to provide high-quality and relevant services to our constituents, to make the ILO a committed and valued part of the United Nations (UN) delivering as one, to increase the effectiveness and efficiency of our work and to be held accountable to the highest standards of performance through a reinforced results-based system of management.

At the heart of the proposals, you will find the ten policy outcomes. They are, I think, a good example of the mix of continuity and innovation of which I have spoken. Substantively, many of them build upon work in the current biennium, specifically under the eight areas of critical importance (ACIs), but now with modifications, some of which stem from your comments last November. Moreover, fair and effective migration policies have been added in the light of last year's Conference debate. Policy outcomes on strong and representative employers' and workers' organizations and on international labour standards are also proposed as a proper and required response to the imperatives of truly operational tripartism and the crucial nature of the ILO's normative function on which I sincerely trust we will be able to make significant advances during this Governing Body session.



Getting the choice of these ten policy outcomes right is obviously of essential importance to the job that we have before us. These outcomes must be relevant to member States in all regions and must address priority challenges where the ILO can and must make a very substantial difference. Our consultations to date allow me to say to you today that I think that what is proposed meets those requirements. But it is equally important that the results-based management methodology underpinning these outcomes is robust and credible.

We are helped in this by the fact that it is now possible to align fully our policy priorities with our programme outcomes, something which circumstances prevented in the course of the current biennium. As you will see, we have a concise, strategic outcome statement for each outcome, an identification of the issues to be addressed and of lessons already learned and a presentation of means of action. That is followed by a series of indicators with results criteria and a total of 560 expected country targets.

In all of this, we have worked to ensure that the targets reflect properly the regional priorities outlined in the proposals, which have been substantially reworked because they were an identified point of weakness in the preview discussion that took place last November.

We believe that, taken together, this represents a significant strengthening in the “science” of results-based management; but we have no illusions – we need to keep working at this. But these proposals do, I think, take us forward.

Let me highlight three further points in respect of these ten proposed policy outcomes.

First, the fact that they are relatively few in number and do not generally correspond to individual technical or administrative units in the Office means that they become potentially much more effective vehicles for the ILO to bring a critical mass of resources and needed multidisciplinary approaches to the task of addressing the challenges that they embody. That provides real opportunity to improve the quality of ILO work, but we can realize it only if we succeed in overcoming the compartmentalized practices of the past. We have worked hard to bring down our own silos and I think that we are managing to do so.

Second, each policy outcome will be implemented with full regard to what are now three cross-cutting policy drivers, relating to international labour standards, relating to social dialogue and relating to gender equality and non-discrimination, which are relevant to them all. In addition, they will be supported by three enabling outcomes addressing effective advocacy, governance and support services.

In preparing these proposals, the need to subject these three “enabling” factors to the same disciplines of results-based management as the policy outcomes seemed increasingly persuasive. But our previous conversations did reveal some concern among you that the accumulation of policy outcomes, enabling outcomes and cross-cutting drivers (10 + 3 + 3) meant that the claimed focus of efforts in the proposals might be more apparent than real. However, I hope that the full presentation of the proposals now before you will allay any worries in that regard and show that what are dealt with here are quite distinct and complementary dimensions of the programming process.

Third, the proposals for each policy outcome explain how partnership with other institutions active in the area concerned can contribute to the achievement of ILO objectives – and I do want to underline the importance of this proposition. This is very much in line with the Organization’s determination to work more closely with others in the UN system – and to invest in that – and with actors beyond the system too.

The Governing Body will recall that the seven centenary initiatives which I first suggested to the International Labour Conference in 2013, and which have since received its approval, will need to be operational in the period covered by these programme and budget proposals and in the biennium after it as well. They cover a variety of types of activity, all of which – albeit in quite different ways – are woven into these programme and budget proposals. Three contrasting examples can be taken to illustrate the point: the future of work initiative figures prominently under the research proposals; the governance initiative is taken

up most specifically in enabling outcome B; and the women at work initiative is central to the gender equality and non-discrimination cross-cutting driver. These examples illustrate a basic point that the initiatives are integral to the activities proposed, rather than being additional to them.

There are, however, two other areas in which it is proposed to invest specifically, with a view to adding real value to the programme and budget as a whole.

The decision taken by the Governing Body a year ago to adopt simultaneously a programme and budget and a transitional strategic plan for 2016–17 so as to allow a full alignment of the medium-term planning cycles of the ILO and the UN as of 2018 was, I believe, a clear statement of interest – a clear choice – for the enhancement of the ILO’s role in the wider UN system. We are doing this and we are doing two further things in these proposals to advance us in this direction.

The first thing that we are doing is to increase to \$4 million the ILO’s financial contribution to the UN Resident Coordinator system, an investment which is matched, and I think to some extent justified, by the fact that the ILO now participates in 133 UN country teams around the world and that funding from the UN made up 12.6 per cent of the ILO’s extra-budgetary allocations in 2013, the last year for which we have such figures.

The second is the manner in which the proposals anticipate a strong ILO contribution to the UN’s post-2015 development agenda to be adopted next September. We will be hearing more about this later in this Governing Body session, but the point I want to make for now is that, in the event that decent work and social protection, *inter alia*, do find their place in the UN post-2015 development agenda, and with the vehicle of the end to poverty centenary initiative to hand, the ILO will be well placed to take up its important responsibilities in this context.

The inclusion in my proposals of a specific section on “Research, knowledge, labour statistics and capacity development” is both a response to a specific instruction of the Governing Body and the reflection of the major effort undertaken by the ILO to upgrade its research, analytical and statistical work, to which I referred at the outset. We need significantly improved capacity in these areas in order to be effective evidence-based policy advocates and the providers of the quality services that you, our constituents, demand. It is from this, and this alone, that increased influence will come.

Efforts in this regard have centred on the new Research Department, but they are not limited to it. Other parts of the Office – in Geneva and in the regions – are also involved. In any case, when the decision was taken by the Governing Body in October 2013 to discontinue the International Institute for Labour Studies, it was agreed that governance functions previously performed by the Board of the Institute would, in future, be exercised by the Governing Body in the context of the programme and budget discussion. In pursuit of that Governing Body instruction, proposals in this area provide for two major strands of work – one on major trends in the world of work in the context of the future of work initiative and the other focused on “what works” – evidence-based policy analysis – in connection in particular with the ten proposed policy outcomes. This is to be backed up by a proposed reinforcement of our statistical work – more and more widely recognized as a precondition of our effectiveness – and the launching of a new major flagship publication, as well as the work of the Research Review Group whose eminent members will help provide important guarantees concerning the quality, rigour and objectivity of the work undertaken. I am pleased as well to inform you that we have advanced significantly in our efforts to establish a joint research agenda with the World Bank, and have attracted significant funding for that.

I will conclude my presentation with some comments on the level of the budget, centred on the basic point that these proposals represent a continuation of the zero real growth trajectory of the ILO, which we have been on since the 2000–01 biennium. That means, by the way, that in real terms the budget as proposed stands 14 per cent below its real level of 1978–79, the peak years.

Before I get to that, I want to insist on the significance of the internal redeployment of resources within this constant real resource base, which is contained in the proposals before the Governing Body.

If the reform commitment with which I was elected is to be taken seriously, I believe that it is incumbent on the ILO to demonstrate that it is shifting resources to front line technical analytical work and direct service provision through concerted and persistent efforts to economize on administrative and support functions and through overall improvements in efficiency.

Our response during the current biennium is the ongoing redeployment – of which you are aware – of \$18 million to strengthen ILO technical work. It is now proposed to redeploy a further \$25 million to the same effect – that is 3.3 per cent of the proposed regular budget. Concretely, this would mean not only that 22 new technical positions are provided for in the Policy Portfolio, but also that an additional 17 such positions are provided for in the regions, together with an extra \$2.5 million in regular budget technical cooperation resources for the regions. This means a net increase of \$6 million for the regions. This has been made possible by the systematic re-profiling of staff positions involving shifts from General Service to Professional posts and from managerial to technical ones, together with reductions in non-staff expenditure. It has been a lot of hard work but, in short, we are trying to put our money where your needs are.

Given that a current focus of the continuing reform process is the in-depth review of internal administrative and business procedures, I am hopeful that more can be done in the future.

What has been achieved so far – and what we hope to continue to do, I want to underline – has been done through constructive cooperation with our own staff and their representatives, and I want to express my appreciation for that. You will be hearing from the staff representative later in the session.

These are important developments. We think that they represent significant enhancements of ILO technical capacities and we think that we are honouring the commitments that we made two-and-a-half years ago. But my colleagues and I are constantly aware as well that they would count for little if they came at the price of undermining the Office's responsibilities to you for sound administration and financial management of the resources you choose to place at our disposal. I want to reassure you that we will not allow that to happen, and indeed we propose as well to increase expenditure on oversight, audit and evaluation to help make sure that it does not.

Finally, the bottom line of these proposals is a regular budget of \$801.26 million in constant US dollars – that is to say identical to the real level of the current budget and, as I have indicated already, a continuation of the zero real growth trajectory. The peculiarity, if I may say so, of our current position is that because of the negative evolution of costs explained in detail in Information Annex 2 to my proposals, the nominal level of the budget is now \$797.39 million, that is to say some \$3.8 million or 0.5 per cent below the nominal dollar level for the current exercise, at the current budget rate of exchange.

I am conscious that exchange rate fluctuations can cause these figures to vary and that many governments are equally conscious of that reality, not least in the light of some recent variations. In that regard, there are a couple of simple points which might usefully be borne in mind: that exchange rates, obviously, lie beyond the capacity of the ILO to influence and generally act to the advantage of some and the disadvantage of others, with today's winners often being tomorrow's losers. These issues were the object of prolonged discussions prior to the establishment in 1989 of the current dispensation of a budget set in US dollars and assessed in Swiss francs and there seems to me to be no reasonable way in which they can, or should be, accommodated further in my proposals or your discussions.

Governments, in particular, can be reassured by what I have said, and more importantly by what the Office has done over the last two-and-a-half years: that we understand the financial constraints acting on many of them, and that we assume for ourselves the financial and managerial disciplines faced by public administrations across our global ILO membership.

I trust that members of the Governing Body will find in the proposals before them a vision for the ILO worth investing in and engaging with and, with these remarks, I commend these Programme and Budget proposals for 2016–17 for your consideration and for your adoption.

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## Appendix II

### **The Director-General's response to the issues raised by Governing Body members during the discussion of the Programme and Budget proposals for 2016–17**

(323rd Session – 25 March 2015)

I would like to begin my reply to last week's debate on my Programme and Budget proposals for 2016–17 with two general comments, before moving on to more specific issues and some ideas for modifications.

The first general comment has to do with process. The need for full and continuing consultations in the process of formulating, finalizing and then implementing the programme and budget has been emphasized by all and I have said, and I reiterate now, that my colleagues and I understand that need and are absolutely committed to meeting it.

Indeed, many in the Governing Body have welcomed the consultations that have taken place to date, but some have expressed concerns about their inadequacy. This is despite the fact that the Office is a vigorous “equal opportunities consulter” – we must, and we do, engage with all equally.

This situation may be the result of different expectations in our tripartite constituency. But it leads me to a somewhat different thought, which is that the responsibility of the Office to listen carefully and to respond to the views of the Governing Body is matched by the need for the different groups of the Governing Body also to listen to each other and to judge the proper outcome of our work, in the light of the totality of all of the ideas expressed. That is the road to consensus building, which is the way our Organization works, and can only work, and the basis upon which this reply is formulated.

That leads me to the second of these general considerations. It is that there was clearly wide and strong support for the fundamental rationale, structure, and intent of my programme and budget proposals.

All of those who addressed the issues – the great majority of you – welcomed the concentration of resources on ten policy outcomes backed by three enabling outcomes, and the use of multidisciplinary approaches for their realization. You equally welcomed the significant redeployment of resources from support and administrative functions to frontline technical work of direct benefit to constituents, and from Geneva to the Regions. And, for the most part, the continuing involvement in research and analytical work – the continuing improvement in research and analytical work – was recognized as strategically crucial to the overarching objective of establishing ILO leadership and influence.

In all of these areas, the proposals were recognized – and positively received – as being consistent with ongoing reform in the Organization and benefiting from the demonstrable results that the reform process was yielding within the unchanging guiding framework of the Decent Work Agenda and the 2008 Declaration on Social Justice for a Fair Globalization. All of this, nevertheless, came with a warning to the Office not to relax in its reform commitment or to become complacent – and we will not do that. An accompanying warning was for us to be alert to the danger that the changes we have introduced in the Office – designed, *inter alia*, to break down silos in our structures and working methods – might inadvertently give rise to new silos. I understand that point – and once again I say that we will not let that happen.

These two general reflections provide what I think is a very positive platform from which to address the more specific matters of concern. Because not only is there general support for the choice of the ten policy outcomes which are at the heart of the programme proposals, and its reform-driven rationale, but also for the proposed level of the budget. Partly, no doubt, because of the positive (perhaps I should say negative) evolution of our costs, but

also, I believe, in recognition of the real efforts made by my colleagues to render better value for money to our member States, nobody has asked for the proposed budget to be cut below its proposed zero real growth trajectory. That is exceptional and means that our current debate does not have to address how much money you entrust to us, but can focus instead on how we use it.

And that leads me to the more specific matters.

The first of those concerns the complex nexus of issues surrounding our attempts to reinforce the results-based management framework of the proposed programme and budget, and the setting of baselines, indicators, targets and outcome statements.

There were many inputs on this from all groups. And while you were generally supportive of the real intent of strengthening our results-based management systems, shortcomings and difficulties were also highlighted, and need to be acknowledged. Some of these relate to problems with specific indicators or targets, and others are of a more general nature – for example, on the extent to which we have been able to translate the real substance of our outcomes into appropriate, measurable instruments.

It is not possible for me to address all of the points raised this afternoon – but I do want to acknowledge the particular stress placed on the need to more fully reflect the key roles of international labour standards and of tripartite involvement in the work that we do, and to better align proposed targets with stated regional priorities.

But let me make a proposal of a procedural character which might help us to address the entirety of these issues. My feeling is that we need to work further to fine-tune our indicators and targets, and a number of you made explicit and generous offers to help us to do that. We want to take advantage of that possibility. So, I would propose that we undertake a process of consultations with all of the groups to rework some indicators and targets in the light of the comments that have been made here. To help the process, and to respond to requests that have come from many members of the Governing Body, we will share with you information – indicative and provisional as it has to be – on baselines (which can only be fixed definitively at the end of the year).

Following previous practice – because we have been in this situation in past biennia, refinements to targets and indicators resulting from consultations with you would be presented in an addendum to the proposals approved by this Governing Body for presentation to the Finance Committee of the Conference in June.

This process cannot, and should not, be a wholesale reopening of our results-based framework, but is a valuable opportunity for improvement – and we will also have to incorporate the consequences of a number of proposals for modification of programme outcomes, which I will come to in a moment. Please join us to extract the full potential of this process.

One purpose this exercise can serve is to provide greater assurance that the three cross-cutting drivers that are proposed to inform the implementation of all policy outcomes are more fully integrated into their implementation.

I say this because concerns were expressed that these drivers – standards, social dialogue, and gender equality and discrimination – needed to be real and not cosmetic. Let me be clear. They must be real drivers of everything we do. I must acknowledge that, in the current stage of evolution of development of our resource management processes, I am not in a position today to give a comprehensive quantification of how much we will devote to each one of them. But I can give you the undertaking that they will be integrated into our outcome strategies and that outcome coordinators will be accountable for performance in this regard, which will in turn be reported to the Governing Body.

The way in which the seven centenary initiatives fit into the proposed programme and budget was referred to in several interventions, and, indeed, in my introductory remarks of last week. I made the basic point then that these initiatives were woven into the structure of the

proposals, rather than added on top of them. The way this happens varies according to the initiative – which, as you know, are each of quite a different nature.

Some of them are already very firmly embedded in ongoing processes which have been advanced significantly at this Governing Body session. This has been the case for the governance initiative and the standards initiative, very encouragingly, and in each case I think that we understand where we want to go, and that we understand the challenges ahead. Equally, we have had detailed discussions in the past on precisely how we will implement and review progress on the enterprise initiative – and that falls into the same category. The end to poverty initiative is, I believe, extensively provided for in many of the policy outcomes – notably those on unacceptable forms of work, informality and the rural economy. But it will gain real impetus with the adoption of the United Nations post-2015 development agenda, and we are all conscious of the work the ILO has already done, and will continue to do, to take up its responsibilities in that regard.

The women at work initiative is reflected most notably in the gender equality and non-discrimination cross-cutting driver – but also extensively in our research agenda, where we have the important task of taking stock of the achievements recorded to date (they are significant and considerable), the realities of continuing inequality and the obstacles to progress. All of this is critical to the elaboration of new and innovative initiatives, on which I believe that future progress depends.

The future of work initiative will be the subject of my Report to the International Labour Conference this year, and I look forward to the opportunity to present more fully proposals for its implementation at that juncture.

That leaves the green jobs agenda. It is part of policy outcome 4, and finds expression elsewhere, too, in my proposals. But, having listened to you, having reviewed again my proposals, having in mind the guidance provided in past Conference discussions – as well as the crucial *rendez-vous* at COP-21 in Paris in December – I must acknowledge that we will need to do more in the future to shape proposed activities into a broader and more coherent initiative worthy of that name. I think we will need to return to this in the light of the decisions made in Paris, so that this initiative can gather momentum all the way up to our centenary in 2019.

Much of the initial discussion last week focused on the allocation of resources between the ten proposed policy outcomes. Questions were asked about the reasons for the significant differences between the levels of these allocations and suggestions were made for their modification.

Let me first address the underlying logic of the originally proposed allocations.

This begins with the proposition that if this Governing Body considers that the ten issues addressed by these outcomes are truly of key importance in the world of work, and that ILO activity should have a serious impact on them, then we cannot do otherwise than invest a given minimum critical mass in each of them. That minimum we have set in our proposals around the US\$34 million mark (what we have proposed to spend on policy outcomes 5 and 9 – these are the smallest of all the budgets, and refer to the rural economy and to fair migration, respectively). These allocations are relatively small not because these outcomes are any less important intrinsically, but because they are relatively new, or perhaps renewed, areas of priority, where, whether we like it or not, the ILO has to grow its capacities – and this is an organic and gradual process. But I do not believe we can invest less in these than what has been proposed and then still claim for them the status of a full policy outcome.

We have been challenged – justifiably, I think – to explain where we will be doing less as we seek to assemble critical resource mass around priorities in a zero real growth scenario. The answer is to be found in the reduced allocations to some other policy outcomes as compared to 2014–15: this is the case for five of the policy outcomes – generally the largest. Such reductions, taking the whole situation into account, are more or less inevitable. But questions have been raised about whether each of them is appropriate in magnitude, or rather a

departure from proper strategic priorities, and balance across the four pillars of the Decent Work Agenda.

I am mindful of the concerns expressed that the programme and budget should address each of these four strategic objectives in a properly proportionate way. With the modifications which I am about to propose I am confident that our proposals will go further in meeting your concerns. But let us not make the mistake of regarding each individual policy outcome as constituting a silo, each hermetically sealed off from the others. Rather, they are interrelated in multiple ways and most of them address more than one strategic objective; some, arguably, address all of them. We are asked by you simultaneously to exploit synergies between them and to avoid overlap. We will do our best to distinguish between the two and to ensure maximum coherence and complementarity.

Responding to specific remarks made in debate last week, I have the following modifications to present to my original proposals.

As regards outcome 4 (Promoting sustainable enterprises), I propose to add US\$7 million to the originally proposed allocation in order to maintain the Organization's commitment in this area: \$4 million of this would go to Indicator 4.1 on the enabling environment, with the remaining \$3 million equally shared between Indicators 4.2 and 4.3.

In addition, I propose to mitigate the reduction in the allocation to outcome 7 (Promoting workplace compliance through labour inspection) – and that reduction is considerable. This was commented on by many of you, and I proposed to restore US\$2 million in extra funding.

There were calls, as well, to redress the reduction in the allocation to outcome 1 (on more and better jobs), on the grounds that it is central to the task of tackling the global unemployment crisis. Nevertheless, I cannot find justification for doing so, particularly because, as now proposed, it remains far and away the biggest outcome allocation, and also because it is not the only one designed to help get the world back to work – I think I ought to say “back to decent work”.

This said, I believe that there is need and scope for an internal reallocation of resources within this outcome in order to bolster the focus on skills and youth. This was the objective comment from you, and can be achieved by a significant increase in the targets under Indicator 1.2 on jobs and skills for young people and a corresponding redeployment from each of the other indicators under the same outcome.

The question, obviously, then arises of where this US\$9 million of redeployment is to be found. My intention is that it be identified by a corresponding reduction in the allocation to outcome 6 (Formalization of the informal economy), which, nevertheless, would leave us with a very substantial increase by comparison with the current biennium, as is appropriate in the years that will follow immediately on the important discussion on this subject at this year's International Labour Conference.

I want to assure you that this does not detract from the importance that we attribute to this issue and we will make every effort to tap additional resources, whenever possible, for related work that cannot be accommodated under other outcomes.

I will now make some remarks on the relationship between what is proposed in respect of the regular budget funds and what is to be done with extra-budgetary resources.

As has been explained to you already, our estimates for extra-budgetary resources, and for RBSA, are based on past experience and the information currently available to us. But this is not an exact science. Moreover, as we do our best to ensure maximum complementarity of activities, regardless of the source of funding, we must recognize that what we can do, in reality, is based on a combination of the needs that we identify and the possibilities that we have – this is to say, what our donor partners make available to us, and for what purposes. Of course, RBSA does allow us a degree of latitude to direct resources to otherwise under-funded



activities and outcomes, and to also ensure more tripartite involvement in them, and we will take full advantage of that possibility.

I will also recall – but will not repeat – the terms of yesterday’s debate on flagship programmes. You made a strong call for continuing consultations on them, and, given their strategic significance to our overall future programme, I have high expectations of that process of future consultation.

The Office will also work hard at its resource mobilization efforts, including through innovative modalities, notably South–South cooperation and public–private partnerships. Given the existing ratio between our static real regular budget resources and our extra-budgetary resources, I believe we can and should seek to increase the latter, and can do so without incurring any risk of over-reliance on external funding which might eventually rebound to our disadvantage.

There was detailed and, I think, very helpful discussion last week on the proposed outcome on unacceptable forms of work. The fact that it mostly took place in the POL Section rather than in the PFA Section of our Governing Body reflects the fact that it focused more on substantive considerations – particularly issues of definition – than on budgetary ones.

I am persuaded that those debates have helped us to reach a common understanding on a way forward in the implementation of this objective, and to dispel certain understandable concerns. They made clear that while the term “unacceptable forms of work” may be of recent origin, what it actually refers to are situations which are at the heart of the ILO’s mandate of social justice as set out in our key constitutional texts of 1919 and 1944 and the Declarations of 1998 and 2008. The intention is to be faithful to those texts, to tackle those situations which everybody here – regardless, I am sure, of group affiliation – agrees have no place in the world of work and which we must join forces to eliminate.

That means that we must carefully adhere to the definition proposed which relates to denials of fundamental rights; threats to health, life, human dignity and security of workers; and the subjection of workers and their families to conditions of poverty. As we said last week, “we know unacceptable when we see it” – and this is what it looks like. This policy objective is a distillation, then, of our historic vocation – one which presents a very basic, unchanging moral challenge, which I am confident that we all want to come together to address, as I have proposed.

A last specific point – I want to address the question relating to the proposed allocation to the Bureau for Employers’ Activities (ACT/EMP), which the Employers’ group has asked to be increased. Let me recall, in this regard, that a similar call was made two years ago, and I responded positively to it. But I cannot find the means to do so on this occasion. I would recall that the increase agreed two years ago was predicated, particularly, on expected increased workload resulting from progressive implementation of the enterprise initiative. We must keep this and other relevant developments under review and no doubt return to this matter in the future. Let me underline that the work of ACT/EMP – like the work of ACTRAV – is critical to the operations of this house and must be accommodated fully in our internal management processes and in our funding decisions.

The concrete modifications I have presented to you now are set out in document GB.323/PFA/1/1, which will be in the room and on the website, along with the text of this statement, at the end of my presentation. They imply no modification to the operational budget set out in the Information Annex to my proposals.

I hope, that on the basis of what I have said, and these modifications, that the Governing Body will be in a position to recommend the adoption of my Programme and Budget proposals for 2016–17, as amended, to the International Labour Conference this June.

I thank you for your attention.

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## **Appendix II**

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**Director-General's proposals for  
adjustments to the Programme  
and Budget proposals for 2016–17  
(GB.323/PFA/1/1)**





## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/1/1

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

**Date:** 25 March 2015

**Original:** English

### FIRST ITEM ON THE AGENDA

## Programme and Budget proposals for 2016–17: Director-General's proposals for adjustments

#### Purpose of the document

In this paper the Governing Body is invited to recommend the proposed Programme and Budget for 2016–17 as adjusted, for approval by the Conference (see draft decision in paragraph 5).

**Relevant strategic objective:** Not applicable.

**Policy implications:** Recommendation on programme and budget.

**Legal implications:** None.

**Financial implications:** Recommendation on budget level for 2016–17.

**Follow-up action required:** None.

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

**Related document:** GB.323/PFA/1.



1. In respect of the Director-General's response to the programme and budget debate, this document provides financial information on the proposed adjustments.
2. The adjustments proposed by the Director-General concern the strategic focus of the work of the Office in delivering the priorities established by the Governing Body as captured in the ten policy outcomes. The proposed adjustments relate to the attribution of estimated resources to the policy outcomes and are set out in the revised strategic framework contained in Appendix I.
3. In summary, the adjustments strengthen the resources attributed to outcome 4: Promoting Sustainable Enterprises, and outcome 7: Promoting workplace compliance through labour inspection. The increase in resources to these two outcomes has been offset by a reduction in outcome 6: Formalization of the informal economy.
4. The consolidated strategic budget remains identical to that contained in table 1 of the Director-General's Programme and Budget proposals for 2016–17,<sup>1</sup> which is reproduced in Appendix II to this document. There is no change proposed to the operational budget or the overall level of the budget.

### **Draft decision**

#### **5. The Governing Body:**

- (a) *recommends to the International Labour Conference at its 104th Session (June 2015) a provisional programme level of US\$797,388,828 estimated at the 2014–15 budget exchange rate of 0.95 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference; and*
- (b) *proposes to the Conference at the same session a resolution for the adoption of the programme and budget for the 75th financial period (2016–17) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 75th financial period, ending 31 December 2017, the budget of expenditure for the International Labour Organization amounting to \$..... and the budget of income amounting to \$....., which, at the budget rate of exchange of Swiss francs ..... to the US dollar amounts to Swiss francs ....., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

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<sup>1</sup> GB.323/PFA/1.



## Appendix I

### Revised strategic framework – estimated regular budget resources by policy outcome for 2016–17 (in constant 2014–15 US\$ million)

Outcome	Revised regular budget 2014–15	Proposed regular budget 2016–17	Revised regular budget 2016–17
<b>Outcome 1:</b> More and better jobs for inclusive growth and improved youth employment prospects	139.3	133.2	133.2
<b>Outcome 2:</b> Ratification and application of international labour standards	78.4	73.5	73.5
<b>Outcome 3:</b> Creating and extending social protection floors	47.4	50.5	50.5
<b>Outcome 4:</b> Promoting sustainable enterprises	59.8	51.7	58.7
<b>Outcome 5:</b> Decent work in the rural economy	29.4	33.9	33.9
<b>Outcome 6:</b> Formalization of the informal economy	27.8	51.5	42.5
<b>Outcome 7:</b> Promoting workplace compliance through labour inspection	93.6	68.5	70.5
<b>Outcome 8:</b> Protecting workers from unacceptable forms of work	51.5	57.1	57.1
<b>Outcome 9:</b> Promoting fair and effective labour migration policies	15.8	34.4	34.4
<b>Outcome 10:</b> Strong and representative employers' and workers' organizations	94.7	86.2	86.2
<b>Total</b>	<b>637.7</b>	<b>640.5</b>	<b>640.5</b>



## Appendix II

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

	<b>Revised strategic budget 2014–15 <sup>1</sup></b>	<b>Proposed strategic budget 2016–17</b>	<b>Proposed strategic budget 2016–17</b>
	(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.

## **Appendix III**

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**Addendum to the Director-General's  
Programme and Budget proposals  
for 2016–17**



As proposed to the Programme, Financial and Administrative Segment of the Governing Body during the Director-General's reply on 25 March 2015, this appendix contains revisions to the Programme and Budget proposals for 2016–17 resulting from the discussion of the proposals in the Segment (GB.323/PFA/PV/Draft) and subsequent consultations held with representatives of the Governing Body in April 2015. These changes will be incorporated in the Programme and Budget for 2016–17, as adopted by the International Labour Conference.

In addition to changes to paragraphs 27, 105 and 140, all the revisions concern the results tables for the outcomes. In this regard, Changes have been made to the formulation of indicators and to results criteria, as well as to the target numbers. Additional information on baselines has been included. In all cases, to set the provisional baselines the Office has assessed results that have been achieved so far and are expected to be achieved through to the end of 2015 using the indicators and results criteria that will apply for 2016–17. The reference period of the provisional baselines is specified in each case. For those outcomes that are related to a particular ACI, the reference period is 2014–15 and for those that are closely related to similar outcomes in the current SPF, the reference period is 2010–15.

The final baselines will be set at the end of 2015 in the context of the preparation of the report of the Director-General ILO Programme Implementation 2014–15.

## Executive overview

### Paragraph 27

Replace the paragraph by:

These three categories of resources will be used in various combinations to finance the achievement of a total of 577 country targets planned for the biennium across the ten policy outcomes (see table 2), of which 175 are in Africa, 136 are in the Americas, 150 are in Asia and the Pacific, 54 are in Europe and Central Asia and 62 are in the Arab States.

## Policy outcomes

### 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.*

### 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: 1. A comprehensive employment policy framework is developed, revised, implemented or monitored with tripartite consultations and dialogue. 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.	<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>Provisional baseline</b> (reference period 2014–15) 22 member States.

<b>Indicator 1.2:</b> Member States that have taken targeted action on decent jobs and skills for young women and men 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 that promotes decent jobs for young women and men is developed or implemented.</li><li>2. School-to-work transition programmes allowing disadvantaged young women and men to access skills and decent 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> 26 member States (10 in Africa, 5 in the Americas, 2 in Arab States, 5 in Asia–Pacific, 4 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>Provisional baseline</b> (reference period 2014–15) 31 member States.	
<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 gender-based and other forms of 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> 13 member States (3 in Africa, 3 in the Americas, 2 in Arab States, 3 in Asia–Pacific, 2 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>Provisional baseline</b> (reference period 2014–15) 10 member States.	
<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 and improve 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 employment 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>Provisional baseline</b> (reference period 2014–15) 24 member States.	
<b>Indicator 1.5:</b> Members States that have reviewed, developed and implemented policies, regulations and services to achieve inclusive and effective labour market institutions		
<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 the social partners, reviews, develops and implements policies, programmes, regulations and other measures to enhance the effectiveness and inclusiveness of labour market institutions, including for addressing the needs of women, marginalized and vulnerable groups.</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>	<b>Target</b> 15 member States (4 in Africa, 3 in the Americas, 1 in Arab States, 5 in Asia–Pacific, 2 in Europe–Central Asia).	
	<b>Means of verification</b> Published policies and reports of the Ministry of Labour; laws and regulations; reports of employment services.	
	<b>Provisional baseline</b> (reference period 2014–15) 15 member States.	

## 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.*

### Indicators

<b>Indicator 2.1:</b> Constituents have increased their participation in the preparation and adoption of international labour standards	
<b>Results criteria</b> Reportable results must meet the following criterion: 1. Total rate of response of tripartite constituents to questionnaires 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>Provisional baseline</b> (reference period 2010–15) 50% for each new standard.
<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. Government submits reports on ratified Conventions that contain a substantive response to the comments made by ILO supervisory bodies. 3. Government takes action to address the implementation gaps identified by ILO supervisory bodies.	<b>Target</b> 33 member States (10 in Africa, 8 in the Americas, 2 in Arab States, 10 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>Provisional baseline</b> (reference period 2014–15) 40 member States ratified 52 Conventions.
<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, including with respect to standards on gender equality and non-discrimination. 2. Domestic courts use international labour standards in their decisions. 3. Constituents review policies or implement capacity-building initiatives to give effect to international labour standards or follow up on the comments of the supervisory bodies.	<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>Provisional baseline</b> (reference period 2014–15) 25 member States.

## 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.*

## Indicators

<b>Indicator 3.1:</b> 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>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Government and the social partners agree on a national social protection policy or reform that is in line with international labour standards and promote gender equality and non-discrimination.</li> <li>2. Government, in consultation with the social partners, 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>	<b>Target</b> 17 member States (5 in Africa, 2 in the Americas, 3 in Arab States, 6 in Asia-Pacific, 1 in Europe-Central Asia).
	<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.
	<b>Provisional baseline</b> (reference period 2012–15) 26 member States.
<b>Indicator 3.2:</b> 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>Results criteria</b> Reportable results must meet one or more of the following criteria: <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 gender-responsive 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 capacity-building programmes supported by the ILO, are employed in social security government agencies, employers' or workers' organizations to deliver social security policies or programmes.</li> </ol>	<b>Target</b> 18 member States (5 in Africa, 4 in the Americas, 3 in Arab States, 4 in Asia-Pacific, 2 in Europe-Central Asia).
	<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.
	<b>Provisional baseline</b> (reference period 2012–15) 35 member States.
<b>Indicator 3.3:</b> 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>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 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>	<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).
	<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.
	<b>Provisional baseline</b> (reference period 2012–15) 18 member States.

## 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.*

## Indicators

<b>Indicator 4.1:</b> Member States where the enabling environment for sustainable enterprises has been improved through policy, legal, institutional or regulatory reforms	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <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.</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, in consultation with the social partners, develops new policies, laws or regulatory and administrative changes contributing to an enabling environment.</li> </ol>	<b>Target</b> 15 member States (3 in Africa, 4 in the Americas, 1 in Arab States, 4 in Asia-Pacific, 3 in Europe-Central Asia).
	<b>Means of verification</b> Official documents and reports; ILO reports.
	<b>Provisional baseline</b> (reference period 2010–15) 33 member States.
<b>Indicator 4.2:</b> Member States where enterprise support programmes have been designed and implemented aimed at responsible and sustainable enterprise practices in SMEs, cooperatives or MNEs	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Specific programmes promoting productivity and improved working conditions in SMEs or cooperatives are designed and implemented in the member State, in line with relevant International Labour Standards and using ILO products.</li> <li>2. Additional resources are committed in the member State to programmes that promote responsible and sustainable enterprise practices in SMEs, cooperatives or MNEs in line with the ILC 2007 Conclusions and using ILO products.</li> <li>3. SMEs, cooperatives or MNEs introduce responsible and sustainable enterprise practices in line with the principles set out in the MNE Declaration and relevant International Labour Standards.</li> </ol>	<b>Target</b> 16 member States (5 in Africa, 3 in the Americas, 2 in Arab States, 4 in Asia-Pacific, 2 in Europe-Central Asia).
	<b>Means of verification</b> Official documents and reports, including results-measurement audits.
	<b>Provisional baseline</b> (reference period 2010–15) 19 member States.
<b>Indicator 4.3:</b> 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>Results criteria</b> Reportable results must meet one or more of the following criteria: <ol style="list-style-type: none"> <li>1. Entrepreneurship interventions in the member State, including those targeted at youth and/or women, are designed and scaled up using ILO products for entrepreneurship promotion.</li> <li>2. Additional resources are committed in the member State to scale up entrepreneurship programmes using ILO products for entrepreneurship development with a focus on young people or women.</li> </ol>	<b>Target</b> 24 member States (10 in Africa, 5 in the Americas, 3 in Arab States, 5 in Asia-Pacific, 1 in Europe-Central Asia)
	<b>Means of verification</b> ILO reports; Start and Improve Your Business gateway.
	<b>Provisional baseline</b> (reference period 2010–15) 92 member States.



## 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.*

## Indicators

Indicator 5.1: Member States that have taken concrete steps to integrate decent work into rural development policies and strategies	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria:  1. Government, in consultation with the social partners, integrates decent work into policies or strategies for rural development at the national, regional or sectoral level with special attention to the needs of women, indigenous and tribal peoples.  2. Government, in consultation with the social partners, develops or revises legislation to enhance decent work and productive employment in rural areas in line with relevant international labour standards.	<b>Target</b> 5 member States (3 in Africa, 2 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>Provisional baseline</b> (reference period 2014–15) 0 member States.
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>Results criteria</b> Reportable results must meet one or more of the following criteria:  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.  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.  3. Employers' and/or workers' organizations improve their outreach, representation or services to employers and workers in rural areas.	<b>Target</b> 10 member States (3 in Africa, 3 in the Americas, 3 in Asia–Pacific and 1 in Arab States).  <b>Means of verification</b> Government documents; social partners' official documents and reports; ILO reports.  <b>Provisional baseline</b> (reference period 2014–15) 4 member States.
Indicator 5.3: Member States that have enhanced their knowledge base, analytical capacity and statistics on decent work in the rural economy	
<b>Results criteria</b> Reportable results must meet one or more of the following criteria:  1. National institutions take measures to improve the collection and dissemination of data or statistics on decent work in rural areas.  2. National institutions develop and use knowledge on decent work and productive employment to inform policies, strategies or programmes targeting rural areas.  3. Employers' and/or workers' organizations undertake evidence-based research of relevance to rural economies with a view to inform policy and practice.	<b>Target</b> 12 member States (4 in Africa, 3 in the Americas, 1 in Arab States, 4 in Asia–Pacific).  <b>Means of verification</b> Official documents and reports; labour force surveys; ILO statistical databases.  <b>Provisional baseline</b> (reference period 2014–15) 10 member States.

## 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.*

## Paragraph 105

Replace the first bullet by:

- awareness-raising materials on the advantages of formalization and the ways to facilitate transition to the formal economy, based on the outcome of the discussion on formalization at the 104th Session (2015) of the International Labour Conference;

## Indicators

<b>Indicator 6.1: Member States that have updated their legal, policy or strategic frameworks to facilitate the transition to formality</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, 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> 9 member States (2 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>Provisional baseline</b> (reference period 2014–15) 6 member States.
<b>Indicator 6.2: Member States in which constituents have increased awareness and the knowledge base on informality to promote and facilitate the transition to formality</b>	
<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> 15 member States (2 in Africa, 4 in the Americas, 1 in Arab States, 4 in Asia-Pacific, 4 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>Provisional baseline</b> (reference period 2014–15) 6 member States
<b>Indicator 6.3: Member States in which at least one of the constituents has taken measures to promote gender equality and address the needs of vulnerable groups when facilitating the transition to formality</b>	
<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 and non-discrimination within its actions to facilitate the transition to formality.</li> </ol>	<b>Target</b> 12 member States (2 in Africa, 5 in the Americas, 1 in Arab States, 3 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>Provisional baseline</b> (reference period 2014–15) 5 member States.

## 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.*

### 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, in consultation with the social partners, 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, in consultation with the social partners, develops a gender-responsive 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>Provisional baseline</b> (reference period 2010–15) 67 member States.
<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>Provisional baseline</b> (reference period 2010–15) 79 member States.
<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 sex-disaggregated 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>Provisional baseline</b> (reference period 2010–15) 43 member States.

## 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.*

### 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 gender responsive 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>Provisional baseline</b> (reference period 2014–15) 20 member States.
<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, disaggregated by sex and other variables, as appropriate, on one or more dimension 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>Provisional baseline</b> (reference period 2014–15) 10 member States.
<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>Provisional baseline</b> (reference period 2014–15) 12 member States.

## 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.*

### Paragraph 140

Replace the first bullet by:

- Strategies at the country and regional levels for the ratification and application of international labour standards specific to labour 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 on labour migration in line with international labour standards and responding to labour market needs.</li> <li>2. Constituents in member States participate in the design or implementation of policies, legislation or agreements on labour migration.</li> <li>3. Government establishes or strengthens labour market institutions to support gender-responsive fair labour migration frameworks.</li> </ol>	<b>Target</b> 10 member States (4 in Africa, 1 in the Americas, 1 in Arab States, 4 in Asia-Pacific), and 2 regional/subregional institutions (in Africa).
	<b>Means of verification</b> Official documents, including administrative records; bilateral and multilateral agreements.
	<b>Provisional baseline</b> (reference period 2014–15) 10 member States and 0 regional/subregional institutions.
<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 and/or provide support services to migrant workers.</li> </ol>	<b>Target</b> 16 member States (4 in Africa, 2 in the Americas, 3 in Arab States, 7 in Asia-Pacific), and 3 regional/subregional institutions (2 in Africa and 1 in Asia-Pacific).
	<b>Means of verification</b> Reports of tripartite consultative bodies; ILO reports.
	<b>Provisional baseline</b> (reference period 2014–15) 4 member States and 1 subregional institution.
<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 sex-disaggregated statistics in line with relevant ILO standards.</li> <li>2. Constituents or regional or subregional institutions take measures to advance fair labour migration through enhanced international cooperation for improved knowledge and evidence-based policy-making, including partnerships with the Global Migration Group (GMG) or other international institutions.</li> </ol>	<b>Target</b> 7 member States (3 in Africa, 1 in Arab States, 1 in the Americas, 2 in Asia-Pacific) and 3 regional/subregional institutions (2 in Africa and 1 in Asia-Pacific).
	<b>Means of verification</b> ILO reports; statistical database on labour migration.
	<b>Provisional baseline</b> (reference period 2014–15) 3 member States and 1 subregional institution.

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

### Employers' organizations

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

### 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: 1. A strategic plan for the organization is endorsed and implemented. 2. Membership is increased, including as a result of the extension of geographical or sectoral coverage, or the increase of the size of enterprise. 3. Management and governance structures are adapted and improved or new or revised organizational structures are put in place for improved governance.	<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>Provisional baseline</b> (reference period 2010–15) 37 organizations.
<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: 1. New services are provided by the organization and a sustainability plan for the new service is adopted by the organization. 2. Improved services are provided by the organization and a sustainability plan for the improved service is adopted by the organization.	<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>Provisional baseline</b> (reference period 2010–15) 64 organizations.
<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: 1. The organization formulates advocacy strategies or develops well-researched policy positions or advocacy materials based on membership needs. 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.	<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>Provisional baseline</b> (reference period 2010–15) 63 organizations.

## 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.*

## Indicators

Indicator 10.4: National workers' organizations that increase their organizational strength at the national and regional levels		
<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 on organizing groups of workers in vulnerable situations, particularly women, and on expanding collective bargaining coverage is adopted.</li><li>2. Three or more workers' organizations adopt a gender-responsive strategic plan to strengthen regional and subregional trade union organizations.</li></ol>	<b>Target</b> 20 workers' organizations (6 in Africa, 6 in the Americas, 2 in Arab States, 4 in Asia–Pacific, 2 in Europe–Central Asia).	
	<b>Means of verification</b> Annual reports of workers' organizations.	
	<b>Provisional baseline</b> (reference period 2010–13) 15.	
Indicator 10.5: National workers' organizations that increase their representative strength to influence policy agendas 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, 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>	<b>Target</b> 15 workers' organizations (5 in Africa, 3 in the Americas, 3 in Arab States, 3 in Asia–Pacific, 1 in Europe–Central Asia).	
	<b>Means of verification</b> Annual reports of workers' organizations.	
	<b>Provisional baseline</b> (reference period 2010–13) 14.	
Indicator 10.6: 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> 20 workers' organizations (5 in Africa, 7 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>Provisional baseline</b> (reference period 2010–13) 15.	

## Enabling outcomes

## Outcome A: Effective advocacy for decent work

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

## Indicators

Indicator A.1: 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>1. Decent work policies are adopted as overarching policy goals in the member State's new or revised national development strategy or plan.</li> <li>2. UNDAFs (or equivalent programming frameworks) incorporate all four pillars of the Decent Work Agenda.</li> </ol>	<b>Target</b> 15 member States (4 in Africa, 4 in the 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: 1. International, multilateral or regional institutions pursue decent work policies in cooperation with the ILO. 2. ILO support to the UN's post-2015 sustainable development goals is duly recognized in annual progress reports.	<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: 1. 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. 2. National labour market data are provided to the ILO and made available via ILOSTAT. 3. Member State reports on the sustainable development goal indicators relating to full, productive and decent employment.	<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.*

### Indicators

<b>Indicator B.1:</b> Effectiveness of governance and policy-setting functions of the ILO organs		
<b>Results criteria</b> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
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> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
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.	50% reduction of average of time lost from delayed commencement of sittings of official meetings.	<ul style="list-style-type: none"> <li>Average of time lost from delayed commencement of sittings of official meetings in 2014–15.</li> </ul>
<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.*

#### Indicators

<b>Indicator C.1: Effectiveness of the updated programming methodology at the country level</b>		
<b>Results criteria</b> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
Percentage of DWCPs that meet quality criteria in line with the revised methodology and guidance, including by addressing all four pillars of the Decent Work Agenda.	80%	0
<b>Indicator C.2: Effectiveness of the mobilization and management of voluntary contributions from a diversified donor base</b>		
<b>Results criteria</b> Reportable results must meet the following:	<b>Target</b>	<b>Baseline</b>
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:		
Headquarters 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

## **Appendix IV**

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**Report of the Government members  
of the Governing Body for  
allocation of expenses  
(GB.323/PFA/5)**





## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/5

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

**Date:** 23 March 2015  
**Original:** English

### FIFTH ITEM ON THE AGENDA

## Other financial questions

### Report of the Government members of the Governing Body for allocation of expenses

#### Purpose of the document

This paper transmits the report of the Government members of the Governing Body for allocation of expenses for decision (see draft decision in paragraph 3).

**Relevant strategic objective:** Not applicable.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** Sets the scale of assessment of contributions for member States for 2016.

**Follow-up action required:** None.

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

**Related document:** GB.323/PFA/GMA/1.



1. The Government members of the Governing Body met on 20 March 2015. The meeting was chaired by Ms Marilina Armellini (Italy), Chairperson of the Government group of the Governing Body, who also acted as Reporter.

## **Scale of assessments of contributions to the budget for 2016**

2. The Government members considered a paper <sup>1</sup> proposing a scale of assessments for ILO member States for 2016 (see appendix) and decided to recommend to the Governing Body the following draft decision.

### ***Draft decision***

3. *The Governing Body decides, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, to base the ILO scale of assessment for 2016 on the UN scale for 2013–15, and accordingly proposes to the Conference the adoption of the draft scale of assessment for 2016 as set out in the appendix to GB.323/PFA/5, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.*

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<sup>1</sup> GB.323/PFA/GMA/1.





## Appendix

### Scale of assessments

State		Draft scale of ILO assessments 2016 (%)
1	Afghanistan	0.005
2	Albania	0.010
3	Algeria	0.137
4	Angola	0.010
5	Antigua and Barbuda	0.002
6	Argentina	0.432
7	Armenia	0.007
8	Australia	2.075
9	Austria	0.798
10	Azerbaijan	0.040
11	Bahamas	0.017
12	Bahrain	0.039
13	Bangladesh	0.010
14	Barbados	0.008
15	Belarus	0.056
16	Belgium	0.999
17	Belize	0.001
18	Benin	0.003
19	Bolivia, Plurinational State of	0.009
20	Bosnia and Herzegovina	0.017
21	Botswana	0.017
22	Brazil	2.936
23	Brunei Darussalam	0.026
24	Bulgaria	0.047
25	Burkina Faso	0.003
26	Burundi	0.001
27	Cabo Verde	0.001
28	Cambodia	0.004
29	Cameroon	0.012
30	Canada	2.986
31	Central African Republic	0.001
32	Chad	0.002
33	Chile	0.334
34	China	5.151
35	Colombia	0.259
36	Comoros	0.001
37	Congo	0.005

State		Draft scale of ILO assessments 2016 (%)
38	Costa Rica	0.038
39	Côte d'Ivoire	0.011
40	Croatia	0.126
41	Cuba	0.069
42	Cyprus	0.047
43	Czech Republic	0.386
44	Democratic Republic of the Congo	0.003
45	Denmark	0.675
46	Djibouti	0.001
47	Dominica	0.001
48	Dominican Republic	0.045
49	Ecuador	0.044
50	Egypt	0.134
51	El Salvador	0.016
52	Equatorial Guinea	0.010
53	Eritrea	0.001
54	Estonia	0.040
55	Ethiopia	0.010
56	Fiji	0.003
57	Finland	0.519
58	France	5.596
59	Gabon	0.020
60	Gambia	0.001
61	Georgia	0.007
62	Germany	7.145
63	Ghana	0.014
64	Greece	0.638
65	Grenada	0.001
66	Guatemala	0.027
67	Guinea	0.001
68	Guinea-Bissau	0.001
69	Guyana	0.001
70	Haiti	0.003
71	Honduras	0.008
72	Hungary	0.266
73	Iceland	0.027
74	India	0.666
75	Indonesia	0.346
76	Iran, Islamic Republic of	0.356
77	Iraq	0.068
78	Ireland	0.418

State		Draft scale of ILO assessments 2016 (%)
79	Israel	0.396
80	Italy	4.450
81	Jamaica	0.011
82	Japan	10.839
83	Jordan	0.022
84	Kazakhstan	0.121
85	Kenya	0.013
86	Kiribati	0.001
87	Korea, Republic of	1.995
88	Kuwait	0.273
89	Kyrgyzstan	0.002
90	Lao People's Democratic Republic	0.002
91	Latvia	0.047
92	Lebanon	0.042
93	Lesotho	0.001
94	Liberia	0.001
95	Libya	0.142
96	Lithuania	0.073
97	Luxembourg	0.081
98	Madagascar	0.003
99	Malawi	0.002
100	Malaysia	0.281
101	Maldives, Republic of	0.001
102	Mali	0.004
103	Malta	0.016
104	Marshall Islands	0.001
105	Mauritania	0.002
106	Mauritius	0.013
107	Mexico	1.843
108	Moldova, Republic of	0.003
109	Mongolia	0.003
110	Montenegro	0.005
111	Morocco	0.062
112	Mozambique	0.003
113	Myanmar	0.010
114	Namibia	0.010
115	Nepal	0.006
116	Netherlands	1.655
117	New Zealand	0.253
118	Nicaragua	0.003
119	Niger	0.002

State		Draft scale of ILO assessments 2016 (%)
120	Nigeria	0.090
121	Norway	0.852
122	Oman	0.102
123	Pakistan	0.085
124	Palau	0.001
125	Panama	0.026
126	Papua New Guinea	0.004
127	Paraguay	0.010
128	Peru	0.117
129	Philippines	0.154
130	Poland	0.922
131	Portugal	0.474
132	Qatar	0.209
133	Romania	0.226
134	Russian Federation	2.439
135	Rwanda	0.002
136	Saint Kitts and Nevis	0.001
137	Saint Lucia	0.001
138	Saint Vincent and the Grenadines	0.001
139	Samoa	0.001
140	San Marino	0.003
141	Sao Tome and Principe	0.001
142	Saudi Arabia	0.865
143	Senegal	0.006
144	Serbia	0.040
145	Seychelles	0.001
146	Sierra Leone	0.001
147	Singapore	0.384
148	Slovakia	0.171
149	Slovenia	0.100
150	Solomon Islands	0.001
151	Somalia	0.001
152	South Africa	0.372
153	South Sudan	0.004
154	Spain	2.975
155	Sri Lanka	0.025
156	Sudan	0.010
157	Suriname	0.004
158	Swaziland	0.003
159	Sweden	0.961
160	Switzerland	1.048

State		Draft scale of ILO assessments 2016 (%)
161	Syrian Arab Republic	0.036
162	Tajikistan	0.003
163	Tanzania, United Republic of	0.009
164	Thailand	0.239
165	The former Yugoslav Republic of Macedonia	0.008
166	Timor-Leste	0.002
167	Togo	0.001
168	Trinidad and Tobago	0.044
169	Tunisia	0.036
170	Turkey	1.329
171	Turkmenistan	0.019
172	Tuvalu	0.001
173	Uganda	0.006
174	Ukraine	0.099
175	United Arab Emirates	0.595
176	United Kingdom	5.182
177	United States	22.000
178	Uruguay	0.052
179	Uzbekistan	0.015
180	Vanuatu	0.001
181	Venezuela, Bolivarian Republic of	0.627
182	Viet Nam	0.042
183	Yemen	0.010
184	Zambia	0.006
185	Zimbabwe	0.002
<b>Total</b>		<b>100.000</b>



## **Appendix V**

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**Update on the headquarters building  
renovation project**  
(GB.323/PFA/3 and GB.323/PFA/3(Add.))





## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/3

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

**Date:** 2 March 2015  
**Original:** English

### THIRD ITEM ON THE AGENDA

## Update on the headquarters building renovation project

#### Purpose of the document

At its 309th Session in November 2010, the Governing Body approved a comprehensive plan for the renovation of the ILO headquarters building. This paper provides information on the developments since the 322nd Session of the Governing Body in November 2014 and seeks authority for the Director-General to enter into a loan agreement with the Government of the host country (see the draft decision in paragraph 22).

**Relevant strategic objective:** None.

**Policy implications:** None.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Further report in November 2015.

**Author unit:** Headquarters building renovation project (Deputy Director-General for Management and Reform).

**Related documents:** GB.309/PFA/BS/2(&Corr.); GB.309/PFA/11/1; GB.310/PFA/BS/1; GB.312/PFA/5(&Corr.); GB.313/PFA/INF/2; GB.313/PFA/INF/2(Add.); GB.313/PFA/3/2; GB.315/INS/6/1; GB.316/PFA/3; GB.170/FA/BS/D1/2; GB.317/PFA/2; GB.319/PFA/4; GB.320/PFA/5(Rev.); and GB.322/PFA/3.

## Key developments

1. The Office has formally initiated the process for obtaining a loan from the government of the host country, detailed in paragraph 14.
2. The Office and the competent Swiss authorities have actively engaged in developing proposals for the sale of the two plots of land.
3. The preliminary works (Health Services Unit relocation, new office space on R1 and renovation of the M3 office space) are reaching completion and have remained within budget.
4. The relocation of staff from the southern end of the building is almost complete. Some moves, in particular the office of the Director-General, have been deferred until after the March 2015 Governing Body session.
5. The project management assistance services contract has been awarded; the demolition, asbestos removal and site installation contract is about to be signed; and the public bidding process for the management contractor will close at the end of March 2015.

## Upcoming works

6. As announced at the November 2014 Governing Body session, the project team is being reinforced by project management assistance professionals who report to the ILO Project Manager. The project team will be fully staffed by June 2015 when the major works will commence.
7. The Office has begun an international competitive bidding process for the major renovation works of the main building and is expecting to conclude contractual arrangements in early June 2015. While awaiting the completion of this process, the Office will place an order for the demolition, asbestos removal and site installation works, to enable the refitting works to start as early as possible.

## Lower floors renovation

8. The terms of reference for the renovation of the lower floors, currently not in scope, are being completed. This will enable the Office to proceed with this work should financing become available in the future.

## Land evaluations and financing

9. It is recalled that the financial plan for the renovation project was presented to the Governing Body in November 2010<sup>1</sup> and formally approved in March 2011.
10. In accordance with the financial plan and the decisions of the Governing Body authorizing the Director-General to dispose of the non-strategic land plots,<sup>2</sup> a

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<sup>1</sup> GB.309/PFA/BS/2(&Corr).

<sup>2</sup> GB.301/PFA/BS/1 and GB.304/PFA/BS/2.

procedure to dispose of the two plots has commenced in full collaboration with the competent authorities of the government of the host country. Interest in both plots remains strong with direct contact having been received from a number of potential purchasers. Given the zoning of the land, it will be essential for proposals to be considered in light of the development objectives of the local cantonal, municipal and communal authorities.

11. Since 2010, when the financial plan was prepared, there have been changes in the real estate market in Geneva with a softening of the commercial rental market. The ILO land, however, remains prime real estate, demonstrated by the interest that has been shown. The final value to be realised from both plots will depend not only on market forces but also on the nature of the planned use and the construction density that can be authorized within the local planning restrictions. Due to the commercial sensitivity of these transactions, only general financial information can be disclosed in this document.
12. In conjunction with the local authorities, consideration is being given to both direct approaches received from potential purchasers and launching a public competitive process for the freehold plot of land (No. 3844) and the leasehold land (No. 3924) owned by the Canton of Geneva. A public process will require a longer period of time than that needed for direct negotiations with those parties that have already indicated firm interest in the two plots. Local authorities and the Office are carefully analysing both possibilities following independent valuations that have been received to determine the most optimal solution in terms of process and likely financial outcome.
13. Current indications are that the anticipated value on the freehold plot contained in the financial plan is realistic. The potential value to be realised from the leasehold plot will only be finally determined following decisions on the development proposals received and the final terms under which the landowner (the Canton of Geneva) would agree to assign value from the land to the Office due to the early termination of the leasehold. Should there be any shortfall from the land disposal, further scope reductions, increased loan financing or other fund raising would be required to compensate.
14. The 2010 financial plan included a commercial loan to be financed by renting office space that would become available through the more efficient use of space following the renovation. In 2013 the Swiss Government revised its policy on financing building renovation projects of international organizations based in Geneva. Loan financing at preferential rates for such projects will now be considered by the Government. In December 2014, the Director-General formally requested consideration by Switzerland for such a loan. The request includes the 50 million Swiss francs (CHF) foreseen in the financial plan as a longer term loan, plus an amount of up to CHF80 million as bridging finance, pending the sale and disposal of the two plots of land.
15. The review cycle for such a request operates on a calendar year basis. The request will be considered by the Swiss Federal Council and subsequently by both chambers of the Swiss Parliament. A final decision is expected in late 2015, well in advance of any needed drawdown to meet project expenditure.
16. The term of the loan would be 30 years and the interest rate would be set once the final approval is given by the Swiss Parliament. The loan would be interest free throughout the period of the renovation with repayments to commence upon completion of the project.

- 17.** The authority provided in the Financial Regulations for the Director-General to contract loans is limited to sums required to meet budgetary expenditure pending the receipt of contributions once the Working Capital Fund has been exhausted.<sup>3</sup> Although the Governing Body previously approved the financial plan including loan financing, formal authority is required from the International Labour Conference for the Director-General to sign the loan documents between the 104th Session of the Conference in June 2015 and the 105th Session in June 2016.
- 18.** As previously reported to the Governing Body, the increased costs that have arisen subsequent to the approval of the financial plan in 2010 (from CHF205 million to CHF299 million) have resulted in a reduced project scope for the initial phase of the works (total CHF205 million). The planned works are in general limited to the main building (floors 1–11) and some essential safety works in and around the conference rooms. The remaining renovation works (CHF94 million) still to be funded include the following works for the lower floors:
- (a) replacement of remaining Gerber supports;
  - (b) implementation of code-compliant fire safety in the car parks (removal of storage areas, increased signage, installation of sprinklers, additional fire compartmentalization and additional evacuation stairways);
  - (c) treatment of remaining exposed concrete;
  - (d) replacement of outdated electrical substations;
  - (e) internal renovation of conference areas (air-handling units, lighting, data cables, carpets, false ceilings) and fire proofing of internal partitions (separating the conference rooms from the circulation space and the Gobelin hall);
  - (f) renovation and fire safety code compliance works, other than the large bay window emergency exits, in the conference rooms;
  - (g) renovation of the colonnade (replace single glazing with double glazing and update lighting);
  - (h) replacement of the remaining elevators;
  - (i) using the “Genève-Lac-Nations” project to heat the building (discussions are still under way for a joint arrangement with the local energy supplier to use this renewable energy source at no extra cost to the Office).
- 19.** All of these items will have to be addressed at a future date. Clearly there would be advantages and financial benefit if all renovation work could be completed without a break in the project and subsequent remobilization requirements.
- 20.** The Office is continuing to explore possibilities for financing the additional scope. Options currently being considered are:
- (a) as suggested by the group of industrialized market economy countries (IMEC) during the November 2014 Governing Body session, contributions from tripartite constituents. In this respect, a list of rooms or areas of the Office that could be sponsored by voluntary contributions, with or without naming rights, is under consideration;

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<sup>3</sup> ILO Financial Regulations, article 21.1(b).

- (b) the possibility of retaining a portion of the land proceeds rather than fully reimbursing the bridging finance. The cost of increased loan financing would be offset by lower than anticipated fixed interest rates determined in the current favourable interest rate environment;
- (c) subject to Governing Body and International Labour Conference approval, retention of future surpluses, should they occur;
- (d) a one-off assessment on member States in 2018–19 similar to the approach applied for the United Nations Capital Master Plan.

21. A further report on developments will be provided to the Governing Body at its 325th Session (November 2015).

**Draft decision**

**22. *The Governing Body recommends that the International Labour Conference adopt the following resolution at its 104th Session (June 2015):***

*The General Conference of the International Labour Organization decides that the Director-General be authorized to contract a loan with the Foundation for Buildings for International Organisations (FIPOI) amounting to not more than 130 million Swiss francs for the partial financing of the renovation of the ILO headquarters building.*



## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/3(Add.)

**Programme, Financial and Administrative Section**  
*Programme, Financial and Administrative Segment*

**PFA**

**Date:** 23 March 2015  
**Original:** English

### THIRD ITEM ON THE AGENDA

## Update on the headquarters building renovation project

### *Addendum*

## Supplementary information

1. The financial plan for the renovation of the headquarters building was first submitted as part of the comprehensive plan approved by the Governing Body in November 2010. The financial plan incorporated use of the following sources of income:

	Swiss francs (CHF)
Building and Accommodation Fund where amounts had been reserved from previous surpluses and net premium balances	70 800 000
Transfers from the "long-term" reserve for future major renovations pertaining to the headquarters building	8 300 000
The sale or disposal of two plots of land	76 800 000
The use of rental income from additional tenantable space following the renovation to service a loan	
Loan value	50 000 000
<b>Total</b>	<b>205 900 000</b>

2. Further to discussions on Wednesday, 18 March at the 323rd Session (March 2015) of the Governing Body, a summary of the developments relating to the financial plan is provided below.
3. The key variables in the financial plan are the likely proceeds from the sale or disposition of the two plots of land, the timing of receipt of the sale proceeds and the terms of any loan.

## Land valuations

4. Given the commercial sensitivity of the land disposal only consolidated indicative amounts are disclosed in this document.
5. Consultations with the Swiss authorities and with potential purchasers of the land are continuing. Strong interest has been expressed for both plots of land with indications that agreement could possibly be reached on one plot, in particular, relatively quickly. Completion of both sales and the determination of the value attributable to the land are dependent upon the approval, or level of certainty of approval, that can be obtained from the cantonal authorities on the proposed use of the land, construction densities and other town planning parameters.
6. The expected value contained in the 2010 financial plan was based on independent valuations of both plots using data from international property advisory firms. Assumptions had been made as to the manner in which the value of the leasehold plot, owned by the Geneva Canton, would be shared with the ILO. It would appear that earlier indications received as to the intentions of the landowner, that were the basis of the Office's assumptions, could not be confirmed. This development may result in a lower total amount being realized from the sale of the ILO "share" of the value of this plot.
7. While there is some prospect of a relatively quick settlement with early receipt of the proceeds for one plot, if the current negotiations do not meet expectations as to fair market value, public competitive tendering processes will be launched for each plot. Further discussions would be held with the Canton on the share of the proceeds from sale of the leasehold plot to be attributed to the ILO. Such a process would inevitably involve delays in receipt of any sale proceeds. In a best-case scenario, it may be possible to complete the sales and receive settlement by 30 July 2015. A public process would inevitably result in a more standard sale and settlement procedure, with a considerably longer settlement period; possibly as long as three to four years.
8. An alternative financial plan reflecting a scenario with lower estimated sale proceeds would be as follows:

	Swiss francs (CHF)
Building and Accommodation Fund where amounts had been reserved from previous surpluses and net premium balances	70 800 000
Transfers from the "long-term" reserve for future major renovations pertaining to the headquarters building	8 300 000
The sale or disposal of two plots of land	56 800 000
The use of rental income from additional tenantable space following the renovation to service a loan	
Loan value	70 000 000
<b>Total</b>	<b>205 900 000</b>

## Loan financing

9. The 2010 financial plan foresaw the possibility of a CHF50 million commercial loan. In 2013, the host Government revised its policy on financing building renovation projects of international organizations based in Geneva and now offers the possibility of loan financing at preferential rates. Host country financing is administered by the Foundation for Buildings for International Organisations (FIPOI).

10. The terms of a loan from the host Government include the following:

Maximum term	30 years
Interest rate	<ul style="list-style-type: none"> <li>– the Swiss Confederation's refinancing rate (current rate 0.8 per cent)</li> <li>– established following parliamentary approval and fixed for the term of the loan</li> <li>– interest free until completion of the renovation</li> </ul>
Drawdowns	Progressively throughout the project
Repayments	Annual (interest and principal)
Early repayments	Permitted
Late-payment penalties	Following a grace period of 30 days, penalty interest of 5 per cent on the late payment
Other clauses	Obligation to create a reserve for future major works at an agreed annual percentage rate (the ILO has such a reserve)

11. A loan would require the following annual repayments (including principal and interest) assuming principal amounts of CHF50 million and CHF70 million with three different interest rate scenarios.

Annual loan costs at indicative interest rates (CHF million)			
Main loan	0.6%	0.8%	1.4%
50	1.8	1.9	2.1
70	2.5	2.6	2.9

12. The financial plan also foresaw that the loan would be financed through rental income. Following the renovation of the building, it is anticipated that additional space will be available for rent. The Office estimates that improved space management will make it possible to lease the equivalent of two floors of the headquarters building to third parties. Estimates of rental income range from CHF380 to CHF530 per square metre. For the purpose of this updated financial plan, the Office has used an assumed minimum rent of CHF400 per square metre.<sup>1</sup>

13. The parameters used for determining potential rental income per floor are as follows:

Net rentable area	3 600 square metres
Annual rent per floor	CHF1.44 million
Annual rent – two floors	CHF2.88 million

14. Based on the above details and the availability of the equivalent of two full floors for rental, the resulting income would be sufficient to meet the annual repayments on a

<sup>1</sup> Source: Study jointly funded by the Geneva Canton and the ILO, September 2014.



loan of CHF70 million at an inflated interest rate of 1.4 per cent (compared to the current rate of 0.8 per cent).

## **Loan request**

15. Given the uncertainty over the timing of the sale of the land and the access to sale funds, the loan request submitted to the host Government includes the long-term loan, initially estimated at CHF50 million, and sufficient bridging finance to cover any delay in the sale of the land, rounded to CHF130 million. The resources that flow from the sale of the land will be used to repay the bridging component of the loan. The Swiss Government has confirmed that early partial repayments of the loan from the sale proceeds would be acceptable and the Office's intention in this regard has been disclosed to the Government in the loan request. As demonstrated above, should the land sales realize an amount less than initially foreseen (CHF76 million), a long-term loan of up to CHF70 million might be required and rental income would be sufficient to service a loan of this amount.

## **Appendix VI**

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### **Composition of the Administrative Tribunal of the ILO (GB.323/PFA/11/1)**





## Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/PFA/11/1

**Programme, Financial and Administrative Section**  
*Personnel Segment*

**PFA**

**Date:** 13 March 2015  
**Original:** English

### ELEVENTH ITEM ON THE AGENDA

## Matters relating to the Administrative Tribunal of the ILO

### Composition of the Tribunal

#### Purpose of the document

This paper contains proposals concerning the renewal of term of office of four judges of the ILO Administrative Tribunal and the appointment of a new judge. See the draft decision in paragraph 6.

**Relevant strategic objective:** None.

**Policy implications:** None.

**Legal implications:** Proposed draft Conference resolution for the renewal of the term of office of four judges and the appointment of one new judge.

**Financial implications:** None.

**Follow-up action required:** None.

**Author unit:** Office of the Legal Adviser (JUR).

**Related documents:** None.



1. Pursuant to article III of its Statute, the Administrative Tribunal consists of seven judges appointed for three-year terms by the Conference of the International Labour Organization.
2. The present composition of the Tribunal is as follows:
  - Mr Giuseppe Barbagallo (Italy), President: term of office expires in July 2015;
  - Mr Claude Rouiller (Switzerland), Vice-President: term of office expires in July 2016;
  - Mr Seydou Ba (Senegal): term of office expires in July 2015;
  - Mr Patrick Frydman (France): term of office expires in July 2016;
  - Ms Dolores Hansen (Canada): term of office expires in July 2015;
  - Mr Michael Moore (Australia): term of office expires in July 2015;
  - Sir Hugh Rawlins (Saint-Kitts and Nevis): term of office expires in July 2015.
3. There are five judges whose terms of office are due to expire in July 2015: Mr Ba, Mr Barbagallo, Ms Hansen, Mr Moore and Sir Rawlins. All, except Judge Ba, have expressed their willingness and availability to accept a new three-year term. Judge Ba (born in 1939) has reached the maximum retirement age customarily set by the judges for themselves. Judge Ba has served the Tribunal since 1997 and contributed during these many years to the important development of international civil service law.
4. The Governing Body may wish to propose to the Conference that it convey its deep appreciation to Mr Seydou Ba for the valuable services he has rendered to the work of the Administrative Tribunal over the past 18 years as judge, Vice-President (2006–07) and President of the Tribunal (2007–09 and 2011–13).
5. Following the departure of Mr Ba, the post of one judge will fall vacant. In keeping with long-standing practice whereby members of the Tribunal are appointed from among persons holding or who have held high judicial office, with account being taken of the need for an overall equilibrium at the linguistic level, and in terms of different systems of law, geographical representation and gender balance, the Director-General, after consultation with the Officers of the Governing Body, wishes to propose the following appointment for a period of three years:

- Ms Fatoumata Diakité (Côte d’Ivoire)

Born in 1958, Judge at the Administrative Chamber of the Supreme Court of Côte d’Ivoire (since 2005). Formerly President of a Chamber at the Appeals Court of Abidjan (1994–2005); Judge at the Appeals Court of Abidjan (1993–94); Vice-President of the Court of First Instance of Abidjan and Senior Investigating Judge (1992–93); Judge at the Court of First Instance of Abidjan (1985–1992); Investigating Judge at the Court of First Instance of Abidjan (1983–85). Graduate of the Law Faculty of the National University of Côte d’Ivoire (1981) and of the French National School for the Judiciary (Ecole nationale de la magistrature), Paris (1983). Former President, Union internationale des magistrats (2010–14). Linguistic skills: French (native speaker); English (read and spoken); Spanish (read and spoken).

## **Draft decision**

### **6. The Governing Body:**

- (a) *recommends to the Conference that it convey its deep appreciation to Mr Seydou Ba for the valuable services he has rendered to the work of the Administrative Tribunal of the International Labour Organization over the past 18 years as judge, Vice-President and President of the Tribunal;*
- (b) *proposes to the Conference:*
  - (i) *the renewal of the terms of office of Mr Giuseppe Barbagallo (Italy), Ms Dolores Hansen (Canada), Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint-Kitts and Nevis) for three years each;*
  - (ii) *the appointment of Ms Fatoumata Diakité (Côte d'Ivoire) for a term of office of three years;*
- (c) *thus decides to propose the following draft resolution for possible adoption by the Conference:*

The General Conference of the International Labour Organization,

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

- (a) to convey its deep appreciation to Mr Seydou Ba (Senegal) for the valuable services he has rendered to the work of the Administrative Tribunal of the International Labour Organization over the past 18 years as judge, Vice-President and President of the Tribunal;
- (b) to renew the appointments of Mr Giuseppe Barbagallo (Italy), Ms Dolores Hansen (Canada), Mr Michael Moore (Australia) and Sir Hugh Rawlins (Saint-Kitts and Nevis) for a term of three years; and
- (c) to appoint Ms Fatoumata Diakité (Côte d'Ivoire) for a term of three years.