

**FOR INFORMATION**

TWELFTH ITEM ON THE AGENDA

**Progress report on the review
of the field structure**

1. This report aims to provide the Governing Body with a brief update on the steps taken by the Office to carry out a review of the ILO field structure. The document is organized as follows: a brief recall of the background; an update on the collection of information and data carried out by the Office during April–September 2007; details on the consultations being held in regions and countries and with the Governing Body by three ILO consultants; subject to the views of the Committee, proposed timetable up to March 2008 with the submission of the Director-General's recommendations on the ILO field structure.
2. In November 2006, the Governing Body considered a strategy for continuous improvement of results-based management in the ILO.¹ This document included proposals to carry out a review of the ILO field structure. In his introductory remarks of 9 November 2006, the Director-General stated: "The fundamental question guiding such a review is: 'How can we best deliver high-quality and effective services to constituents in countries and regions?' This will require us to look at the organization and methods of work – technical and administrative – in field offices and at headquarters, including the Turin Centre. And within the framework of UN reform."²
3. The Governing Body supported a review of the ILO field structure and asked, in November 2006, for detailed terms of reference. In March 2007, the Governing Body adopted terms of reference for such a review.³ The terms of reference establish that: "The objective of the review, to be carried out with an open mind in a comprehensive and strategic way, is to identify options and make recommendations for effective and efficient arrangements of ILO external offices and at headquarters (including in relation to the International Training Centre of the ILO, Turin) to provide services to constituents and support the realization of the Decent Work Agenda in regions and countries" (paragraph 3). The terms of reference defined the scope of the review, as well as the specific tasks, the timetable and the implementation arrangements.

¹ GB.297/PFA/1/1.

² GB.297/11/1(Rev.).

³ GB.298/PFA/6(Rev.).

4. In accordance with the timetable set out in the terms of reference, the Office has compiled information and data on the ILO field structure. Specifically tables have been compiled on the following three dimensions:

- (i) distribution of ILO offices and other ILO arrangements in regions and countries;
- (ii) distribution of ILO staff (by regions and countries, and by contract type);
- (iii) financial flows by office, country and region.

The appendix provides a selection of tables compiled by the Office for the information of the Committee. The processing and analysis of the data collected is still ongoing. A complete analysis of these data will be provided to the Committee in March 2008.

5. The terms of reference call for “structured interviews with constituents from selected countries in all five ILO regions, with constituents of the Governing Body, with partner institutions, notably the UN, with donors to the ILO programme, and with ILO staff”.⁴ In consequence, the ILO has contracted the services of three external consultants. These are Mr Friedrich Buttler (former ILO Regional Director for Europe and Central Asia until 30 June 2007; Mr Ng Boo (former ILO Regional Director for Asia and the Pacific until 30 June 2007); Mr Rajeev Pillay, independent consultant with, inter alia, UN and UNDP work experience specialized in economic and institutional change and management reform. Together the consultants combine a broad range of expertise and knowledge as well as independence of judgement deemed essential for this review.
6. The three consultants will carry out a series of consultations and structured interviews in selected countries of various regions during the months of October and November 2007. All five regions of the ILO will be visited. The exact list of countries to be visited was still being determined at the time of finalizing the present document.
7. The three ILO consultants will hold informal consultations with groups (employers’ and workers’ and regional government groups) and members of the Governing Body during the week of 5 November 2007 in Geneva. Consultations are also being held with ILO staff in external offices and at headquarters, as well as with the Staff Union. Several videoconferences have been and will be organized with ILO field offices.
8. Following these consultations, the consultants will prepare a report to be submitted to the Director-General by early December 2007. This report will form the basis of the Director-General’s recommendations to the March 2008 session of the Governing Body.
9. The ILO is also reviewing the experience of selected UN system agencies, funds and programmes that have recently carried out restructuring exercises, particularly of external offices, with a view to drawing possible lessons.
10. A number of basic considerations will guide the review of the ILO field structure. The ILO mandate is grounded in the Decent Work Agenda and its four components. ILO cooperation to constituents in countries is channelled through Decent Work Country Programmes (DWCPs). The country programmes vary in size and emphasis as well as over time. The ILO contribution to UN country programmes is based on DWCPs. The ILO is called upon to provide policy advisory services to constituents in regions, subregions and countries; to make available knowledge and analysis of topical issues pertaining to its mandate; and to support and test the feasibility of various courses of action through technical cooperation programmes. Strengthening knowledge networks in support of

⁴ *ibid.*

decent work, including through national and regional institutions, is particularly important. The balance between policy advice, knowledge development and operational support is likely to change between country and region and over time. The policy coherence between economic and social policies and decent work as well as the coherence across the four dimensions of decent work require particular attention.

- 11.** The review will therefore be guided by the overarching objective of enhancing the capacity and methods of work of the Office for programme delivery in countries in a timely, efficient and effective manner for maximum results. This requires not only looking at the ILO presence and modalities of such presence in countries and regions, but at innovative ways of utilizing and deploying the critical mass of knowledge and expertise available throughout the Office with the required flexibility and incentives for cooperation across units, headquarters and field, working as one team.
- 12.** From these considerations flow a number of management, operational, financial and structural issues that will form the basis of consultations with constituents.
- 13.** Based on the discussions of the PFAC in November 2007, the Director-General could consider the holding of informal consultations with the Governing Body prior to the March 2008 session on the recommendations he may wish to submit on the ILO field structure.
- 14.** The Committee may wish to take note of this progress report on the review of the ILO field structure.

Geneva, 11 October 2007.

Submitted for information.

Appendix

Overview of the ILO field structure

1. *Structure of ILO external offices and other arrangements*

The ILO field structure is composed of regional offices, subregional offices and (single or multi) country offices. In order to adapt to changing requirements, a number of different arrangements have been introduced in some countries to reinforce the ILO's capacity to deliver its programme.

ILO global structure by type	Regional Office	Subregional Office	ILO Office	Liaison officer	ILO representative	National coordinator	Total No. of units
Africa	1	6	7	0	0	0	14
Americas	1	4	5	0	0	0	10
Arab States	1	0	0	0	2	0	3
Asia and the Pacific	1	3	9	1	0	2	16
Europe and Central Asia	1	2	7	1	0	13	24
Total	5	15	28	2	2	15	67

2. *Composition of ILO staff by region, staff category and contract type (regular or technical cooperation staff), December 2006*

	Total staff	Regular staff			Technical cooperation staff		
		International	National officer	Support staff	International	National expert	Support staff
Total Africa	622	79	28	159	62	112	182
Total Arab States	56	8	4	28	5	4	7
Total Asia and the Pacific	713	67	36	164	78	99	269
Total Europe	160	24	15	35	12	29	45
Total Americas	320	60	29	106	24	36	65
Grand totals	1 871	238	112	492	181	280	568

3. *Staff trends (work-months) in the regular budget, by staff category*

A long-term view in the composition of ILO staff points to important changes. The share of technical staff (P for professionals) has increased, mainly in the regions, but also at headquarters, whereas the share of general service (G) staff has declined.

	% distribution 1994/95		% distribution 2008/09		% change 2008/09–1994/95	
	P w/ms	G w/ms	P w/ms	G w/ms	P w/ms	G w/ms
HQ technical units	35	15.9	31.3	15.9	4.1	-12.4
HQ management and support	33	42.1	25.5	38.5	-11.2	-20.1
Regional programmes	32	42	43.3	45.7	56.1	-5.1
Total ILO	100	100	100.0	100.0	15.7	-12.5

4. Trends in ILO regular budget

In real terms, and taking 1998–99 as the base year (=100), the table depicts a declining trend for the total ILO budget, but also for policy-making organs and management services, a slight decline for technical programmes, and an increase for the regions and for support services. The latter is explained by the incorporation of IRIS services.

	1998–99	2000–01	2002–03	2004–05	2006–07	2008–09
Policy-making organs	100	96.63	94.30	87.81	82.39	81.58
Technical programmes (HQ)	100	102.94	104.31	103.20	100.26	99.29
Support services	100	97.97	94.02	87.49	107.81	105.46
Management services	100	95.70	96.55	95.88	93.29	89.30
Regional programmes	100	101.14	100.54	105.59	105.47	108.03
Total Part I of programme and budget	100	100.16	99.73	99.73	99.71	99.67

5. A profile of extra-budgetary technical cooperation expenditure in 2006

The ILO implements a diverse portfolio of technical cooperation funded by extra-budgetary contributions. The table depicts a varying share of regional and subregional expenditure in total expenditure, a relatively high concentration of expenditure on a limited number of countries and in consequence a relatively low median expenditure, with the exception here of Asia and the Pacific.

	Africa	Arab States	Asia Pacific	Europe Central Asia	Latin America Caribbean
Share of regional and subregional in total expenditure (%)	48.8	28.4	18	60.3	43.5
Share of five largest country recipients (%)	55.7	94	65.3	89.6	72.9
Average expenditure per country (in \$ '000)	402	158	1 858	202	527
Median expenditure per country (in \$ '000)	43	48	1 202	28	183
Number of ILO member States in region	53	10	31	51	34

The International Training Centre of the ILO, Turin is an important partner in technical cooperation in the regions. The following table provides a regional breakdown of technical cooperation expenditure implemented with the regions by the Turin Centre in 2006, in US\$'000s.

Africa	Americas	Asia	Europe	Arab States	Interregional	Total
6 268	4 378	4 191	8 863	2 213	5 403	32 658