



EIGHTH ITEM ON THE AGENDA

**Report of the Programme, Financial
and Administrative Committee****Third report: Programme and Budget
proposals for 2010–11**

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

¹ GB.304/PFA/3.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employment

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

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

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

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

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

Social protection

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

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

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

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

Social dialogue

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

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

Standards and fundamental principles and rights at work

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Geneva, 24 March 2009.

Point for decision: Paragraph 173.

Appendix I

Director-General's address to the Programme, Financial and Administrative Committee (Geneva, 9 March 2009)

Ambassador Rapacki, Chairperson of the ILO Governing Body,

Sir Roy Trotman, spokesperson of the Workers' group,

Mr Julien, spokesperson of the Employers' group,

Distinguished Government, Employers' and Workers' delegates, members of the ILO Governing Body,

Dear friends,

As you know, I consider the guidance and recommendations of the PFAC as central to the work of the Organization, and you know my commitment to being present at your meetings.

All of your meetings are important, but this one is particularly so because of the global financial and economic crisis. We meet at a time when so many things, so many certainties, are falling apart, causing hardship and frustration to many hundreds of millions of people throughout the world.

You will be discussing the context and implications of the crisis in the coming weeks in the committees, in the High-level Tripartite Meeting on the Global Financial and Economic Crisis, and in the Governing Body itself. I will therefore not now go into the substance of the issue but, as you will be considering the Strategic Policy Framework and the Programme and Budget for 2010–11, I wish to make some comments on these items in relation to the crisis.

One overarching comment: the next six years of our work will be critically affected by the crisis – the unfolding and likely deepening of the crisis in the immediate future, its eventual stabilization and recovery, and its longer term impact.

We know from past experience that the damage to the social fabric can be immense; that employment figures and social indicators take much longer to recover than economic indicators. The longer a person is out of employment, the greater the human cost. Capital markets tend to recover more quickly than labour markets.

I believe that the role of the tripartite ILO, together with other organizations in the UN system, is to promote policies that make both recoveries go hand in hand. One should not be given priority over the other; we need to find ways to develop them both together.

In that context, three main questions arise:

1. Do we have the right agenda to confront the impact of the crisis?
2. Are we responding adequately at the global, regional and national levels?
3. How are we reorienting our activities to service constituents' needs and requests resulting from the crisis?

With regard to the first point, I am convinced that the Decent Work Agenda is the right approach for today. Citizens are asking governments and business to protect and promote job creation, to deepen and expand social protection and to be able to participate in crafting solutions, from the enterprise to the national level.

And, certainly, this is not the time to take advantage of the crisis to weaken workers' rights. The technical paper on the crisis is available today on the ILO web page and will be distributed at the Governing Body. It contains a study of 40 national fiscal stimulus recovery packages. They all place important emphasis on jobs and protection, somewhat less on social dialogue, and less again on workers' rights and gender equality.

The Decent Work Agenda conceived for normal times is proving to be equally valid in times of crisis. This validates the vision of the Declaration on Social Justice for a Fair Globalization, which placed the decent work concept at the heart of the integrated policy framework for the ILO today.

Globalization has blatantly shown the extent of its own imbalances. It is now time to redress these imbalances and make globalization more equitable and inclusive.

The Decent Work Agenda offers the means for making progress in this direction, with policies that can respond to the crisis now, be a part of the recovery tomorrow and usher in a fairer globalization along the way.

But we must understand that people today are asking for social justice *now* in the way the crisis is handled.

Second, I believe that the institution has responded rapidly and coherently with a clear vision of how to address the crisis. In fact, the ILO was the first UN institution, after the Bretton Woods institutions, to take up a position – through a statement of the Officers of the Governing Body – only two months after the crisis erupted. Indeed, I had made the point already in October 2007 at the International Monetary Fund's IMFC of the dangers emerging from the already visible financial problems.

At the *global level* and in the inter-agency process, we are in contact with the G8 (under an Italian Presidency), which will hold a meeting of G8 labour ministers and labour ministers from six other countries, the G20 (chaired by the United Kingdom), and the General Assembly. Many of you will have heard the President of the General Assembly who visited us recently in connection with the preparation of a special session at the beginning of June, where the ILO's voice will be essential. As chair of the UN High-level Committee on Programmes, a body of the UN Chief Executives Board for Coordination, I convened a meeting to agree on common policy action among international organizations.

All of these processes recognize the pertinence of the Decent Work approach to the crisis and the role of the ILO. We should remember that at the last session of the Governing Body a number of international Heads of State or Government, many of them part of the G20, expressed this view.

Regionally, we have rapidly organized different forms of consultation with constituents in Africa (in Addis Ababa in February), in Asia and the Pacific (in Manila in February), in Latin America and the Caribbean (in Santiago in January and in other countries); and the European Regional Meeting was rearranged to address the crisis. The outcomes of these consultations will be made available to the Governing Body.

Three sectoral meetings on public procurement, on financial services and on food prices have been organized over the last two months. For the meetings that had already been prepared, we reoriented part of their discussion to take a look at the implications of

the crisis. As the crisis hits different economic sectors of activity across the globe, further emphasis on the sectoral approach to the crisis will be crucial. Social dialogue at the sectoral level is an irreplaceable ILO contribution.

Nationally, we have responded to specific demands from our constituents in over a dozen countries since December. Examples include socially responsible restructuring in south-eastern Europe, employment-intensive infrastructure investments in Indonesia and the Philippines, the role of cooperatives in responding to the crisis in Africa, migrant workers in the Republic of Moldova and the Russian Federation; national tripartite workshops on the crisis in Panama, Pakistan, Sri Lanka and Ukraine, and analysis of the employment and social implications of the crisis in Bangladesh, Cambodia and Chile. We will continue to respond to such specific demands.

Third, in order to better serve our constituents, we are reorienting our programmes to meet their demands as they come in. This requires adaptability and rapid response capacity in management, resource allocation and staff deployment.

For the moment, our technical in-house capacity should suffice. As demand expands, we will need to have more recourse to external knowledge networks, academic and research institutions, and national-level expertise, including from among our constituents. We will use the UN-approved *Toolkit for mainstreaming employment and decent work* to enhance “Delivery as One” and leverage the knowledge of other international organizations in dealing with the demands.

The most important part of our readiness to respond is the proactive identification of the crisis-related demands we may receive, mainly in relation to employment and social protection, and the fine-tuning of ILO policy tools to respond to them. We have not yet received the volume of demand we are expecting in the future, but we are already preparing in terms of recognizing the general areas of this type of demand, the appropriate policy tools and who is behind them, in terms of expertise and knowledge. The first schematic analysis of needs and tools will be made available to the Governing Body.

I believe that you, the constituents, with Office support, should be proactive in promoting your active involvement as social partners at the national, sectoral and enterprise levels in the search for sustainable solutions, and I invite you to do so. You will have all our support in that endeavour.

There is a key role for social dialogue in times of crisis, and there is a need to focus on the protection of all workers’ rights, particularly those of the most vulnerable – women, the young, older and migrant workers.

We must also continue to have a presence in ongoing international discussions, insisting on the need for the voice of workers’ and employers’ organizations, as well as the labour and social dimensions of government to be part of the search for solutions. At the international level, I believe we should be a strong voice in support of enhanced development cooperation for Africa and the least developed countries. This will be an ethical test of multilateralism. As you know, the tendency towards inward-looking policies is strong, the danger of development cooperation breaking down is real and this is not a time to let the least developed countries down.

Please excuse me for the lengthy setting of the scenario as I see it. I believe that we can draw two key conclusions.

On the one hand, it is important for us to have the capacity to adapt rapidly to changing circumstances. None of the activities we have undertaken together were described in detail or foreseen in our Strategic Policy Framework or the current

programme and budget. We simply acted in response to needs and demands. With a sense of our responsibility, we seized the opportunity together.

When we moved from administrative budgeting to strategic results-based management, you gave the Office a clear strategic orientation, reinforced by the 2008 Declaration, and a mandate to implement programmes responding to changing circumstances and then report back on results. It is efficient and it works.

Secondly, at the same time, we have continued to act on our change agenda, deepening results-based management practices, including training for staff, ensuring high-level delivery of services, tightening ILO systems and processes, including staff performance – all of which are priority areas of the Strategic Policy Framework and the next programme and budget.

Let me turn to the specifics of my proposals.

My proposals aim to make the ILO stronger, technically and operationally.

As you know, I believed it was necessary to have extensive consultations on the Strategic Policy Framework. You have before you a Framework which you have substantially shaped over a period of more than a year. It provides the strategic direction to these and future programme and budget proposals.

Seventeen substantive outcomes centred on the world of work form the backbone of the Strategic Policy Framework and the programme and budget. They are based on the four strategic objectives of the Decent Work Agenda and respond to the criteria of the ILO Declaration on Social Justice for a Fair Globalization on the inseparable, interrelated and mutually supportive nature of the four strategic objectives. Each of the 17 outcomes combines regular budget contributions and estimated voluntary contributions.

These proposals are underpinned by specific changes in working methods, ranging from a renewed emphasis on teamwork, through cross-cutting approaches across the 17 outcomes, shared responsibility across the sectors at headquarters and within the regions, and strong emphasis on collaborative work within the regions.

The proposals on the field structure have to be seen in this light. These will strengthen our technical capacity in the regions and our service to constituents in countries. They will put us on a stronger footing to work with the United Nations Resident Coordinators and contribute to the UNDAF programmes.

Taken together, direct services to constituents in countries and regions absorb three-quarters of the proposed budget. The highest share of resources is in employment, with 31 per cent, followed by social dialogue (29 per cent), and then social protection and rights at work, each with 20 per cent. Once again, it is important to emphasize the inseparable, interrelated and mutually supportive nature of work under each of the strategic objectives.

Measurement of results

The Strategic Policy Framework establishes the 17 outcomes for the six-year period to 2015. This provides a good time horizon to adequately measure and evaluate the impact of the ILO's work.

In response to your concerns, a major effort has been made to craft measurable indicators that will be valid for the Strategic Policy Framework period, with variable targets, specific to each programme and budget period. I welcome this effort as I strongly

believe in the importance of being able to measure our performance as accurately as possible.

In 2008, a training strategy was implemented on the development of performance indicators, with the assistance of international experts, including from the World Bank; training materials were developed in collaboration with the International Training Centre in Turin. Training was delivered in several regional offices, with particular focus on results-based Decent Work Country Programmes. Intensive training accompanied the preparation of the programme and budget proposals, which led to the development of a measurement statement to accompany each indicator.

The methodological difficulties with which all public institutions grapple, including the United Nations, mean that we will need to make further improvements as we go along, in the light of our experience in applying those we have defined.

At this stage, I believe that the progress made has been significant and will enable us to move forward with far more precise performance measurement.

Further improvements should be introduced on the basis of experience and with special emphasis on improving the results orientation of the Decent Work Country Programmes.

Our efforts will continue in line with the ILO road map on results-based management adopted by the Governing Body in November 2006. We will focus our efforts on how to better align our work with your priorities on the ground. We have difficult choices to make, and it will be important to devote a maximum of time to making those choices. In this period of economic turbulence it would be surprising if we did not find it necessary to modify strategies and targets, and I pledge to report to you transparently on the measures we take as a result of our constituents' demands.

Resource allocation

The budget proposals before you provide for a substantial increase for the regions: 2.8 per cent on average, or a total of \$5.3 million. This continuous response to the many calls from constituents for more direct services in regions and countries, especially in the context of the current crisis, is where ILO services, limited as they are, can make the greatest difference.

The largest increase in volume is for the Africa region, followed by the Arab States, whose budget has lagged behind for many years, then Asia and the Pacific, the Americas, and Europe and Central Asia.

The increase for the regions has not been to the detriment of resources for technical sectors. The latter have been maintained, by and large, at 100 per cent of their current levels. The same applies to resources for the Gender Bureau, the International Training Centre in Turin, and the International Institute for Labour Studies.

A higher level of resources is proposed for our statistical work, so essential to progress in measuring decent work, for labour administration and inspection, for evaluation, essential to assessing our performance and drawing lessons, and for the Independent Oversight Advisory Committee, now functioning under the mandate you approved in November 2007. In addition, for follow-up to the standards supervisory mechanism and sustainable enterprises, we will undertake special knowledge and product development work on green jobs, expanded social protection and rural employment, which often overlap with the informal economy.

Savings

The increases have been funded through the redeployment of resources, especially from the administrative services. My proposals include a total of \$7.9 million of savings, including important savings in documentation and servicing of the Governing Body and the Conference.

Without pre-empting the outcome of discussions on improvements to the working methods and functioning of the governing organs of the Organization, which you have committed yourselves to addressing, there is already room to streamline the flow, in terms of translation and printing, of Governing Body and Conference documents.

The ILO is consistently praised for the high quality of its conference services. The European Regional Meeting held in Lisbon, Portugal, last month was another example of our capacity. We do not want to reduce quality, but it is important to address the overall cost of these services.

I urge you to continue assuming your responsibilities as constituents to make the Conference and the Governing Body more strategic, as you have already done through the 2008 Declaration. The Office will continue to review and adapt its institutional practices and is at your service to help enhance our governance practices.

Budget level

For some time now, and more formally in December last year, I have openly shared with you my intention to submit a budget for 2010–11 that would simply maintain our capacity to deliver the same level of services. What we know today of the financial and economic situation of our countries has further reinforced my decision.

I believe my proposals strike a reasonable compromise between a strong ILO at the service of its constituents, which now face an exceptionally difficult situation, and recognizing the very real challenges that public treasuries are facing as they allocate scarce tax resources between many competing demands.

Cost increases

The provision for cost increases is calculated at 4.3 per cent. The cost increases relating to staff costs account for 64 per cent of this amount. As a member of the UN common system, the ILO is obliged to implement decisions of the UN General Assembly and the International Civil Service Commission (ICSC), which are approved by your governments as represented in the United Nations.

This represents an overall increase of \$13.8 million annually, of which \$8.8 million are mandated by the United Nations. Other non-staff cost increases related to the ILO amount to approximately \$5 million a year. The cost increase calculations are based on independent sources that were available as recently as February 2009. Should these sources publish new estimates by June 2009, reflecting new economic data, then we would revise our cost increase provision accordingly.

Voluntary contributions

You will see that my proposals mesh together regular contributions and voluntary contributions. Our outcomes and targets are based on the two sources of funding.

We have been relatively successful in 2008, with approvals of voluntary contributions totalling over \$300 million, up from \$240 million in 2007. We aim to raise expenditure of voluntary contributions to \$425 million in 2010–11, up from \$350 million in 2008–09.

We are confident that this objective can be reached. We acknowledge that the current context presents additional risks, but the political significance and demands for the ILO agenda have also grown and it is clear that governments are thinking of the role of the international organizations in dealing with the crisis. For now, governments are concentrating on financial institutions. We have heard that a number of governments are proposing that the IMF should have access to \$500 billion in order to carry out its work, and that the World Bank needs \$100 billion. We have not yet got to the issue of what to do about jobs and social protection, but when we do the ILO will have a role to play. Seen in that context, the wish to increase voluntary contributions is relatively minor.

In 2008–09, we launched the Regular Budget Supplementary Account, as an additional window for voluntary contributions. We achieved 75 per cent of our target by collecting \$42 million in contributions. We are extremely grateful for this to all the countries that have contributed. We pledged lower transaction costs and simpler procedures to allow faster implementation. The key thing, from your point of view and ours, is our delivery. We must concentrate on ensuring that delivery is as good as we can make it, even with a new instrument. There is always a delay with implementing new instruments, a period of getting things in place. So let me say that greater management adaptability in resource allocation is in fact one direct way for you to help us increase delivery. This is particularly true in the context of the crisis.

Specifically, this means more leeway to respond to varying demands from constituents within each region, but across several strategic objectives, without jeopardizing in any way the ILO's overall objectives. Greater adaptability in the allocation and use of resources would be accompanied by the necessary accountability in reporting results. I am already appealing to donors to give us greater management space for projects already approved so that we can respond to the needs arising as a result of the crisis.

Members of the Governing Body,

I am determined that our sense of urgency in delivering assistance should match that of constituents faced with the devastation of the crisis. I am committed to mobilizing all the ILO's resources – human, financial and organizational – to accelerate that assistance.

Current programmes will be reviewed and adapted, as required, depending on circumstances, to better reflect the expressed needs of constituents in the light of the evolving situation, and we will report fully and transparently on the results achieved.

Actions taken up to now show that I have put the ILO into “emergency mode”.

Executive Directors, Regional Directors and Office Directors have all been asked to give top priority to ILO services to constituents battling with the effects of the global financial and economic crisis. I have seen how ILO staff are prepared to give their very best to ensure a sound, swift and efficient ILO response.

With the Senior Management Team, we are following closely the situation and are attentive to any additional changes that may be required to further enhance our institutional efforts to deliver more swiftly on ILO programmes.

We have consulted extensively in the preparation of the Strategic Policy Framework and the programme and budget proposals. I sincerely hope that these consultations have yielded positive returns.

In addition to addressing the crisis, we must remember that there was a crisis *before* the present crisis – the global decent work deficit. We are already seeing backsliding in poverty reduction gains, and middle classes almost everywhere are being weakened. The ILO and its tripartite constituents have a collective responsibility, as important actors in the real economy, to help guide and enrich the inevitable discussions on future global economic and social governance that have already begun.

I am sure that in the current crisis you will wish to make a resounding statement of your commitment to the ILO's objectives. I ask for your support for my proposals for 2010–11 and am looking forward to receiving your comments to enrich their content and give us clear guidance in the implementation of these very important documents.

Thank you.

Appendix II

Reply of the Director-General to the Programme, Financial and Administrative Committee debate on the programme and budget proposals 304th Session of the Governing Body (Geneva, 19 March 2009)

Ambassador Rapacki, Chairperson of the Programme, Financial and Administrative Committee,

Sir Roy Trotman and Mr Julien, spokespersons for the Workers' and the Employers' groups,

Government members of the Programme, Financial and Administrative Committee

Dear friends,

Last week your Committee held a rich, substantive discussion on my Programme and Budget proposals for 2010–11.

I should like to thank you for your strong engagement with our Organization. Executive and regional directors have taken careful note of the debate at the PFAC and your comments in their direct contacts with you.

You have provided us with clear guidance. Many of your comments relate to the shaping and implementation of the proposals for 2010–11.

This is already influencing our work as we go forward.

Allow me to refer to some of your main points.

Context: Social justice and the crisis

There was clear agreement among all speakers that the Decent Work Agenda, as articulated in the 2008 Declaration and in my programme and budget proposals represented a central response to the daunting economic and social crisis in the making across all regions.

As Sir Roy put it, “the Social Justice Declaration and the current financial, economic and social crisis with its impact on workers” – and I would add on all three constituents – “are the major political drivers that should guide the programme and budget discussions this time around”.

The United Kingdom pointed out that “jobs are in the front line of the global crisis ... the response to the financial crisis will dominate the agenda of the ILO’s constituents possibly for many years ahead”.

Mr Julien wished to see this programme and budget operationalize the 2008 Social Justice Declaration, which was even more necessary in the prevailing circumstances.

South Africa, speaking on behalf of a region whose needs must be matched by strong development cooperation, spoke of the danger of moving from a financial crisis to an economic crisis, a social crisis and ultimately a security crisis.

Japan added that it is “time for the ILO to demonstrate its capability and expertise to support its constituents which face difficulties provoked by the current financial and economic crisis ... time to act to preserve the rights of the workers who are in the depths of despair over unemployment”

Mr de Robien spoke of a crisis of such gravity as to make it obvious that the social dimension had to be taken into account in global economic governance, and the ILO was the international organization at the heart of that mission.

Many speakers made similar points.

So we have a strong consensus on the direction and our priorities based on the Declaration on Social Justice for a Fair Globalization, as we move into a difficult time requiring an urgent and effective response to the needs of our constituents, and in our contribution to multilateral policies.

Support to regional priorities

I have again proposed to transfer more resources to the regions.

The Asia–Pacific group, the Africa group, Jordan and others all expressed their strong support to this move.

The Africa group noted that the work priorities identified for their respective regions captured well the needs on the ground.

Argentina welcomed the proposed work priorities for the region, noting that the actions proposed were those which the Members hoped the ILO would implement in the region.

Several Worker members spoke to regional priorities very graphically, in particular with regard to issues linked to the application of standards. There was general agreement that this is not the moment to put in danger workers’ rights.

Sir Roy called for “particular attention to be devoted to strengthening the capacity for effective tripartite participation in UN country programmes”.

Several speakers, including Employer and Workers spokespersons, spoke of the need to increase the effectiveness of the ILO’s offices in the regions.

Belgium and others made a particular plea to strengthen the capacity of the ILO to, and I quote from Africa’s statement, “embed the decent work approach in UNDAF development strategies”. I believe this is a very important strategic objective.

All of these and other comments on regions are particularly important in crisis time. The UN system, the Bretton Woods institutions and regional bodies must work together to support countries and the most vulnerable.

Support to strategic objectives

There was strong support expressed for all strategic objectives – all important, inseparable, interrelated and mutually supportive.

Let me go through the strategic objectives one by one.

Employment attracted a lot of support, not surprisingly in this time of crisis.

- The Asia–Pacific group noted: “To tackle the current global economic turmoil and its dire consequences on employment opportunities, constructive initiatives in this field are demanded more than ever”.
- Mr Julien recalled the priority given by his group to promoting an enabling environment for enterprises, programmes for SME creation and development and support for skills development.
- The Nordic countries, the Netherlands, India and the Republic of Korea identified employment, together with social protection, as key areas for ILO attention in the context of the crisis.
- Cuba underlined the strategic importance of employment.
- India and Hungary spoke of the importance of skills development, including the need for reskilling workers.
- Egypt called for projects to boost employment, especially for young people, and to boost agricultural production.
- China, United Republic of Tanzania, Bangladesh, Zambia and the Workers’ group and many others referred to the promotion of rural employment and the upgrading of the informal economy as special needs of member States.

I acknowledge the value of all these comments.

In particular, our work on the rural and informal economies needs further reinforcing. These are often interlinked.

I therefore propose to add \$430,000 to further strengthen ILO support to constituents for small and medium enterprises and upgrading of the informal economy, particularly in rural areas.

In the same spirit I propose to increase the resources of the Sectoral Activities Department by \$300,000 to strengthen our work on rural employment. Both areas are linked and I would expect joint activities across the house to be a strong feature of this work. In all, \$730,000.

Many of you pointed out that the ILO’s work on social protection is vital in this time of crisis. There were many expressions of support as well as concrete suggestions and requests.

- The Africa group stressed the need for “social security measures to be comprehensive in nature”, not just safety nets.
- China referred to the importance of work on pensions.

- Spain noted that the ILO was ready to use its comparative advantage at a time of economic recession, in particular in regard to labour migration as a cross-cutting issue. This comparative advantage lies, as the United States stressed, in improving protection for migrant workers.
- The Workers’ group and the United Kingdom emphasized working conditions and occupational safety and health.
- There was a lively debate around wages. While the Employers’ and Workers’ groups had different views on the subject, this is clearly an area where the ILO has a distinct comparative advantage.
- Many speakers commended the ILO’s work on HIV/AIDS, including Sir Roy Trotman, Mr Julien, the Africa group, Nigeria, Zambia and the United Kingdom.

Many of you identified the outcome on migration as particularly important. I propose to allocate an additional \$500,000 for work on mitigating the impact of the crisis on migrant workers.

Almost everybody underscored the importance of social dialogue and tripartism in the way the ILO works and particularly in the context of crisis.

- As the Africa group put it “a strong voice from the social partners is of value to any development agenda”.
- Nigeria stressed the importance of this strategic objective in promoting good governance and social justice.

Many of you, and in particular the Employers’ and Workers’ groups, requested additional resources to build the capacity of constituents. Both these groups, and many governments, emphasized the key role of the ILO’s International Training Centre in Turin in developing constituents’ capacity.

I acknowledge the importance of strengthening the capacity of the social partners in the context of the crisis and propose an increase of \$500,000 in the regular budget contribution to the International Training Centre in Turin, to support their capacity development and all constituents.

The support to our work on standards and fundamental principles and rights resonated strongly.

A key point of consensus was the centrality of international labour standards. Austria and the United States, for example, saw standards as a central pillar of our Organization. Sir Roy referred to them as “central to the ILO response to the crisis, starting with freedom of association and collective bargaining”.

The group of fundamental standards and the 1998 Declaration were widely seen as a high priority. Mr Julien expressed the strong support of the Employers to the 1998 Declaration.

Several speakers urged greater realism and practical approaches to helping countries improve their standards performance. I strongly believe the role of the ILO is not only to point to problems in the application of standards but also to provide practical assistance to help countries overcome these problems.

I therefore propose an additional allocation of \$400,000 to develop capacity and proposals to follow up on decisions of the supervisory bodies. Should a country request such assistance the ILO would be ready to provide advice and support specifically centred on the comments of the supervisory bodies.

Additionally, I propose to give greater priority to the application of labour standards in our RBSA proposals, particularly on freedom of association and collective bargaining.

Having reviewed again very carefully my budget proposals, I propose to fund these additional allocations to strategic resources through decreases in the following expenditures:

- A reduction in Part IV of the budget under “Information technology and communications” (\$300,000).
- Cancellation of the proposed increase for accommodation under Part IV (\$459,350).
- Decrease of the Staff Development Fund from 2 per cent to 1.7 per cent at headquarters only. This results in small decreases in each department.

I have not proposed any decreases under the strategic objectives to fund these adjustments. I heard no suggestions to that effect.

Results-based management

I was impressed, and pleased, to note that nearly all of you adopted the proposed set of outcomes as your point of departure. Several of you said that you found the new strategic framework more focused and easier to use.

Notwithstanding, you formulated a substantial number of constructive, helpful suggestions to further improve on that framework, among them IMEC and Sweden speaking on behalf of the Nordic countries and the Netherlands.

Canada, speaking for IMEC, suggested that we prepare a list of changes to the programme and budget reflecting the discussion, and submit it together with the budget in June.

This is an excellent suggestion. This is the procedure we followed in 2007 for the 2008–09 programme and budget. We have already started preparing for this and I can therefore summarize the key aspects we are working on. They are generally non-controversial.

First, several speakers asked that selected outcome statements and indicators be clarified. We will improve on the drafting of outcomes under all the strategic objectives, based on your specific comments.

Second, the issue of balancing and weighting measurement criteria was a concern for some of you. This will be addressed for the cases you identified.

Third, there was consensus among the three groups that some targets were not ambitious enough. We have heard you. We will raise targets whenever this is realistic. In particular we will re-examine those targets that struck you as particularly low.

Fourth, there were calls for better alignment of some texts to the Social Justice Declaration. We will make adjustments in line with the language of the Declaration.

Lastly and most importantly, several of you suggested that each of the four groups of fundamental principles and rights be assigned its own outcome, indicators and targets. This also corresponds to the points that many of you made about the 1998 Declaration. Each of the four categories of fundamental principles and rights at work concerns a separate and distinct priority.

I therefore propose that we introduce four separate outcomes. In addition to the existing outcome on freedom of association and collective bargaining, we would have three separate outcomes on child labour, forced labour and discrimination at work.

All of this will refine our capacity to focus more attention on the implementation of policies and not just their adoption. The goal is a sound strategic framework, more measurable, our efforts more explicit and our budgeting and results more transparent, in direct response to your very useful comments.

Reform of governance organs

I have on earlier occasions expressed my view about the functioning of the ILO governing organs. This is not merely a budget matter, although it is a major part of the total budget. You have committed to taking a serious look at present arrangements. I urge you to be both bold and swift.

Strengthening the capacity of the Organization to conduct high-level substantive governance discussions on critical issues at the right time is an imperative. Currently we have many substantive exchanges in the committees but much less in the Governing Body itself.

The Governing Body should also engage in regular substantive analysis and orientation. This is particularly necessary in the fast-changing reality of today.

I look forward to an intense dialogue on the role of governance, the ways it can be made more effective and less costly, and the practical steps that are needed to introduce improvements in the workings of the Governing Body and the Conference.

Efficiency savings and resource transfers

Several speakers welcomed the \$7.9 million efficiency savings that we have identified in the proposals. This is the highest level of savings proposed in recent programme and budget proposals.

There were calls for further savings. This is welcome and we will continue to monitor our expenditure closely and identify areas where further cuts could be possible, including in travel and in administrative expenditures.

For those savings proposed, there was considerable support for the way that resources generated were allocated: a substantial increase for the regions while protecting the technical programmes at headquarters. We have also reinforced oversight and evaluation.

I would like to emphasize that my proposals imply fundamental changes in methods of work, with results-oriented teams, guided by outcome-based workplans spanning both technical programmes and regions.

This will not happen without time and effort, but we are committed to achieving those changes. This means enlarged responsibilities for my senior management.

Cost increases

Several of you commented on the provision for cost increases. Comparisons with different and changing inflation forecasts were made. A number of you have engaged in more detailed reviews of these calculations with the Office.

A special meeting was held to address questions raised during the PFAC. Additionally, the Office responded to requests from individual countries or groups for more detailed information.

As you know, the cost increase provision is the result of a detailed review of all cost elements across all geographical locations of Office activities. This is not simply about applying an average rate of inflation.

I have insisted that the calculations be based on independent, reputable and verifiable sources. The multiple analyses of these data resulted in the consolidated provision of 4.3 per cent over the biennium.

The turmoil over recent months in financial markets has caused considerable volatility in economic forecasts. Some data used six weeks ago during the preparation of my proposals have changed.

Last week, as the French delegation recalled, the Swiss National Bank released revised forecasts for inflation in Switzerland. Likewise new forecasts have been obtained from IATA for aviation and travel costs. The IMF has also updated their estimates of average inflation forecasts in emerging and developing countries.

We have recalculated the provision for cost increases based on these latest data. The result of this update is a \$4 million reduction in cost increases. The revised provision for cost increase now stands at \$23.4 million or 3.6 per cent for the biennium.

I would not like to raise expectations that projected costs will continue to decline significantly.

We cannot totally exclude that inflation is likely to come back sometime at the end of 2010, or beginning of 2011, given the large amounts of public spending, as some economists are already arguing. And we must be prudent.

I should like to recall that with this reduction, 67 per cent of the cost increases result from decisions by the United Nations.

Extra-budgetary resources and RBSA

Our projections for extra-budgetary expenditure are based on what we have observed over the past few years. The rapid growth in approvals through 2008 will already bear significantly on our delivery in 2010–11.

We are building for the future by developing technical cooperation “magnets” around our comparative advantages. We have invested heavily in UN reform, relationship with the specialized agencies and UNDP, and expect to play a growing role in UNDAF and UN country programmes.

Many of you expressed concerns about what you perceived as possibly unrealistic targets for extra budgetary resources.

I do not consider it wise to lower our ambitions. Partly this relates to your insistence that performance targets should be increased in a number of areas.

Given the accumulated efficiency savings over the last decade and the tighter results-based management approach which we will continue, it is nevertheless increasingly difficult to raise performance criteria, increase targets and reduce resources simultaneously.

But my main argument is based on experience.

Two years ago, there were many voices saying that the RBSA would not attract any resources at all. Yet we have mobilized, thanks to your support, some \$45 million. Increasingly, donors are applying the policy they agreed to through the Paris Declaration.

Then there are rising and pressing demands on the Office. The regional directors all reported at our meeting of the Senior Management Team last week the urgent needs of constituents, the increasing impact on unemployment and poverty, the risks to security and rights.

I think that we must all have the conviction that the growing relevance of the decent work approach to tackle the global crisis will result in further commitments to support our work.

It must be clear that the mere projection of expected voluntary contributions does not commit anybody. It is simply an expression of our will to work together to make it happen.

I know – as we all do – that reaching the proposed RBSA level will be difficult. But I believe we must persist, in close contact with countries that have already participated in this innovation.

Also, new things happen. We are finalizing with Brazil an agreement to promote South–South cooperation on child labour and social protection amounting to \$3 million. Let me invite other countries with the capacity to do so to follow suit. This is innovative and opens new perspectives. A strong South–South programme on decent work objectives could be very powerful.

In any case, we can review the situation in March of next year at the beginning of the next biennium and act accordingly.

Concluding remarks

Let me conclude by capturing the mood I have heard these past few days. We are facing exceptional circumstances. We need exceptional dedication, from all of us. The global crisis is frontally challenging enterprises, workplaces, workers, families and communities.

You have been telling us that the Decent Work Agenda is central to any response to the crisis and that the ILO has a key role to play in designing policy responses and assisting countries to apply them.

And over the last months, we have put the ILO in “crisis mode” and demonstrated what could be done by an ILO mobilized to give its best and rise to the challenge.

On this basis, it will be the task of our International Labour Conference in June to place the ILO at the centre of national and international policy-making within our mandate.

We must be up to the task. It is a responsibility we must assume with a strong sense of tripartite institutional identity.

Let me conclude by looking towards the future in the light of the Declaration on Social Justice for a Fair Globalization.

We will invest heavily in changing and adapting our methods of work. This means a more collaborative Office, operating within a culture of accountability for results, focused on services for constituents, acting with a changed mentality.

It is an energizing task. Our resources for investment in change are limited, but we will use them very effectively. Several of you have spoken of the importance of the strategies we will propose to you in November, in particular on knowledge and on human resources. Together we can ensure that the Office performs better.

Dear Governing Body members,

No one in these times can take a budget decision lightly. I am acutely conscious that public resources are very tight. Only your commitment to the high goals of this Organization permits you to consider the level of priority that we ask.

My colleagues and I will ensure the greatest attention to efficiency and effectiveness in the use of the funds that are entrusted to us.

Humbly, I ask you to recommend to the Governing Body and the International Labour Conference the point for decision in the document before you.

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