



Governing Body

310th Session, Geneva, March 2011

GB.310/PFA/3

Programme, Financial and Administrative Committee

PFA

FOR DECISION

THIRD ITEM ON THE AGENDA

Use of the 2008–09 Special Programme Account

Overview

Issues covered

Proposed use of the funds available in the 2008–09 Special Programme Account (SPA).

Policy implications

Decisions on the highest priorities for SPA funds.

Financial implications

Decisions on the use of the 2008–09 SPA funds.

Decision required

Paragraph 33.

References to other Governing Body documents and ILO instruments

GB.307/PFA/1/1, GB.309/ESP/1/2, GB.309/PFA/3, GB.309/PFA/7, GB.309/PFA/ICTS/1, GB.310/PFA/2

Financial Regulations

Global Jobs Pact

1. The financial results under the Programme and Budget for 2008–09, submitted at the 307th Session of the Governing Body in March 2010, indicated that the biennium ended with an income surplus of 19,127,221 Swiss francs, equivalent to US\$18,570,117, at the 31 December 2009 rate of exchange.¹ The income surplus was due to the receipt of arrears of contributions, resulting in income in excess of the level of the Programme and Budget for 2008–09.
2. In accordance with article 18(3) of the Financial Regulations, this surplus was transferred to the Special Programme Account (SPA) as defined in article 11(9). This same article provides that use of the surplus shall be subject to the authorization of the Governing Body to finance high-priority activities of limited duration that were not otherwise provided for under the budget adopted by the Conference and that do not create any expectation of additional future funding.
3. The current detailed proposals for one-time investments build on the tentative areas identified in GB.309/PFA/3 and on guidance provided by the Governing Body followed by informal consultations with Government, Employer and Worker representatives. The proposed investments complement the 2012–13 programme and budget proposals² under discussion at this session and will lead directly to strengthened services to constituents.
4. In line with the prudent and conservative financial management that the Office has practised, the Director-General requests authority to use up to \$14.4 million as detailed below, while setting aside the remaining \$4.2 million for future decisions of the Governing Body.
5. Summary table of proposed expenditure:

SPA costs	US\$
Strengthening application of standards	2 000 000
Supporting the implementation of DWCPs	4 000 000
Strengthening the knowledge base	2 392 500
Modernizing IT infrastructure	6 000 000
Total	14 392 500

6. The first three proposals address specific needs for investments to strengthen core means of action of the Organization: international labour standards (ILS), technical cooperation and knowledge sharing. In each case, the proposals respond to specific requests and guidance from the Governing Body and International Labour Conference. While the lessons from these investments will be followed up, future costs are either already built into the Programme and Budget proposals for 2012–13 or can be the object of technical cooperation or other proposals after a pilot phase. No structures are created except through full funding on the regular budget. The fourth proposal relates to modernizing information technology (IT) infrastructure. Once again, all ongoing costs have been built into the Programme and Budget proposals for 2012–13.

¹ GB.307/PFA/1/1, para. 6.

² GB.310/PFA/2.

Strengthening the application of standards

7. This would consist of piloting a two-fold innovative approach to strengthen the application of standards in developing countries through: (a) a reporting “safety net” that would address follow-up to cases of serious failure by member States to fulfil their reporting obligations under the Constitution based on criteria already adopted by the Conference and applied by the Committee of Experts;³ and (b) targeted assistance to countries that have demonstrated clear political commitment to overcoming implementation gaps in respect of ILS identified by the supervisory bodies, but lack the relevant technical and legal capacities to do so. This would include legislative drafting and assistance in operational areas.
8. The safety net and targeted assistance activities would each cover 20 countries. A total allocation of \$2 million would be split roughly equally between the two approaches:

SPA costs	US\$
Reporting “safety net” (20 countries)	1 000 000
Targeted assistance (20 countries)	1 000 000
Total cost	2 000 000

Support to constituents to enable their full participation in the design and implementation of Decent Work Country Programmes (DWCPs)

9. Experience with design and implementation of DWCPs demonstrates that more effort is needed to ensure that constituents have the information and capacity necessary to participate in a results-based country programme design process. In addition, the implementation of DWCPs benefits significantly when constituents are actively involved in programme implementation, monitoring and evaluation. The lessons learned through the application of the Global Jobs Pact country scans and other instruments for country diagnosis have demonstrated the importance of consolidating a methodology for a Decent Work country scan that can help the Office and its constituents to design and implement DWCPs on a solid knowledge base. The Global Jobs Pact country scans include a practical methodology for covering all four strategic objectives in an integrated manner. This corresponds to the “Defining the country context” step of the current process used to develop DWCPs.⁴
10. It is therefore proposed to further develop the country scan methodology and the transition from the Global Jobs Pact country scans to the Decent Work country scans. This would be applied in the preparation of new and revised DWCPs, strengthening the participation and the capacities of constituents. This work would then be mainstreamed into the DWCP design process. It would contribute to the quality and delivery of outcome-based workplans

³ The Governing Body has regularly discussed measures to enhance the impact of the ILO’s standards system, including through technical assistance and cooperation, since its endorsement of the interim plan of action on this matter in November 2007. Furthermore, in November 2010, the Committee of Experts noted that, for 2010 alone, 18 countries fell into the criteria with respect to 401 specific cases of serious failure to report on ratified Conventions. It called on the Office to adopt an innovative approach in addressing the issue.

⁴ See “Preparing a Decent Work Country Programme”, a six-step cycle in *ILO Decent Work Country Programmes: A Guidebook*, Version 2, July 2008.

and be an important component to the Office's Knowledge Strategy. The work would involve all technical sectors and regions as well as the units responsible for programming, development cooperation and evaluation. The Turin Centre would contribute to training materials development and workshops. The work would be coordinated with UNDG and UNDP processes and linked to resource mobilization.

11. The work would broadly consist of: (a) adapting the methodology based on DWCP and Global Jobs Pact experiences through a process involving all three groups of constituents; (b) applying the methodology in each region, including the mobilization of integrated multidisciplinary teams involving both field and headquarters staff; (c) based on these experiences, updating the existing DWCP guidelines for wider application; and (d) launching the new methodology globally through the development of multilingual resource materials and training of ILO staff and constituents in the regions and at headquarters. An allocation of \$4 million is proposed for this work.

SPA costs	US\$
Support to DWCP design process at country level including capacities of constituents	1 650 000
Development of preliminary guidelines and resource material for the DWCP scan methodology	350 000
Applying DWCP scan methodology in 15 countries (three countries per region)	1 000 000
Assessing the experiences and lessons	250 000
Finalizing and globally launching the new methodology through the publication of revised DWCP guidelines, production of multilingual resource materials, and delivery of training in the regions and at headquarters in applying the methodology	750 000
Total cost	4 000 000

Strengthening the knowledge base of the Office

12. The Programme and Budget proposals for 2012–13 identify knowledge management and sharing as a central theme. Work in this area will constitute a new ILO policy product at the service of constituents. It will support priority setting and analysis by constituents at the global and country levels and will contribute directly to analysis and services by the Office.
13. While the ongoing costs of this system are built into the Programme and Budget proposals for 2012–13, three key components are proposed for SPA funding as one-time investments:

Implementation of the Central Information Services Gateway to facilitate improved management of knowledge at the ILO

14. Three key areas of preparatory work required for the implementation of the Central Information Services Gateway have been identified and are proposed for support.
15. Policy template development includes mobilization and engagement of key staff across the Office, as well as a series of consultations both at headquarters and in the field. The consultations will serve as a vehicle for iterative development of a common template for gathering policy-related information at a country level.

16. Training materials development includes presentations, demonstrations, case studies and reference materials which will be created prior to training delivery. All materials will be available in the three official ILO languages.
17. Training delivery is planned to take place in a total of 80 countries. It is envisaged that a “train-the-trainer” strategy will be employed. Headquarters staff will deliver the training to the initial 30 countries, while some of the trained staff members from the field offices will continue the training execution to the remaining 50 countries.
18. An allocation of some \$0.29 million is proposed for the development of the policy template. For developing the necessary training materials, some \$0.17 million is proposed. Total one-time investments amount therefore to some \$0.46 million. As regards training delivery, estimated costs of some \$1 million would be funded from the staff development funds set aside in the programme and budget proposals.

SPA costs	US\$
Policy template development	287 500
Training materials	170 000
Training delivery	0
Total cost	457 500

Design and implementation of the IT systems to underpin the Central Information Services Gateway

19. The Central Information Services Gateway is envisioned to bring together content from more than 20 internal and external information sources into a user-friendly, web-based information portal accessible to ILO staff, ILO constituents and the general public.
20. The goal of the Central Information Services Gateway is to provide coherent, specific and practical policy advice in real time to facilitate effective services to constituents based on real-time country knowledge. These services include sound research and policy analysis at the national and regional levels, regularly updated DWCPs, global reports to support collaboration with external groups, policy advice, technical advisory services and regular policy updates.
21. Data used in the Central Information Services Gateway will be identified and collected at the national, regional and global levels and comprise policy, statistical and standards-related information. The content delivered will be organized, categorized and aggregated by country and theme according to the four Decent Work pillars and 19 Decent Work outcomes.
22. The costs of designing, building and testing the Central Information Services Gateway include those for the underlying database which will house aggregated data and associated documentation; web pages to display, search and manage content stored in the underlying central database; and interactive reports used to analyse information.
23. Software licence costs include the costs of utilizing vendor-specific software to implement the Central Information Services Gateway. The Gateway will utilize ten integrated software products.
24. Infrastructure costs include the physical hardware including servers, storage devices and other IT equipment and one-time infrastructure costs. Hosting costs include the costs to

host the application at primary and secondary IT-hosting facilities to ensure the protection of the ILO's investment.

25. An allocation of some \$1.4 million is proposed for costs related to designing, building and testing the Central Information Services Gateway. For the software licences required to implement the Gateway, an allocation of some \$0.24 million is proposed. In addition, some \$0.3 million is proposed for the IT infrastructure and hosting costs required to implement the Gateway. The total allocation for implementation of the Gateway is therefore some \$1.9 million.
26. In addition to the above proposed allocations under the SPA for one-time investments, some \$1 million is built into the programme and budget proposals to cover costs related to application support, software licences and IT infrastructure and hosting.

SPA costs	US\$
Design, build and test the Web-based Central Information Services Gateway	1 390 000
Software licences required to implement the Central Information Services Gateway	240 000
IT infrastructure and hosting costs required to implement Central Information Services Gateway	305 000
Total cost	1 935 000

Modernizing the IT infrastructure of the Office

27. The Programme and Budget proposals for 2012–13 set out the need for the Office to modernize its information technology to increase cost-effectiveness in the delivery of services to ILO constituents. The proposals also point to the fact that an enhanced IT infrastructure is essential to support the knowledge sharing that is increasingly embedded in the ILO's work. In addition, by modernizing its IT infrastructure the Office enhances its internal capacity to respond to requests such as improved outcome-based work planning, reporting, accountability and research. Three main components are proposed as one-time investments under this item, which relates to the need to modernize the Office's IT capacity as identified in the IT infrastructure study.

Housing IT systems in a professional third-party location

28. The ILO IT systems are currently located in a data centre that is not purpose built, and has been the object of serious critical observations by the IT auditors. Housing these systems in an inappropriate location exposes the data assets to possible unavailability or lost integrity. Hosting the IT systems in a professional and secured location would additionally provide the possibility of around-the-clock support of the hardware and configurations, thereby assuring better information availability to staff, constituents and partners who are located outside headquarters.

Secure ILO data, user identities and systems through disaster recovery

29. The standard practice for critical IT systems is to have the data and systems located in two secure locations, so that failure of a single component (electricity, server, disks) does not compromise the ongoing availability of the system. Currently the ILO is not in the position

to provide this level of systems availability, which exposes the Office to a significant risk of lost data and productivity.

Upgrade unsupported systems

- 30.** Some of the ILO systems are still running on outdated and unsupported hardware or software. When security problems arise, the suppliers of these systems are unwilling to provide solutions because they are considered to be obsolete, and support has been curtailed. Old hardware is inefficient and therefore consumes relatively large amounts of electricity and cooling while providing inadequate processing. Additionally, this situation constrains the possibilities of integrating information systems and introduces security risks, as security patches are not made available for unsupported hardware or software.
- 31.** An allocation of some \$0.7 million is proposed for housing IT systems in a professional third-party location. For securing ILO data, user identities and systems through disaster recovery, some \$2.8 million is proposed. As regards the upgrading of unsupported systems, some \$2.4 million is proposed. An allocation of \$120,000 is proposed for the consolidation of existing knowledge-sharing systems and the provision of a single login access. Total allocations proposed are therefore \$6 million.
- 32.** In addition to the one-time investments mentioned above, some \$1.9 million is built into the Programme and Budget proposals for 2012–13 for ongoing costs associated with the three main components.

SPA costs	US\$
<i>Housing IT systems in a professional third-party location</i>	
Minimal upgrade to data centre (to reduce unacceptable risk for next three/four years)	300 000
Move production (only) systems to an external hosting facility	190 000
Full data centre hosting (all systems)	200 000
Subtotal	690 000
<i>Secure ILO data, user identities and systems through disaster recovery</i>	
Replicate all ILO data for disaster recovery (data exists in two places)	900 000
Split infrastructure hosting between two sites (servers and data exist in two places)	1 000 000
Consolidate identity management project (security). User IDs and passwords managed securely	940 000
Subtotal	2 840 000
<i>Upgrade unsupported systems hardware, disk space and back-up</i>	
Upgrade Internet hosting infrastructure – isolation of insecure old Internet applications	110 000
Rationalize and consolidate servers (reduce power consumption and eliminate unsupported hardware)	260 000
Minimal upgrades for storage and backup (replace obsolete SAN, disks and tape library)	580 000
Subtotal	950 000

SPA costs	US\$
<i>Upgrade unsupported file operating systems, printing and email software</i>	
Migrate mail to Microsoft Exchange (move from unsupported email system to a service approach)	810 000
Migrate Netware to Windows file & print (move from unsupported file operating system)	590 000
Subtotal	1 400 000
<i>Consolidation of existing knowledge-sharing systems and single login access</i>	
Subtotal	120 000
Total costs	6 000 000

33. *The Committee may wish to recommend that the Governing Body authorize the Director-General to use \$14.4 million of the 2008–09 Special Programme Account as detailed above and summarized in paragraph 5, and request him to submit proposals on the use of the remaining \$4.2 million to the Governing Body in November 2011.*

Geneva, 16 February 2011

Point for decision: Paragraph 33