



## TWELFTH ITEM ON THE AGENDA

**Reports of the Programme, Financial  
and Administrative Committee****First report: Financial questions***Contents*

	<i>Page</i>
Programme and Budget for 2006–07: Regular budget account .....	1
Voluntary contributions and gifts .....	3
Financial questions relating to the International Institute for Labour Studies .....	3
Proposed 2008–09 budgets for extra-budgetary accounts .....	4
(a) International Occupational Safety and Health Information Centre (CIS) .....	4
(b) Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) .....	5
Establishment of an Independent Oversight Advisory Committee .....	7
International Training Centre of the ILO, Turin .....	11
(a) Documents submitted to the 69th Session of the Board of the Centre (Turin, 29–30 October 2007) .....	11
(b) Report of the 69th Session of the Board of the Centre .....	11
(c) Report of the Working Party .....	12
Report of the Building Subcommittee .....	15
Report of the Information and Communications Technology Subcommittee .....	16
Results-based management (RBM) .....	17
(a) Progress report and review of the programming cycle .....	17
(b) Knowledge strategy .....	20

Programme and Budget for 2008–09: Technical meetings reserve .....	23
Regular Budget Supplementary Account (RBSA) .....	26
Progress report on the review of the field structure.....	29
Evaluations .....	32
(a) Annual Evaluation Report 2006 .....	32
(c) Independent evaluation of the ILO country programme for Argentina: 2001–06 .....	34
(d) Independent evaluation of the ILO’s country programme of support to Ukraine: 2000–06.....	37
Matters relating to the Joint Inspection Unit: Reports of the JIU .....	38
Other financial questions.....	39
Financial arrangements for the funding of the ILO Liaison Officer in Yangon .....	39

1. The Programme, Financial and Administrative Committee (PFAC) of the Governing Body met on 7 and 8 November 2007, chaired by Mr Jayatilleka, Chairperson of the Governing Body. Mr Barde, Employer representative, was elected as Reporter.

## **Programme and Budget for 2006–07: Regular budget account (First item on the agenda)**

2. The Committee had before it two papers <sup>1</sup> on the regular budget account.
3. The representative of the Director-General (Mr Johnson, Treasurer and Financial Comptroller) reported that contributions received since 2 November 2007 were as follows:

	<b>2007</b>	<b>Arrears</b>	<b>Total (Swiss francs)</b>
Dominican Republic	127 903	129 741	257 644

The total contributions received to date amounted to 332,964,138 Swiss francs, comprising 249,488,804 Swiss francs for 2007 and 83,475,334 Swiss francs in arrears. The total balance due was therefore 197,357,029 Swiss francs.

4. Mr Barde, speaking on behalf of the Employers' group, expressed the Employers' delight that the level of contributions paid was higher than at this stage last year. However, he regretted that a number of States – which were not among the poor nations – were not meeting their financial obligations. The Employers were also delighted at the significant reduction in the number of countries losing the right to vote. Clearly, the case of Iraq called for special attention. The Employers supported the point for decision.
5. Mr Blondel, speaking on behalf of the Workers' group, supported the statement and complaint of the Employers' group regarding the failure by member States, and in particular by countries that were not poor, to meet their financial obligations. He wondered whether these actions might not in fact be a deliberate tactic. Certainly, contributions must be paid, and the Workers were pleased to note that this year's figures showed an improvement in this respect. Countries seemed to be responding positively to criticisms made in this regard, and the Workers wondered whether, after the Governing Body and Committee sessions were over, it might not be appropriate to send reminder letters to those countries still dragging their feet to encourage them to pay their contributions. What was more, it was important to prevent the loss of the right to vote from becoming a habit for certain countries.
6. Regarding the point for decision, Mr Blondel firstly noted a change in the formulation from that used in last year's document. Secondly, he wished the words "and the Vice-Chairpersons" to be inserted after the words "to the Chairperson", to indicate that the Officers of the Governing Body were to be consulted, not just the Chairperson alone.
7. The representative of the Government of South Africa, speaking on behalf of the Africa group, emphasized that the ILO would only remain a relevant and influential organization through its ability to finance its programmes. He welcomed the fact that 61.7 per cent of member States had already paid their 2007 assessed contributions by 30 September 2007, an increase over the same period in 2006. Several 2008 contributions had also been paid,

<sup>1</sup> GB.300/PFA/1 and GB.300/PFA/1(Add.).

amongst them those of nine African States. He called upon member States in arrears and those who had lost their right to vote to agree upon payment arrangements with the Office, whilst recognizing the difficult economic circumstances of several member States.

8. The Treasurer and Financial Comptroller, responding to Mr Blondel's proposed amendment and his comment on the change to the point for decision, explained that the amended wording had resulted from the debate of two years earlier and was identical to the point for decision as adopted in November 2005. Transfers of the kind referred to in article 16 of the Financial Regulations required the approval of the Governing Body but, owing to the time frame involved in closing the accounts, approval had been delegated to the Chairperson of the Governing Body.
9. The Director-General explained that the transfers under discussion were not particularly significant – potentially, no more than 1 million Swiss francs – and did not merit a heavy administrative procedure. The current procedure of referring such transfers to the Chairperson and of informing the Governing Body at a later date worked well.
10. Mr Blondel, speaking on behalf of the Workers' group, made it clear that he had no intention of questioning the Director-General's authority, nor that of the Chairperson of the Governing Body. The size of the sum was inconsequential: his desire was to uphold the principle of tripartism and he maintained his position.
11. The representative of the Director-General (Ms Trebilcock, Legal Adviser) explained that paragraph 9 of the document made clear that normal practice was for the Director-General to submit a list of any transfers to the Chairperson of the Governing Body. The latter would review the transfers in the role of Chairperson of the Governing Body and not as Chairperson of the PFAC. Such a review could obviously take place in consultation with others.
12. The representative of the Government of Canada asked for details of the wording used two years earlier.
13. The Treasurer and Financial Comptroller replied that the text as proposed in November 2005 had referred to "in accordance with the usual practice" and did not refer to a "delegation by the Governing Body of its authority".
14. Mr Barde, speaking on behalf of the Employers' group, considered that, while tripartism was vital to the Organization, it was not so for all administrative processes. The Employers did not support the proposed amendment.
15. Mr Blondel, speaking on behalf of the Workers' group, said he was simply asking that a formulation be found that would make it clear that, even if they were not to be involved in making the decision, the two Vice-Presidents should be informed, in order that tripartism be upheld.
16. ***The Committee recommends that the Governing Body delegate its authority under article 16 of the Financial Regulations by requesting the Director-General to submit proposals for any necessary transfers within the 2006–07 expenditure budget to the Chairperson for his approval, prior to the closing of the biennial accounts, subject to confirmation of such approval by the Governing Body at its 301st Session (March 2008).***

## Voluntary contributions and gifts (Second item on the agenda)

17. The Committee had before it a paper <sup>2</sup> on voluntary contributions and gifts.
18. Mr Blondel, speaking on behalf of the Workers' group, welcomed the expressions of international solidarity, particularly the participation of trade unions, such as the Japanese Trade Union Confederation (RENGO), the International Transport Workers' Federation (ITF) and the United Kingdom's Trades Union Congress (TUC). He expressed his satisfaction at the voluntary contributions and voiced a preference for them to be made as part of the ordinary budget.
19. With regard to the burgeoning partnerships with foundations and private enterprises, such as the Accor Group and Sodexo, the Workers requested to be kept informed according to a procedure to be specified, and did not want private enterprises to gain any authority, either in the Organization itself or over its activities. Utter transparency in the matter would also enable donor enterprises to be thanked.
20. Mr Barde, speaking on behalf of the Employers' group, thanked those organizations, institutions and enterprises that had enabled the Organization's activities to be financed. He said that the document would have greater value when enterprises could finance ILO activities in a more global manner.
21. The Committee took note of the Office paper.

## Financial questions relating to the International Institute for Labour Studies (Third item on the agenda)

### (a) Programme and Budget for 2008–09

22. *The Committee recommends that the Governing Body endorse the programme and approve the budget for the International Institute for Labour Studies for 2008–09 as set out in document GB.300/PFA/3/1.*

### (b) Authorization to accept contributions and gifts

23. The Committee had before it three papers <sup>3</sup> concerning the International Institute for Labour Studies.
24. Concerning document GB.300/PFA/3/3, the speaker said that the point for decision should contain detailed figures, as it was the vocation of the Programme, Financial and Administrative Committee to provide as much information as possible on figures.
25. Both the Workers and the Employers supported the point for decision.

<sup>2</sup> GB.300/PFA/2.

<sup>3</sup> GB.300/PFA/3/1; GB.300/PFA/3/2(Rev.); GB.300/PFA/3/3.

## **Proposed 2008–09 budgets for extra-budgetary accounts** (Fourth item on the agenda)

### **(a) International Occupational Safety and Health Information Centre (CIS)**

26. The Committee had before it a paper<sup>4</sup> presenting estimated income and expenditure in 2008–09 for the CIS.
27. Mr Barde, speaking on behalf of the Employers' group, expressed their satisfaction at the work accomplished by the CIS. He expressed the wish that the CIS would work even more closely with employers' organizations and asked whether the financing it was allocated was sufficient. Given that the document had given rise to some confusion and repetitions, an improved body of text and the financial tables would be sufficient the next time around.
28. The Employers expressed regret at the budgetary shortfall recorded at the end of the financial year and sought clarification on the increase in expenditure. They asked whether the end-of-year balance should not be reimbursed to the ILO budget.
29. In order to make savings, the CIS should stop publishing the ILO *Encyclopaedia of Occupational Health and Safety* in paper format. The CD-ROM version and access on the web site would be sufficient and also make it quicker to update. The Employers' group supported the point for decision.
30. Mr Blondel, speaking on behalf of the Workers' group, said that it was unnecessary to dwell on the Workers' interest in the CIS once again, in view of the increased number of occupational accidents. Not only should the CIS be maintained, it should also be given more resources. It would be a good idea to set up a network and to publish information on occupational safety and, in that respect, the *Encyclopaedia* was highly significant. It should be disseminated as widely as possible and efforts should focus on establishing channels of communication, not only with governments, but also with trade unions and employers' organizations.
31. The Workers sought clarification on the reasons for outsourcing much of the production of databases and of the International Hazard Datasheets on Occupations. Furthermore, they expressed regret that the sum set aside for improving the impact of standards was the most modest since, if there were any field governed by standards, it was undoubtedly that of occupational safety.
32. The representative of the Director-General (Dr Al-Tuwaijri, Chief of SAFEWORK) observed that the CIS was a unique programme within the Social Protection Sector. Through a global network, it not only promoted occupational health and safety but also the means available to achieve this. One example would be chemical safety cards where the CIS was involved in a joint venture between the World Health Organization (WHO), ILO and other international organizations. SAFEWORK was an umbrella programme, working with other regional and international organizations, that dealt with diverse areas of occupational safety and health from radiation to management systems. It also acted as an incubator for some of the ILO's Conventions. She underscored the global nature of the CIS and its strong working relationships, with leading institutions in the United States and

<sup>4</sup> GB.300/PFA/4/1.

Latin America as examples. Referring to Mr Blondel's comments, she assured him that the CIS worked with other units within the ILO. The aim of outsourcing the preparation of abstracts of scientific articles was to minimize the allocation of staff resources, whilst ensuring the inclusion of almost all scientific articles in the CIS database.

33. A review of the CIS was currently under way. The review would include inputs from staff, the social partners, regional and field offices. The CIS was also in the course of updating the *Encyclopaedia* which had not been updated since its fourth version in 1998. The *Encyclopaedia* would be distributed through CD-ROM and on the online Bookshelf and be available for printing.
34. The Treasurer and Financial Comptroller explained that the CIS had been established as an extra-budgetary account by the Governing Body to enable it to receive contributions from external sources. A feature of such a structure was that funds in the account were able to be carried forward between financial periods to ensure the continuity of the programme, notwithstanding the unpredictability of external funding.
35. Mr Blondel, speaking on behalf of the Workers' group, explained, with regard to the *Encyclopaedia*, that he was of course greatly in favour of using the CD-ROM. While that was an obvious choice, however, for rich countries and the industrialized world, the situation differed in emerging countries, particularly for workers' organizations, where there was the greatest need for information about occupational safety. In order to ensure that information was disseminated as widely as possible, the paper format should be retained.
36. The Chief of SAFEWORK made clear that paper copies of the *Encyclopaedia* would not be abandoned. It would now be available principally on CD-ROM and online but would still be available for printing as required.
37. *The Committee recommends that the Governing Body approve the proposed 2008–09 income and expenditure budget for the CIS extra-budgetary account, as set out in detail in the appendix to document GB.300/PFA/4/1.*

**(b) Inter-American Research and Documentation  
Centre on Vocational Training (CINTERFOR)**

38. The Committee had before it a paper<sup>5</sup> containing estimates for the establishment of the extra-budgetary account for CINTERFOR.
39. Mr Barde, speaking on behalf of the Employers' group, noted that CINTERFOR was an important tool. He wondered what the role of CINTERFOR was in the context of Decent Work Country Programmes (DWCPs). The document was somewhat vague, and the Employers would have liked to see some specific examples, particularly with regard to the regional qualification frameworks. They would also like more information on coordinating CINTERFOR with departments at headquarters other than EMP/SKILLS. They asked whether there was not a certain degree of overlap between CINTERFOR and the Turin Centre. Lastly, in the interests of tripartism, the Employers wished for information on CINTERFOR's activities for employers.
40. Mr Blondel, speaking on behalf of the Workers' group, observed that the document put forward a programme based on the new strategic plan in the context of consultation with

<sup>5</sup> GB.300/PFA/4/2.

the member organizations and the social partners, and expressed his pleasure at this example of tripartism. He was also pleased with the synergy among CINTERFOR, the Turin Centre, employment programmes and the ILO offices in the region. He wondered whether the International Institute of Labour Studies might not also be able to become involved. The Workers noted the importance given to sharing knowledge and experiences. They were especially pleased that CINTERFOR documents were now to be translated into Portuguese and English as well as Spanish. However, there remained a number of problems in respect of the references to tripartism. Most of CINTERFOR's consultation was with the Employers, and the Workers wanted to see trade unions also invited to discuss and take part. Mr Blondel stressed that the document made no reference to standards such as the Human Resources Development Recommendation, 2004 (No. 195), or the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), yet, without observance of these instruments, there could be no tripartite vocational training. This had to be remedied.

41. Mr Blondel approved paragraphs 14–19 on identifying opportunities for partnership and cooperation with international institutions active in this sphere in order to mobilize new resources and obtain technical support in the framework of UN reform, especially since Uruguay was a UN reform pilot country. It would be good for the Director-General to designate a person responsible for providing information in this respect.
42. The representative of the Government of Peru, speaking on behalf of the Group of Latin America and Caribbean Countries (GRULAC), welcomed the opportunity to express his region's special interest in research in the field of vocational training. Investment in human resources was necessary for social development and strengthening the Decent Work Agenda. He stressed the importance of the expected results presented in the paper, in particular: the modernization of institutes of vocational training which would contribute to the objectives of the DWCPs; the participation of these institutes in ILO programmes which would provide synergies; and increasing the prominence of CINTERFOR in the region as a major centre for vocational training. He supported the thematic priority areas and specific approaches listed in the document and hoped that their implementation would reinforce CINTERFOR's position in the region for the future. Continuing the practice of translating professional materials into Spanish and Portuguese would provide recipients with documents which were professional, practical, technically well developed and designed for the specific needs of the region.
43. Special emphasis needed to be given to the use of new technology. This was also related to the strategy for raising the visibility of CINTERFOR in the region and to the promotion of national institutions whilst taking into account subregional differences and the regional integration processes. The speaker also wished to highlight the efforts of the ILO in financing the Centre, together with contributions from the Governments of Uruguay, Spain and other Latin American and Caribbean countries.
44. The representative of the Government of El Salvador supported the statement made on behalf of GRULAC. She reiterated the interest taken in the region in research and vocational training and the need to distribute professional documents in Spanish and Portuguese.
45. The representative of the Director-General (Mr Maninat, ILO Regional Director for the Americas), responding to the question regarding cooperation with the Turin Centre, explained that, within the strategic framework developed, all vocational training activities would be performed in conjunction with the Turin Centre. Moreover, the newly appointed Director of CINTERFOR had previously worked at the Turin Centre, coordinating the activities of the Centre in Latin America. National and regional qualification frameworks



were a priority within CINTERFOR's workplan, with CINTERFOR supporting the creation of a framework for the English-speaking Caribbean.

46. With reference to DWCPs, the Decent Work Hemispheric Agenda adopted in the regional meeting of the Americas incorporated all of the ILO's four strategic objectives. In addition, vocational training had been included as one of the 11 policies for specific areas of intervention. This guaranteed that vocational training was included in DWCPs.
47. With regard to tripartite involvement, this could always be improved and efforts were constantly being made on a regional basis. In particular, the employers' and workers' organizations had been present throughout the consultative process as demonstrated by the participation of 12 employer and 12 worker representatives' organizations in the ILO/CINTERFOR Technical Committee in Cartagena. Tripartism was further evidenced in the regional training institutions. The handbook on collective negotiation was a collaboration between CINTERFOR and the Skills and Employability Department (EMP/SKILLS). CINTERFOR had also been closely following the progress of the "One UN" initiative in Uruguay. The ILO was represented in this initiative and training had been taken into consideration in a programme developed in collaboration with those other UN agencies involved in economic development and employment creation.
48. *The Committee recommends that the Governing Body approve the income and expenditure estimates for 2008–09 of the CINTERFOR extra-budgetary account, as set out in Appendix I of document GB.300/PFA/4/2.*

## **Establishment of an Independent Oversight Advisory Committee** (Fifth item on the agenda)

49. The Committee had before it two papers <sup>6</sup> concerning the establishment of an Independent Oversight Advisory Committee (IOAC).
50. Mr Blondel, speaking on behalf of the Workers' group, explained that the Workers had many reservations on this question. They had also done much work on the matter and had moved their position closer to that of the other groups in the interest of consensus and tripartism. They were therefore willing to accept the establishment of an Advisory Committee on a trial basis and on the express condition that this Committee would in no way become a substitute for the PFAC. The Workers conceded that there might be justification for its creation but definitely did not want this to be interpreted as impugning the motives of ILO officials. During the third year of the trial period, a decision would be made concerning the renewal or non-renewal of the trial. Given the four-year trial period, the Workers' group proposed that all of the members of the Committee be appointed for a four-year period. Mr Blondel wanted the French text of subparagraph (c) of the point for decision to refer to *concertation* rather than consultation with the Officers of the Governing Body. He also asked for assurance from the Director-General that he would not, for instance, ask the new Committee to make recommendations that opposed the express wishes of the PFAC. Lastly, Mr Blondel expressed doubts regarding the possibility of finding five experts who were both qualified enough and independent enough. The fact that other institutions had created committees of this type was no reason why the ILO should do the same. Mr Blondel once again stressed that the new Committee must not become a substitute for the PFAC.

<sup>6</sup> GB.300/PFA/5 and GB.300/PFA/5(Add.).

- 51.** Mr Barde, speaking on behalf of the Employers' group, said that the Employers were not opposed to the institution of this Committee, as long as it really did improve the governance of the ILO and not merely create yet another and more impenetrable layer of bureaucracy. As concerned the appointment of the Committee's members, the Employers expressed the wish that the process be transparent, the experts be appointed for their qualities and those carrying out the selection process also be accountable for the appointments they made. Like the Workers, they insisted that the French text of subparagraph (c) of the point for decision, regarding proposals for candidates, should provide for concertation with the Officers of the Governing Body.
- 52.** The new Committee should assist the PFAC in its examination of the reports of the External and Internal Auditors. Its members would have access to the entirety of these reports in order to be able to comment on all the areas covered. In order to avoid any conflict, the new Committee would report to the PFAC, which would approve its recommendations. In point 5 of the terms of reference, the expression "upon request" should be deleted, in order to provide a precise delineation of the competences of the two Committees.
- 53.** The Employers were concerned by the budget and the amount of time allocated to the new Committee. In practice, it would be very difficult for its members to understand fully all the issues facing the ILO and then make their recommendations in just two sittings of two days each. Alternatively, if all they were to do was to approve documents previously prepared by the Office, this would throw their independence into question. The idea of the trial period had originated with the Employers. Four years was a fitting length of time as it covered two financial biennia. At the end of three years, the PFAC would decide whether or not the new Committee should continue its work and whether to make any improvements to its operation. The Employers supported the point for decision, as amended.
- 54.** The representative of the Government of South Africa, speaking on behalf of the Africa group, welcomed the efforts of the Office to hold informal consultations with members of the Governing Body on the creation of the IOAC. Despite reservations, a consensus was emerging on the merits of the IOAC on a trial basis. He was reassured that the IOAC would not replace or duplicate the oversight role of the PFAC in any way.
- 55.** Regarding the rotation of IOAC members, he was concerned that three members, including the Chairperson, would end their terms at the end of two years. This conflicted with the recommendation to review the work of the IOAC during its third year of operation. It was more logical to appoint members for a full four-year term with a review being performed during the third year as proposed. He called for IOAC membership to reflect the appropriate level of diversity, especially with regards to gender, geography and tripartism. If these issues were addressed, he would feel able to support the point for decision.
- 56.** The representative of the Government of Mexico shared the reservations expressed by the Workers' and Employers' groups. A review of the terms of reference showed that the IOAC would not hinder the work of the PFAC, but would instead help the PFAC to fulfil its responsibilities in matters of governance and oversight. The representative of the Government of Mexico recommended that, in addition to reporting to the PFAC, the IOAC's mandate should include answering requests for information from PFAC members. He observed that it was only envisaged to reimburse the travel costs of IOAC members and that they would otherwise serve pro bono. The terms of reference do not take into account the cost of the accommodation in Geneva or the administrative costs of running the IOAC. He asked for clarification as to how these costs would be covered. With the reservations expressed, he supported the point for decision.

57. The representative of the Government of Japan, speaking on behalf of the IMEC group, supported the creation of an expert committee to assist the Governing Body. He suggested that the mandate of the IOAC include all the major elements contained within the External Auditor's proposal, such as the authority to confirm the Office's compliance with audit recommendations. To ensure the IOAC's critical role in confirming the adequacy of audit arrangements, he recommended that the IOAC be given responsibility for reviewing the workplan and resources of the Office of Internal Audit and Oversight. It should also have access to all ILO documents including internal audit reports. Point 5 of the terms of reference was intended to facilitate dialogue between the IOAC and the Director-General but should not detract from the IOAC's primary role of assisting the Governing Body. The IOAC should inform the Governing Body of any discussions it may have with the Director-General. He therefore supported the revision of point 5 to read: "To provide advice to the Director-General on issues within the mandate of the Committee." The IOAC should be given the possibility of proposing any amendments to its terms of reference. With regard to the selection of IOAC members, the speaker supported the proposal to change point (c) of the decision paragraph to read: "... (c) the Director-General in concert with the Officers of the Governing Body be requested to propose candidates for membership of the IOAC for consideration by the Programme, Financial and Administrative Committee." With this understanding of the IOAC's role and the amendment to the point for decision, IMEC gave its support.
58. The representative of the Government of the Islamic Republic of Iran, speaking on behalf of the Asia-Pacific group (ASPAG), recognized the need for an independent oversight advisory board and expressed support for the comments made by the social partners and IMEC.
59. The representative of the Government of Pakistan questioned the value of creating a new committee given the existence of the PFAC. However, he was relieved to hear that the IOAC would not supplant the oversight role of the PFAC. It was now clear that the IOAC would have an advisory role and would not have decision-making authority. He had reservations about the independence of the IOAC since it would be firmly under the control of the PFAC. It was important that the IOAC members represent a balance of public and private sector experience and he proposed that the role of the IOAC be reviewed every two years.
60. The representative of the Government of Kenya hoped that the IOAC would add value to the governance of the Office. Other UN agencies had adopted similar mechanisms, as evidenced by resolution 61/275 which was recently passed by the General Assembly. He supported the creation of the IOAC on a trial basis and with the condition that it injected greater integrity, objectivity and expertise into the Office. This would enhance transparency and accountability without diminishing the role of the Governing Body. He asked that the IOAC membership be selected, taking into account geographical, gender and tripartite diversity. On this basis, he could support the point for decision.
61. Mr Blondel, speaking on behalf of the Workers' group, said that they were committed to the definition of the terms of reference contained in the appendix to the document. The Workers interpreted it as meaning that the PFAC reported to the Governing Body, and that the new Committee would report to it and not to the Governing Body.
62. The Director-General expressed his satisfaction at the possibility of reaching consensus on this issue. In line with the traditions of the Office, progress had been achieved through the process of consultation. He underlined the fact that the IOAC would be created on a trial basis and that its independence was from the Office. As clearly stated in the text, the IOAC would report to the PFAC and its work would be reviewed by the PFAC. Its function would be to support the PFAC. The Committee would have the opportunity to assess the

effectiveness of the IOAC each time it reported back to the PFAC. With regard to point 5 of the terms of reference, he agreed with the proposal to delete the phrase “upon request”. The revised wording would clarify and strengthen the IOAC’s advisory role to the Director-General. The Director-General thanked all involved for their efforts to achieve consensus and reiterated that the IOAC would be judged on its merits.

63. Mr Blondel, speaking on behalf of the Workers’ group, requested the Director-General to specify the outcome of the second proposal whereby the Director-General would appoint the Committee members in accordance with a process of consultation yet to be defined, and for a four-year period.
64. The Director-General stated that the decision to limit membership of the IOAC for the duration of four years was for the PFAC to make.
65. Mr Barde, speaking on behalf of the Employers’ group, requested a clear response to the question of whether the members of the new Committee would have access to all reports in full.
66. The Treasurer and Financial Comptroller confirmed that the IOAC members would have full access to internal audit reports under conditions of strict confidentiality. This was in line with a recent decision of the Chief Executives Board for coordination of the UN system.
67. The Chairperson concluded that the proposal from the Workers’ group to appoint all members for a period of four years had been supported by the Committee as had the proposed amendment to the wording of point 5 of the terms of reference. The revised point for decision now read as follows:

***The Committee recommends to the Governing Body that:***

- (a) it approve the establishment of an IOAC on a trial basis for a period of four years in accordance with the terms of reference appended to document GB.300/PFA/5(Add.);***
- (b) the Director-General be requested to commission a review of the IOAC to be conducted during its third year of operation and to report to the Governing Body thereon;***
- (c) the Director-General, in concert with the Officers of the Governing Body, be requested to propose candidates for membership of the IOAC for consideration by the Programme, Financial and Administrative Committee.***

The terms of reference, as amended, are attached to this report as an appendix.

## International Training Centre of the ILO, Turin (Sixth item on the agenda)

(a) **Documents submitted to the 69th Session  
of the Board of the Centre**  
(Turin, 29–30 October 2007)

(b) **Report of the 69th Session of the  
Board of the Centre**

68. The Committee had before it two papers<sup>7</sup> on the International Training Centre, Turin.

69. Mr Renique (Employer member) wished to highlight a number of points in the report. The first was the gradual increase in distance learning, which would enable the long-term optimal utilization of the Centre's facilities. He encouraged further development of the Centre's service role for the UN and UN Agencies since this service involved residential courses. The "One UN" reform offered development possibilities. The second point concerned the need for a more systematic use of the Centre's capacity for training components in technical cooperation programmes, as well as greater intensification of cooperation between ILO technical departments and the Centre. The presentation of Mr Salazar in the Committee on Employment and Social Policy on the implementation of the Global Employment Agenda had referred to various ILC reports requiring a supporting programme, perhaps commencing with sustainable enterprises, which would translate ILC outcomes and disseminate them to the constituents of the ILO. For the Turin Centre, this would prevent any overlap with work already performed by the ILO and for the ILO it would result in wider distribution and continued implementation of policy outcomes.

70. He expressed appreciation for the growth of the Employers' programme in various areas. However, further growth in this area necessitated further investment in human and financial resources; otherwise, there could be stagnation and a loss of momentum. Finally, he was still not clear about the US\$400,000 deficit in the 2008 budget despite the explanation given during the board meeting. If achieving the targeted income was not certain, the budgeted expenditure should be decreased.

71. Mr Blondel, speaking on behalf of the Workers' group, explained that it was essential for the Turin Centre to be seen as a vehicle for training ILO constituents and a tool for implementing the Decent Work Agenda, particularly in view of UN reform. Tripartism should be an integral part of training activities. The Workers hoped to see the establishment in 2007 of a support mechanism for the social partners, to enable more of them to participate in the Centre's tripartite activities. The Centre should also step up its efforts to enable more women, from all regions of the world, to participate in training activities. Lastly, in view of retirements likely to take place between now and 2009, there was an urgent need to put in place a succession plan for staff, in consultation with the Staff Union. The Workers had hoped the plan would be submitted to the following session of the Governing Body.

72. The representative of the Director-General (Mr Eyraud, Director of the International Training Centre, Turin), responding to the Employers' question relating to the budget, explained that the Centre's budget was traditionally presented in deficit in order to highlight the necessity for the Centre to generate 70 per cent of its resources. However, an

<sup>7</sup> GB.300/PFA/6/1 and GB.300/PFA/6/2.

effort would be made to adjust the format in the future. He would also take into consideration Mr Blondel's remarks regarding an increase both in the number of tripartite courses and in the percentage of female attendees (currently 40 per cent). A staff renewal plan would also be prepared for the next board meeting.

**(c) Report of the Working Party**

73. The Committee had before it a paper<sup>8</sup> representing the report of the Working Party on the International Training Centre, Turin.
74. Mr Barde, speaking on behalf of the Employers' group, said that they wholly supported the conclusions of the Working Party and the two options presented in the document. Firstly, the Turin Centre should be integrated into the ILO technical cooperation programme so as to avoid competition with headquarters departments and to improve consultation and cooperation. The Centre would not systematically receive funds, but could be informed of, and associated with, the project. Secondly, the Centre should be financed through direct contributions. The Employers appealed to governments in that regard. The direct contributions could either take the form of an arrangement between the Centre and the donor country, or be part of a global arrangement between the ILO and the donor country. By financing the Turin Centre directly, countries would be backing it as a training arm of the ILO and would be guaranteeing its credibility. The two options were very important for the running of the Centre. They would allow it to be integrated into the ILO and its strategic objectives, and would better secure its future. The Centre must remain very cost effective in the framework of ILO activities and it would only achieve that with an improved funding basis. The Employers hoped that the PFAC would be regularly informed of the implementation of the abovementioned options, and that a report would be submitted to it the following November.
75. Mr Blondel, speaking on behalf of the Workers' group, said that, for the most part, they shared the Employers' concerns. The Workers were relatively satisfied with the conclusions of the Working Party. Nevertheless, they felt that the integration between the Turin Centre and the ILO should occur at various levels. From a strategic point of view, the training provided by the Centre must focus on the four strategic objectives, and seek to strengthen the capacities of the social partners to defend their interests in a global economy. From a human resources point of view, the integration must be based on a progressive integration policy for staff from the Centre and from the ILO, implying mobility in both directions, from the Centre to headquarters and vice versa. From a financial point of view, the Workers had hoped for more dynamic proposals. Nevertheless, they very much favoured the increase in voluntary contributions from the member States of the Organization to supplement the generous contribution of the Government of Italy. They supported the proposal for the Centre to be responsible for the training component of technical cooperation programmes, and they considered that it had an important role to play in DWCPs when they contained a training component. The Workers regretted that the document made no mention of an increase in the share of the Organization's regular budget allocated to the Turin Centre. They could not reconcile themselves to the fact that it was funded solely by voluntary contributions and extra-budgetary funds. Like the Employers, they hoped that the issue of the integration of the Centre would be discussed by the PFAC on an annual basis. They requested clarifications about the nature of the collaboration envisaged with other UN institutions in the context of the "One UN" reform programme referred to in paragraph 4(f).

<sup>8</sup> GB.300/PFA/6/3.

76. The representative of the Government of the United States, speaking on behalf of the IMEC group, thanked the Centre for organizing useful working party consultations which had resulted in several proposals to develop synergies between the ILO and the Centre. IMEC believed that success would require greater coordination between the Centre and the ILO, both at headquarters and in the field. The Centre should also be supported by ILO members and the Office in its efforts to mobilize extra-budgetary resources for its programmes. The ILO's continuing reform discussion, which included the field structure review and the expansion of ILO capacity, should also take into account the needs of the Centre.
77. The representative of the Government of Peru, speaking on behalf of GRULAC, expressed his gratitude to the Centre for the Working Party which included two members of GRULAC. The Centre was relevant not only as part of the only tripartite structure within the UN, but also in its role of developing capabilities and human resources based on the principles of the ILO and the Decent Work Agenda. GRULAC believed that the Centre had a crucial role to play in the reform of the UN, as a centre for excellence. There was a requirement for greater synergy and avoidance of areas of overlap between the ILO and the Centre. GRULAC acknowledged the major contributions by traditional donors and appealed for an increase as well as an exploration of more innovative forms of funding. GRULAC underlined point 4(b) in the working paper, favouring the continuing decentralization of educational activities with greater utilization of new information technology and with greater training attendance at regional and subregional levels. This would increase the Centre's visibility with regional social partners. GRULAC requested that the Governing Body be kept informed of the progress of the results of the working paper.
78. The representative of the Government of India welcomed the coordination between ILO field offices and the Centre and proposed that this be extended to certain training institutes. This could be useful in capacity building at a national level and developing expertise in a region. In India, the National Labour Institute (VV Giri Labour Institute) was a premier institute in the labour sector with proven expertise in capacity building. Close collaboration between the Turin Centre and this institute would be valuable for both parties and would enable the National Labour Institute to play an important role in the South Asian region. Although some forms of collaboration currently existed, a formal memorandum was contemplated with a view to expanding cooperation in training and research in the areas of labour and employment, particularly in the region. He asked the Office to advance this issue and invited the Director of the Turin Centre to visit India for that purpose.
79. The representative of the Government of Argentina, as a member of GRULAC on the Working Party, reiterated the key role played by the Centre in the UN system as well as its excellence and tripartite nature. He hoped that, in the context of UN reform, it would become the focal point for training of human resources according to ILO principles. He emphasized the requirement for greater coordination between the ILO and the Centre as well as the necessity to move forward the issues reported by the Working Party. Predictability of funding was vital and required the use of innovative financing methods as well as possibly additional regular budget funding. He also understood the requirement for greater decentralization of training methods, utilizing new technology at regional and subregional levels.
80. The representative of the Government of Italy emphasized the support and commitment of the Italian Government to the Centre. She stressed the importance of the international nature of the Centre which had been enhanced by the increase in its activities developed for the UN system as a whole. Italy was proud of the Centre and invited other countries to provide financial support. She hoped that the ILO would support the Centre by increasing

its integration with the ILO's technical cooperation activities, thus leading to a more stable financial and budgetary platform.

**81.** The representative of the Government of France, having participated in the Working Group, endorsed the statement by IMEC and emphasized the essential role played by the Centre in achieving the strategic objectives of the ILO. This should be further enhanced. He was concerned about the planning and sustainability of the Centre's activities as 70 per cent of the income remained uncertain whilst fixed costs had reached 55 per cent. He reiterated the need for stable and coherent sources of financing and welcomed the use of multi-year pledges, increased synergy with ILO departments and offices and the incorporation of training components into the ILO's technical cooperation activities. He agreed with the decision taken at the Committee on Technical Cooperation regarding greater integration and indicated that his Government had made a multi-year commitment.

**82. *The Programme, Financial and Administrative Committee:***

*(a) endorses the broad strategy defined by the Working Party as summarized in document GB.300/PFA/6/3;*

*(b) requests the Office to put in place with the ITC-ILO the necessary arrangements for this strategy to be implemented as mentioned under (a), (b) and (c) in paragraph 4 of document GB.300/PFA/6/3;*

*(c) requests the Director of the Centre to initiate a resource mobilization strategy for the ITC-ILO, in close coordination with the ILO, especially PARDEV.*

**83.** Mr Barde, speaking on behalf of the Employers' group, expressed dissatisfaction with the way in which the Office organized the discussion in the Programme, Financial and Administrative Committee on the documents relating to the Turin Centre. The documents were important and warranted the Committee's full attention, and the Employers hoped that the Office would take the necessary steps to ensure that they could be discussed without any pressure being placed on the Committee members or on the interpreters. In addition, the Employers deemed it desirable for the Director-General to attend the discussion, not least to show his interest in the activities of the Centre. Furthermore, the documents relating to the Centre, especially document GB.300/PFA/6/3, did not only concern the Director of the Centre and the Employers would have liked the Office to answer the questions raised.

**84.** Like the Workers' group, the Employers had requested follow-up on the application of the Working Party's recommendations at the November 2008 session. In the absence of a response from the Office on that particular issue, they took it that the follow-up would take place on the proposed date.

**85.** Mr Blondel, speaking on behalf of the Workers' group, said that he wished first of all to associate himself with the preliminary comments made by Mr Barde. The Workers would also have liked to have more time to discuss the documents concerning the Turin Centre, and, given the fact that the replies to some of their questions did not only come under the remit of the Director of the Centre, they would have also appreciated the presence of the Director-General during the discussion.



## Report of the Building Subcommittee (Seventh item on the agenda)

86. The Committee had before it a paper<sup>9</sup> containing the report of the Building Subcommittee.
87. The representative of the Government of Brazil, Mr Paixao Pardo, speaking as Chairperson of the Building Subcommittee, reminded the floor that the report had been submitted for information purposes only. The Subcommittee stressed the importance of installing lifts for persons with disabilities and also asked the Office to provide a comprehensive financial package to pay for the refurbishment of headquarters by March 2008 at the latest. The corrections to paragraph 13 provided by the Swiss Government would be included in the final version of document GB.300/PFA/7(&Corr.). He also referred to the pertinence of the comparative data provided in document GB.300/PFA/BS/3.
88. Mr Barde, speaking on behalf of the Employers' group, said that he expected the documents submitted to the committees or subcommittees to be comprehensive and detailed, as the system of short documents with further details then being provided orally by the Office was inefficient.
89. He recommended that all members should read document GB.300/PFA/BS/2, which set out options for financing the renovation of the headquarters building. The Employers were open to all the options, even though some of them, such as the sale of land, should only be considered as a last resort. They would support whichever solutions were the most economic and also the most effective. They urged the Office to submit a specific budget at the March 2008 session, as a decision by the Governing Body on the matter was already long overdue. In that regard, the Employers recalled the recommendation of the Building Subcommittee concerning the establishment of a reserve for the renovation at an annual rate of 1 per cent of the value of the buildings. Lastly, they considered that document GB.300/PFA/BS/3 contained some very useful information on the staff in the regions, even though it omitted to mention the number of vacant posts.
90. Mr Ahmed (Worker member and Vice-Chairperson of the Building Subcommittee) stressed the need to expedite the renovation work, including the renovation of rooms III and IV, and the replacement of the chairs in room II. He cautioned that such renovation work should be undertaken while safeguarding the safety and health of both the workers and staff. Mr Ahmed cautioned against seeking a commercial loan to finance the refurbishment of the headquarters building and hoped that the Director-General could convince the Swiss Government to provide a moratorium as well as a soft loan, as other host governments had done for UNESCO and the FAO. He hoped that the Office could benefit from a fund similar to that of the US\$1.9 billion pledged by member States to renovate the United Nations building. Mr Ahmed also pressed host countries to lower the rent of office premises.
91. Mr Blondel, speaking on behalf of the Workers' group, expressed satisfaction with the proposal for the Director-General to submit a global proposal in March 2008. The Workers did not wish such an extensive operation to go ahead without the financial guarantees being in place to ensure the completion of the project.
92. In view of the rather uncooperative attitude of the Swiss and Geneva authorities, the Workers wondered whether or not Geneva was eager to retain the international character that had made it famous, as well as all the economic advantages that it implied for the city and the canton. It would be good if the following March, the Director-General were in a

<sup>9</sup> GB.300/PFA/7.

position to make a coherent proposal, containing more than just simple assertions. The issue must move forward. Concerning funding, Mr Blondel said he had heard the Governments say, on the one hand, that the regular budget must bear the costs of the renovation and, on the other, that there could be no question of increasing the regular budget. The Workers were adamant that the regular budget share allocated to programme funding should not be thrown back into question, firstly because they did not want the programmes to be funded solely using extra-budgetary funds, which threatened the autonomy and independence of the Organization, and secondly because the ILO should not become a monument, whose contributors only served to pay the officials, because it had a mission to fulfil. In any event, the Workers were aware of the fact that the regular budget should be used to finance at least part of the renovation. The Workers associated themselves with the report to be submitted to the Governing Body.

93. The Committee took note of the Office paper.

## **Report of the Information and Communications Technology Subcommittee** (Eighth item on the agenda)

94. The Committee had before it a paper<sup>10</sup> containing the report of the Information and Communications Technology Subcommittee.
95. The representative of the Government of Australia, Mr Thom, speaking as Chairperson of the Subcommittee, explained that the Subcommittee had reviewed three papers concerning an updated IT Strategy for the Office, a report on training for the Integrated Resource Information System (IRIS) and an update on the Electronic Document Management System. The key issue before the Subcommittee had been that of the IT Strategy and the Subcommittee was satisfied with the changes and improvements made to this by the Office. Several concerns were raised with regard to the Strategy particularly the absence of any roll-out plan for the extension of IRIS to the field and the improvements required with regard to cost information. The Subcommittee had agreed with the point for decision proposed in document GB.300/PFA/ICTS/1 but had amended this by adding the words “taking into account the discussion of the Subcommittee” at the end of the decision. Given future significant developments such as the start of the IRIS roll-out to the field, members of the Subcommittee asked the Office to provide them with an informal briefing during the March 2008 Governing Body session.
96. Mr Finlay (Employer member and Vice-Chairperson of the Subcommittee) observed that the report submitted to the Subcommittee had provided a realistic analysis and a good understanding of the challenges faced by ITCOM. He wished to commend ITCOM for their openness and their enthusiastic willingness to learn, and also for their demonstration of the new Governing Body web site, which had taken place two days earlier.
97. Mr Nakajima (Worker member and Vice-Chairperson of the Subcommittee) requested the Office to provide further information in order to improve transparency, particularly with regard to costs and expenditure relating to IT strategy and management, including upgrades. He regretted the fact that the Office had not responded precisely or clearly enough to such requests. If the Office did not provide clear cost breakdown information in the near future, the Subcommittee would not be able to assume the responsibilities established by its mandate.

<sup>10</sup> GB.300/PFA/8.

98. Mr Blondel, speaking on behalf of the Workers' group, recalled that it had been the Workers who had supported a budgetary surplus in order to meet the needs that had arisen as a result of developments in communications and technology. Although the document was very informative, he regretted the notable absence of figures. Figures were essential, in particular for the purpose of making estimates and in future avoiding situations such as the one that the Office currently found itself in, faced with the need to renovate the headquarters building. Furthermore, computer equipment quickly became obsolete and it was necessary to set up a reserve fund that would be topped up each budget period. Lastly, he supported the request of the two groups to hold an informal meeting on the issue in March 2008.
99. The Committee took note of the Office paper.

## **Results-based management (RBM)** (Ninth item on the agenda)

### **(a) Progress report and review of the programming cycle**

100. The Committee had before it a paper <sup>11</sup> on the programming cycle.
101. Mr Barde, speaking on behalf of the Employers' group, commended the Office on the quality of the document. He noted, however, that the conclusions of the discussions on strengthening the ILO's capacity, would weigh on the discussions of the PFAC relating to strategy and budget. Furthermore, the question of UN reform, which would also have an impact on some of the Organization's activities, should be taken into consideration.
102. In March 2007, the Governing Body had agreed to review the programming cycle and to extend the Strategic Policy Framework from four to six years. In that regard, the Employers' group recalled that the Strategic Policy Framework should be the subject of consensus and that the hierarchy between the framework and the programme and budget must be clear. The Employers also believed that the ILO, in its development activities, should not only adopt a regional approach, but should also tackle issues of global relevance. Lastly, the Employers hoped that the programme and the various reports would contain more detailed information.
103. It was essential to define the role of each committee (PFAC; Committee on Technical Cooperation), especially in the discussions on strengthening capacity. Two key factors to take into consideration during the preparation of the Strategic Policy Framework and the programme and budget were governance and the capacity of the ILO.
104. While the role of DWCPs was clear as regards priorities, attention should also be given to other priorities at the national, regional and global levels. The Employers recalled that it was the role of the Governing Body and the Conference to set priorities. They could not, therefore, accept that the conclusions set out in the paper (paragraphs 75–78) seemed to be aimed at diluting the role of the Governing Body, as well as totally decentralizing the ILO. The number of DWCPs remained low; furthermore, it seemed imprudent to generalize on the basis of simple tests; the same applied to the performance management framework. The participation of the constituents in DWCPs had been hindered because their role had not been properly defined.

<sup>11</sup> GB.300/PFA/9/1.

105. The indicators, which were still too vague, should also be measurable.
106. The Employers would prefer there to be only one implementation report at the end of each financial period. They would also like to see improvements in the implementation reports and financial reports. The latter should set out the planned and actual expenditure for each strategic and intermediate objective. They should also show how problems had been resolved. The budget for the regions should be transparent.
107. In conclusion, he explained that the Employers' group could support the point for decision but, with regard to part (b), it requested the Office to hold informal consultations as soon as possible to ensure that the Strategic Policy Framework would reflect the priorities of the constituents and could thus be adopted by consensus in contrast to the previous Strategic Policy Framework.
108. Mr Blondel, speaking on behalf of the Workers' group, welcomed the significant progress made by the Office in the implementation of RBM strategy and the road map. In particular, he expressed his satisfaction with the papers relating to the knowledge sharing, human resources and information technology strategies and encouraged the Office to continue its efforts in those areas.
109. He recalled that the programming process should result in a more visible commitment on the part of the constituents and, in particular, the workers. In that context, he welcomed the establishment by the Office of a quality assurance mechanism for DWCP, which included indicators relating to tripartism, social dialogue and worker involvement in the design and implementation of DWCPs. Analysis of the first 30 DWCPs had shown that the unions were insufficiently involved in the development of projects and that the DWCPs made no reference to the ILO's standards or even its strategic objectives; that was tantamount to ignoring the Organization's fundamental purpose, and the workers rejected that approach. Even though the DWCPs were sometimes built around technical cooperation projects, the Workers opposed any move to adhere rigidly to the programme and budget and the Strategic Policy Framework to the detriment of the DWCPs, and standards, social dialogue and tripartism, on other key elements of the ILO's mandate, needed to be reflected.
110. Drawing attention to the table on page 6 of the paper, he expressed surprise at the lack of linkages between human resources and information technology.
111. The Workers accepted the point for decision but requested the Office to take their concerns into consideration.
112. The representative of the Government of South Africa, speaking on behalf of the Africa group, stated that programme implementation should have results that were verifiable and that provided a clear indication on how they were to be achieved. The Office had to be flexible in its use of resources so it could adjust to emerging opportunities as well as constraints. This could only be achieved with proper buy-in from constituents. He was pleased with the Office's strategy-building exercises and with its efforts to collaborate with other UN organizations. He supported that approach as it meant the ILO was a learning organization. He welcomed the introduction of a new performance management framework for staff and urged the Office to fully use the evaluation process outlined within the RBM framework. He supported the point for decision.
113. The representative of the Government of the Netherlands, speaking on behalf of the IMEC group, welcomed the milestones achieved in 2007. For IMEC, RBM strategies should be developed and approached in a clearly interlinked manner. RBM was not a policy, but a way of working. He indicated that current RBM initiatives remained too supply driven. This had implications for the overall change management approach being applied. He

noted that, while the table showing linkages to core strategies showed what needed to happen, it did not show how it would happen.

114. The speaker indicated that the process of developing and improving results-based DWCPs should be further strengthened, and welcomed the improvements mentioned and the contribution of IRIS at the regional and country levels. He requested feedback on the results of the pilot testing of training materials for constituents.
115. Emphasizing the importance of DWCPs in the RBM implementation process, he said that providing summaries of DWCP priorities in the programme and budget was not the same as integrating them into the programme and budget. That required concrete and measurable DWCP benchmarks, baselines and targets.
116. He agreed that DWCPs were an important asset in aligning ILO management practice with the UN system and, welcoming the inclusion of ILO guidance on DWCPs in UN frameworks, asked that the Governing Body be kept updated with relevant information on this point.
117. Regarding joint programming and work planning, he acknowledged the importance of IRIS. He agreed with the proposed modification of the first milestone, as specified in paragraph 31, and requested more information on the second milestone. He supported the formulation of an additional milestone, as stated in paragraph 32, and welcomed the Office's efforts to learn from the experiences of other UN organizations. He suggested that this approach could also be useful in the establishment of the Regular Budget Supplementary Account (RBSA) and the strengthening of the ILO's capacity (SILC) to assist its Members' efforts to reach its objectives in the context of globalization.
118. IMEC welcomed a strengthened biennial Programme Implementation Report. Changes to the mid-term report could only be made if justified by a more detailed biennial report. At present, IMEC was not convinced that the mid-term report could be discontinued and urged the Office to consider other ways to keep the Governing Body informed of progress throughout the biennium.
119. The speaker supported the proposed improvements for the future Strategic Policy Framework. As the Strategic Policy Framework and programme and budget were closely related, it seemed plausible that the Strategic Policy Framework would present a results-based statement of medium- to long-term priorities and set the general resource requirements for each priority. The programme and budget would integrate all available resources and cover more detailed and immediate activities.
120. IMEC supported the submission of a six-year Strategic Policy Framework to the November 2008 Governing Body and emphasized that it should integrate all ILO programmes and activities, including DWCPs, their indicators and outcomes. Short-term substantive and financial reporting should inform biennial programme and budget decisions. He recognized programme reviews and evaluations as essential to RBM processes and the programming cycle.
121. He asked for further information on the links between SILC and the Strategic Policy Framework. This was not to prejudge the outcome of SILC discussions – all options to inform governance decisions should be considered.
122. He requested information on progress on the Joint Inspection Unit (JIU) follow-up report on RBM and stated that additional input from the JIU would be valuable at this crucial stage.

123. IMEC proposed that part (b) of the point for decision be amended to read “request the Director-General to submit a six-year Strategic Policy Framework in November 2008 following inter-sessional tripartite consultations and tripartite discussions at the March 2008 Governing Body and 2008 ILC, and taking account of the proposals contained in this paper”.
124. The representative of the Government of Mexico observed that the document suggested steps for the achievement of effective and transparent management of the ILO’s resources. He considered that the reform of the programming cycle had to be linked to the Millennium Development Goals and other international development goals and adjusted to the tripartite character of the ILO. He supported the point for decision.
125. The representative of the Director-General (Mr Thurman) promised that comments made during the discussion would be carefully followed up by the Office, in particular the need for additional consultations. The discussion had indicated that the Office should formulate a new DWCP milestone for the road map that captured the number of DWCPs and their quality, as well as the extent to which employers and workers were involved in their formulation. The Office would prepare a milestone and ensure that it was included in future documentation.
126. The Committee adopted the point for decision (paragraph 79), as amended by IMEC:

*The Programme, Financial and Administrative Committee invites the Governing Body to:*

- (a) endorse the steps proposed to implement the strategy for RBM in the ILO presented in document GB.300/PFA/9/1, account being taken of the views expressed by the members of the Committee during the discussion of this item of its agenda;*
- (b) request the Director-General to submit a six-year Strategic Policy Framework in November 2008 following inter-sessional tripartite consultations and tripartite discussions at the March 2008 Governing Body and 2008 ILC, and taking into account the proposals contained in document GB.300/PFA/9/1.*

**(b) Knowledge strategy**

127. The Committee had before it a paper<sup>12</sup> on the knowledge strategy.
128. Mr Barde, speaking on behalf of the Employers’ group, said that his group was concerned that the Office might lose its knowledge and would support any strategy to safeguard that knowledge. The Organization should also provide the necessary budget and the means should be determined. The Employers supported most of the Office’s proposals but would like more emphasis to be placed on the acquisition of knowledge mainly through training.
129. The Office’s strategy should be more ambitious and should extend to all staff members, with better plans for their replacement and reduced time for recruitment.

<sup>12</sup> GB.300/PFA/9/2.

130. Although the Office's expertise was still recognized worldwide, it was regrettable that its publications were all too often drafted by persons outside the ILO. The human resources management policies meant that staff members were forced to spend their time on administrative activities rather than their substantive work. In the long term, that risked undermining any gains made by the Organization.
131. Where new technologies were concerned, the Employers found the ILO's web site user-friendly. While the English version contained a considerable amount of useful information, the French version was not quite as good. The Employers were not in favour of blogs and wikis because of the risk of misuse.
132. In conclusion, he said that the Employers' group supported the point for decision.
133. Mr Blondel, speaking on behalf of the Workers' group, said that the Office should not only promote knowledge sharing but should also contribute to the development of new knowledge.
134. For that purpose, the participation and involvement of the staff had to be pursued, because no progress could be made in that area without the support and commitment of the management-level staff. Accordingly, the knowledge-sharing strategy had to be underpinned by the human resources strategy.
135. The Workers believed that knowledge sharing should be closely linked to the objectives. They regretted the lack of coordination in the implementation of certain knowledge-sharing activities and practices and their focus on a relatively limited public. There also seemed to be a lack of institutional training and a tendency to favour tools and modalities rather than to concentrate on processes and objectives. Tools should serve the knowledge-sharing strategy, not vice versa.
136. He supported Mr Barde's position, believing, like him, that certain technological tools had no place in the Organization.
137. In conclusion, he endorsed the point for decision and encouraged the Governments to state their positions.
138. The representative of the Government of South Africa, speaking on behalf of the Africa group, recognized that development of a knowledge strategy was not negotiable for a knowledge-based organization like the ILO. He considered that the proposed knowledge strategy laid a good foundation for further development and emphasized the importance of institutionalizing it in order to not "reinvent the wheel." He encouraged dialogue among ILO specialists from different branches of knowledge in the process of developing DWCPs. He noted that the Toolkit for Mainstreaming Employment and Decent Work would serve for future cooperation with other UN agencies. Information sharing with the International Training Centre in Turin and the International Institute for Labour Studies was also very important. He supported the point for decision.
139. The representative of the Government of Mexico recognized that the exchange of knowledge offered a series of benefits, such as improving quality and avoiding duplication of work, promoting relations between staff and partners and reducing resource use by facilitating implementation through the early exchange of information. His delegation supported the point for decision.
140. The representative of the Government of India endorsed the implementation of the strategy as submitted. He pointed out that RBM integrated financial and human resources in achieving defined outcomes and reporting on implementation. He suggested that the ILO

should also consider introducing management by objectives as an approach to help focus on goals and obtain the best results from resources. Management by objectives aimed to increase performance by aligning goals and subordinate objectives and might be a more productive strategy given the multi-sectoral implications of ILO activities.

141. He endorsed the point for decision.
142. The representative of the Government of the Netherlands, speaking on behalf of the IMEC group, stressed the importance of a clear and detailed knowledge strategy for the effectiveness of the ILO as a knowledge-based organization. He welcomed the focus on a knowledge-sharing strategy as a foundation for a comprehensive knowledge management strategy. Knowledge was one the ILO's main contributions to the Decent Work Agenda and it was important that the ILO develop into a centre of expertise to better meet the needs of constituents.
143. He welcomed the overall framework for a research strategy. The most urgent challenges in the world of labour should be identified through research and shared with constituents. IMEC stressed the need to incorporate research and analytical workplans into the knowledge strategy and requested that the ILO establish stronger links with research communities and university institutions.
144. Making a distinction between internal and external knowledge sharing, he noted the importance of ILO interaction with other agencies. However, it was important that knowledge be first disseminated and applied within the Organization. He acknowledged the importance of the International Training Centre in Turin, the ILO library, the Communication and Files Section, the International Institute for Labour Studies and the Toolkit for Mainstreaming Employment and Decent Work. The speaker recognized the potential of the Toolkit to promote full employment and decent work and requested that its use be monitored and evaluated for further development and improvements.
145. IMEC emphasized that, as a knowledge-based organization, the ILO needed a culture that nourished the sharing of information and that the involvement of human resources was essential in creating this. He welcomed the survey tool and asked to be informed of its results. IMEC also welcomed the results-based framework, especially the targets on human resources functions and improved staff recognition on knowledge sharing. There was agreement that knowledge sharing should not be developed and implemented in isolation of other strategies and needed to progress in line with other overall strategies.
146. IMEC welcomed the development of the web-based electronic evaluation management system (iTrack) and asked that the evaluation-based information mechanism be included as an indicator in the results-based framework. IMEC acknowledged the indispensability of IT to knowledge sharing, and that in this respect the knowledge sharing based strategy should drive the technology and not the other way around.
147. In concluding, the speaker stated that the knowledge strategy constituted the first component of a broader knowledge management strategy to be developed in the context of the next Strategic Policy Framework.
148. The representative of the Government of Pakistan stressed the importance of knowledge-sharing for any knowledge-based organization like the ILO. He congratulated the ILO for the development of the Toolkit for Mainstreaming Employment and Decent Work and recognized the importance of the Communications and Files Section, the International Training Centre in Turin and the International Institute for Labour Studies in knowledge management. He fully supported paragraph 22 and welcomed the integration of knowledge



management in DWCPs. He hoped that there would be more electronic publications to further knowledge sharing. He fully endorsed the point for decision.

- 149.** The representative of the Director-General (Ms O'Donovan) confirmed that the knowledge-management strategy would be further developed in the context of the Strategic Policy Framework. Responding to concerns expressed by the spokespersons for the Workers' and Employers' groups on the use of information technology tools, she explained that the Office was conscious of the risks of misuse and was careful to put in place the necessary security measures. She noted the point made on the link between the knowledge-sharing strategy and the human resources strategy, acknowledging that human resources was a critical area.
- 150.** Regarding IMEC's inquiry on the outcome of the knowledge management survey, she explained that analysis of the survey results was under way. The survey was conducted with wide participation of staff from both headquarter and the field, showing a lot of enthusiasm about knowledge management. The survey showed that, while the Office was quite good at accessing external knowledge, it needed to do a lot more to create a more supportive culture and integrate learning into strategies and policies.
- 151.** The Director-General acknowledged that knowledge management was a fundamental issue in a rapidly changing international environment. He emphasized that the ILO needed to access expertise from outside and would continue to do so, and stressed that this should not be regarded as a weakness of the ILO. He mentioned the example of migration issues, which were discussed by the UN General Assembly, as well as at a recent meeting in Brussels. The ILO was the only organization that had a multilateral framework for action on migration issues, based on tripartite discussions and agreement.
- 152.** *The Programme, Financial and Administrative Committee invites the Governing Body to endorse the results-based, knowledge-sharing strategy presented in document GB.300/PFA/9/2, account being taken of the views expressed by the members of the Committee during the discussion of this item of its agenda.*

## **Programme and Budget for 2008–09: Technical meetings reserve (Tenth item on the agenda)**

- 153.** The Committee had before it a paper<sup>13</sup> on the technical meetings reserve. Within the total allocation available, proposal (a) on the organization of the 18th International Conference of Labour Statisticians (ICLS) and its preparatory meeting had already been approved earlier by the Governing Body, with the remaining amount permitting the funding of an additional four meetings. The remaining proposals were as follows: (b) Celebration of the 60th anniversary of Convention No. 98: The right to organize and bargain collectively in the 21st century (proposed by the Bureau for Workers' Activities); (c) Business Responses to the Demographic Challenge (proposed by the Bureau for Employers' Activities); (d) Tripartite Meeting of Experts on the Measurement of Decent Work; (e) Meeting of Experts on the Revision of the List of Occupational Diseases (Recommendation No. 194); (f) Meeting of Experts on the Code of Practice on Machinery Guarding, (g) Tripartite Meeting of Experts on Working-Time Arrangements; (h) Meeting of Experts on Labour Law Reform and HIV/AIDS; (i) Symposium on Two Key Labour Market Challenges for the 21st Century: Climate Change and Demographic Shifts; and (j) Symposium on the

<sup>13</sup> GB.300/PFA/10.

Role of Social Partners in Promoting Local Development Policies and Strategies for Decent Work.

154. The Chairperson invited the Committee members to express their views on the proposals. He also mentioned that proposal (d) had been withdrawn from the list pending discussion of this topic by the Governing Body.
155. Mr Blondel, speaking on behalf of the Workers' group, said that, for some time, there had been a perceptible decline in the funds allocated for technical meetings for Workers by comparison with those allocated for Employers' meetings.
156. Turning to the choice of meetings, in addition to the meeting on the Celebration of the 60th Anniversary of Convention No. 98: The right to organize and bargain collectively in the 21st century proposed by ACTRAV and the meeting on Business Responses to the Demographic Challenge proposed by ACT/, he put forward, as an initial proposal, the Tripartite Meeting of Experts on the Measurement of Decent Work and then the Meeting of Experts on the Revision of the List of Occupational Diseases (Recommendation No. 194). He said that he would put forward further proposals as the discussion proceeded.
157. Mr Barde, speaking on behalf of the Employers' group, said in response to Mr Blondel's comments on the costs of employers' activities, in his view, the balance was justified.
158. Where the choice of meetings was concerned, he said that, as was customary, the technical meetings proposed by ACT/EMP and ACTRAV would be funded from the reserve. Reaffirming the obligation to fund the ICLS and its preparatory meeting, he requested more details in order to have further information on the projected meetings on climate change and HIV/AIDS and that a decision could be taken at a later stage.
159. The representative of the Government of the Czech Republic, speaking on behalf of the Central and Eastern European Subregional group, supported the proposals made by the social partners for (b) and (c). He stressed the importance for his region of the topic proposed by the Employers' group. He also supported options (g) and (e). He recognized the high relevance of the topics of the three new proposals – (h), (i) and (j), and hoped that these could be addressed in the course of the coming biennium through other types of funding.
160. The representative of the Government of South Africa, speaking on behalf of the Africa group and supported by the representative of the Government of Nigeria, gave first priority to options (b), (c) and (h), which were deemed relevant to the region, and (d).
161. The representative of the Government of Mexico supported options (d), (h), (i) and (j).
162. The representative of the Government of India favoured options (e), (d) and (h).
163. The representative of the Government of Canada did not object to any of the proposals. She considered the removal of option (d) a reasonable approach at the current stage and proposed options (e), (g) and (i).
164. The representative of the Government of the United States supported options (e), (f) and (g), noting that the objective of the latter may be overly ambitious and could be reformulated. She also enquired whether the reference to fundamental rights at work in proposal (b) in fact referred to the 1998 Declaration. She also suggested that standards experts be associated with the 18th ICLS.

165. The representative of the Government of France favoured options (e) and (g), together with those presented by the social partners.
166. The representative of the Government of China indicated that his Government had no objection to any of the proposals. He then suggested options (g), (e), (j) and (c) for funding.
167. The representative of the Government of the Netherlands supported options (d), (h) and (j).
168. The representative of the Government of the United Kingdom supported options (h) and (j).
169. The representative of the Government of Peru, speaking on behalf of GRULAC, supported the proposals of the social partners for (b) and (c), followed by (d) and (g).
170. The representative of the Government of Greece supported proposals (b) and (c), followed by option (g) and (i).
171. Mr Blondel, speaking on behalf of the Workers' group, said that, before the discussions had got under way, he had proposed as meetings the Meeting of Experts on the Revision of the List of Occupational Diseases (e) and the Tripartite Meeting of Experts on Working-Time Arrangements (g). He had wanted to explain that his choices were motivated by practical considerations and that the Workers remained very committed to the issue of HIV/AIDS in the workplace. He said that the Workers would take advantage of the time available to them before the next session of the Governing Body to engage in consultations and to move matters forward.
172. The representative of the Director-General (Mr Thurman) summarized the discussion. There was a consensus on proposals (b) and (c), respectively for the Employers' and the Workers' groups, and three other proposals had considerable support: (e), (g) and (h). The greatest support was for item (e) on the list of occupational diseases. However, the Committee's preference seemed to be to defer the decision on the remaining two meetings until March, with a certain number of requests for additional information.
173. The Director-General concluded the discussion by mentioning the issue of carbon footprints and the need to progressively move towards carbon neutrality. This was relevant as meetings and conferences entailed a certain level of travel. He indicated that it would be useful to collectively reflect on this and to look at options and best practices in this field.
174. ***The Committee recommends to the Governing Body that the following meetings be financed by the technical meeting reserve for 2008–09: Celebration of the 60th Anniversary of Convention No. 98: The right to organize and bargain collectively in the 21st century, and Business Responses to the Demographic Challenge, and that a decision regarding the additional two meetings be deferred to the next session of the Governing Body, pending further information and discussion.***

## **Financial arrangements relating to the 18th International Conference of Labour Statisticians**

175. The Committee had before it a paper <sup>14</sup> concerning the financial arrangements of the 18th International Conference of Labour Statisticians.
176. Mr Blondel, speaking on behalf of the Workers' group, asked the representative of the Director-General to explain why the Committee should once again take up the issue following the first deliberations on the matter, and sought confirmation that the reduction in funds available in the reserve would not put at risk the two other meetings approved by the Committee; that proposed by ACTRAV and that proposed by ACT/EMP.
177. The Treasurer and Financial Comptroller explained that during the previous week's discussions, there had been a proposal to fund the International Conference of Labour Statisticians from the technical meetings reserve. The proposal had been made on the basis that there would be six Worker and Employer participants at the Conference. A further proposal had now been made which was to increase the number of participants from six to ten which resulted in an additional US\$68,900 of costs. He explained that all three of the meetings recommended by the Committee could be funded but that a reduced amount would be available in the reserve to fund further meetings that may be selected at the March session of the Governing Body. This proposal therefore had financial implications and had to be presented to the Committee.
178. Mr Blondel, speaking on behalf of the Workers' group, said that he now understood that the shares proposed by ACT/EMP and ACTRAV, at US\$250,000 each, were not being put into question. Efforts would simply have to be made to find new funds to carry out successfully any activities that had not yet been decided upon.
179. Mr Barde, speaking on behalf of the Employers' group, said that they had no objections and that they supported the point for decision.
180. The representative of the Government of Canada asked whether the increased participation was to be at the Conference or in the preparatory experts' meeting.
181. The Treasurer and Financial Comptroller replied that it was indeed at the Conference.
182. *Having taken note of the modified composition of the 18th International Conference of Labour Statisticians and its financial impact on the technical meetings reserve, the Committee confirms its previous recommendation to the Governing Body under item 10 of the agenda.*

## **Regular Budget Supplementary Account (RBSA) (Eleventh item on the agenda)**

183. The Committee had before it a paper <sup>15</sup> concerning the RBSA.

<sup>14</sup> GB.300/PFA/10/1.

<sup>15</sup> GB.300/PFA/11.

- 184.** The representative of the Director-General (Ms Van Leur, Director of PARDEV) was pleased with the strong endorsement and support expressed for the RBSA during the ILO donor meeting held on 5 November 2007 and at the Technical Cooperation Committee on 6 November 2007. She explained that the fully ODA-compatible RBSA provided a complementary source of funding to the regular budget and would expand and deepen the ILO's capacity to deliver, particularly with regard to DWCPs. She explained that the RBSA was in line with the Monterrey Consensus and the Paris Declaration on aid effectiveness, donor coherence and good donor practice. ILO donors were in agreement that better donor coordination, including lighter earmarking of funds and a stronger emphasis on the implementation of DWCPs, was essential in the context of UN reform. The RBSA would enable the ILO, in partnership with governments, employers' and workers' organizations and other UN agencies, to deliver the ILO's promise of decent work for all.
- 185.** She listed the contributions and pledges received to date from donors and member States. Firstly, the Government of Spain had contributed €3 million in 2006. These funds would be earmarked for migration and development and decent work in youth employment, both for Latin America and Africa. Secondly, the Minister for Development Cooperation of the Kingdom of the Netherlands had informed the Director-General that the Government of the Netherlands would contribute €2 million to the RBSA in 2008 and was likely to contribute another €2 million in 2009, thus bringing their total contribution to €4 million. These funds had not yet been earmarked. Thirdly, during the ILC, the Government of Germany had announced a substantive contribution to the RBSA, earmarked for Africa and social protection, notably for social security. The amount had yet to be confirmed. Finally, also during the ILC, the Norwegian Ambassador had stated that Norway would continue its strong support for the ILO, with the intention of increasing its voluntary financial contributions for the next biennium. The Office was also currently engaged in discussions with other donor governments, including Italy, Belgium and Luxembourg.
- 186.** Mr Barde, speaking on behalf of the Employers' group, thanked the representative of the Director-General for her presentation. The Employers wished for some information. Had countries that had paid into the RBSA reduced their contributions to other ILO programmes or had that in fact been an additional payment? Moreover, how would the money paid into that account be used? By percentage? By choice of donors? By decision of the Office? Would the Governing Body be entitled to its say about the allocations? How were DWCPs promoted in donor countries, as the account should, in principle, provide partial funding for them? Was there a role for the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC), as those two bodies had not been contacted? Lastly, would the Governing Body receive reports about the use of the account?
- 187.** Mr Blondel, speaking on behalf of the Workers' group, explained that while the Workers appreciated the efforts made by the Office to "bypass" the resistance of certain governments to increase the Organization's regular budget, they would still prefer that it be increased, as that would then allow for general and global management led by the Governing Body.
- 188.** The speaker recalled some of the elements that the Workers welcomed in the RBSA: the emphasis placed on the DWCPs, as an integral part of the United Nations Development Assistance Framework (UNDAF) and of national development plans; insistence on strengthening the capacities of the tripartite constituents to allow them to participate fully in decision-making processes in the economic and social spheres of national development; and, lastly, the Office's desire to place decent work at the heart of the multilateral system.

- 189.** However, the Workers understood less the criteria used to calculate the budgetary estimations presented in table 5 of the document. They noted an imbalance between the shares allocated to employment and standards, which called for certain explanations on the way in which the RBSA worked. In particular, they wished to know whether the funds were allocated according to the donors' preferences or according to the rules of operation of the regular budget. They also wished for clear assurances from the Office that the Governing Body would have the last word on the reallocation of funds, both at the level of the strategic objectives and within them.
- 190.** The speaker also referred to questions raised by table 5 in respect of the various regions, quoting the example of Asia.
- 191.** The speaker concluded by saying that the answers to the questions raised were all the more important given that the process was only just beginning.
- 192.** The representative of the Government of the Bolivarian Republic of Venezuela reminded the Office that, when the creation of this account was first proposed, many member States were finding it difficult to accept an increase in their contributions to the ILO. The RBSA had been created to receive voluntary contributions to allow the ILO to accomplish the priorities established in the Programme and Budget for 2008–09, in particular the DWCPs. In document GB.298/PFA/13, regarding the Programme and Budget for 2008–09, paragraph 44 indicated that “the voluntary contributions to the RBSA do not create any obligation for the member States”. Paragraph 14 of the document currently under review stated that “donors and ILO member States will be requested to sign an RBSA contribution agreement containing standard clauses in order to transfer their contribution to the ILO”. The two paragraphs, taken together, caused confusion and consequently he wished the Office to clarify paragraph 14.
- 193.** Mr Blondel, speaking on behalf of the Workers' group, said that their questions were not addressed exclusively to the Director-General and the administration, but also to the governments and the voluntary contributors. It would be interesting to have their viewpoints about the way in which the RBSA worked.
- 194.** The representative of the Director-General (Ms Van Leur, Director of PARDEV), responding to the Employers' question, stressed that there had been no negative impact on other extra-budgetary contributions from donors.
- 195.** The Director of the Bureau of Programming and Management explained that paragraphs 14 and 15 of the document set out the basic principles that related to the allocation of resources under the RBSA. The RBSA would consist entirely of development assistance resources, allocated within the framework of DWCPs. Measures were being taken to ensure full tripartite participation in the development and implementation of DWCPs. Allocations would be used for the application of ILO standards under all four strategic objectives. Reporting on results would take place in the framework of overall programme implementation reporting. Financial reporting would separately identify RBSA income and expenditure.
- 196.** The Treasurer and Financial Comptroller, responding to the Government of the Bolivarian Republic of Venezuela, clarified that it would only be ILO member States who wished to contribute to the RBSA who would, as part of that process, sign an RBSA agreement.
- 197.** The Committee took note of the Office paper.

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## **Progress report on the review of the field structure** (Twelfth item on the agenda)

198. The Committee had before it a paper <sup>16</sup> providing a progress report on the review of the field structure.
199. Mr Barde, speaking on behalf of the Employers' group, thought that the document presented did not contain any new information apart from that relating to the appointment of consultants, which did not respect the terms of reference.
200. The Employers' group had had the opportunity to meet the consultants the previous day and had been able to clarify certain points with them.
201. The speaker wished to recall some basic principles: the vocation of the ILO was above all to support its constituents and thereby achieve the objectives of decent work. Any new structure must recall that principle, and the constituents should be consulted, particularly those in transition and developing countries.
202. The examination must involve all offices, liaison officers and national correspondents. The analysis must involve the support of the host country, but be independent of any political pressure and take into considerable the special case of offices located in danger zones, such as Zimbabwe and Côte d'Ivoire.
203. While the establishment of the DWCPs could immediately draw on the national approach, regional and subregional approaches, such as the Balkans, should not be forgotten.
204. The speaker also stressed the utmost importance of including employer experts in the teams of specialists, in particular in activities for the preparation and management of DWCPs.
205. He added that the review of the regional structures should include elements of the UN reform and that the Office must guarantee the full participation of the social partners in the new "One UN" country programmes.
206. The speaker concluded by recalling the importance of good governance in the regional offices, which should be managed with greater transparency.
207. Mr Blondel, speaking on behalf of the Workers' group, explained that, unlike the Employers' group, his group had not yet met the three appointed consultants and that he therefore reserved the right to provide further information should there be any new developments.
208. The speaker wished to stress some basic principles: with regard to the availability of human resources in the field, it was needs in individual countries that must be taken into consideration, as well as the skills and technical expertise profiles necessary in contexts that were, by definition, specific and individual.
209. Whatever the case may be, the accent must be placed on the four dimensions of decent work; the application of standards, employment, social protection and social dialogue.

<sup>16</sup> GB.300/PFA/12.

Other elements should not be forgotten, notably freedom of association, collective bargaining, wages and salaries, safety and health, working conditions, and so on.

- 210.** According to the speaker, the DWCPs should become a type of barometer, serving to measure the effectiveness and profitability of ILO activities and of field structures. They would show whether the trade union organizations were really involved in the development of the DWCPs and whether the approach of a DWCP was based on respect for rights and international labour standards. National-level priorities should be taken into account and implemented with the agreement of the trade union organizations. The financial and human resources in the regular budget should be channelled towards the implementation of the DWCPs in order to take account of the strategic objectives and the results and priorities identified by the Governing Body with the general involvement of the Workers' group.
- 211.** He pointed out that the DWCPs required many staff members and considerable time given the context of UN reform and the need to include them in the initiative to achieve a "One UN" system. He also noted that there were difficulties in accessing IRIS in the field and asked that they be remedied.
- 212.** The speaker thought that the burden of administrative work led some offices to replace specialists by managers – the Budapest Office was an example – and he warned against the negative impact of such an approach. In his view, over-simplification of structures would only weaken lines of communication between the trade unions and the Organization; instead he advocated greater trade union involvement in the DWCPs, as well as in the "One UN" country programmes.
- 213.** The speaker concluded by publicly thanking the team of external consultants for its contribution.
- 214.** The representative of the Government of South Africa welcomed the progress report and was pleased to note that the consultants had begun their work. The Africa group had not yet had the pleasure of meeting with them and hoped that this would happen during the Governing Body session. He emphasized that the review needed to take into account the conclusions reached at the 11th ILO African Regional Meeting.
- 215.** The representative of the Government of Peru, speaking on behalf of GRULAC, reminded the Office that the objective of these consultations was to formulate recommendations as to the most effective distribution of offices with regard to the provision of services to constituents and the implementation of DWCPs. It was not a question of rationalizing the external structure of the Organization for reasons of financial benefit and cost reduction but one of improving the capacity and work methods of the Organization. It was important to link these consultations with the larger institutional reforms currently under way. Consequently, the link between this review process and the reform of the UN, specifically the concept of "One UN", should be made clear. In this way, social initiatives undertaken by various organizations would be coordinated with the DWCPs. The review linked into the process of reinforcing the ILO and the speaker wished to understand how the results of the two processes could be guaranteed to be complementary. He considered that one way to guarantee the efficiency of the ILO in the field was to fill the vacant posts whatever the results of the consultations.
- 216.** The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, was pleased that the review team had begun its work and that progress had been made towards a comprehensive review of the ILO's field structure in support of the realization of the Decent Work Agenda in regions and in countries. The review remained



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timely within the framework of the ongoing UN reform initiatives, in light of the articulation of further DWCPs and the impending roll-out of IRIS to the field.

- 217.** The IMEC group wished to reiterate its main concerns as the review progressed. It was imperative that the review be a frank needs-based assessment of the ILO's overall field structure. It had to look at what the ILO's field offices should be doing, not merely at how they could improve upon what they were currently doing. This was clearly stated in the terms of reference in which the objectives of the review were to "identify options" and to suggest how "alternative arrangements" could better respond to ILO priorities and needs. IMEC expected the Director-General to identify such options and arrangements in his recommendations to the March 2008 session of the Governing Body. IMEC welcomed the fact that the team was, consistent with the terms of reference, to review the experience of selected UN system agencies, funds and programmes that had recently carried out restructuring exercises, particularly of external offices. They hoped that the lessons learned from the experience of other agencies, and their impact on the ILO's field structure review would be reflected in the report of the Director-General.
- 218.** The speaker was concerned to see that the timeline established by the Governing Body in March had slipped and the document gave no explanations for this. Much had to be done in a short time frame and she hoped that the Director-General would be able to advance comprehensive recommendations in March 2008. She was pleased to note that the review team had been fully constituted and was functioning, albeit later than had been envisaged. The terms of reference stated that: "The team will include two experts recruited from outside complementing the expertise available within the Office." The meaning and spirit of this was clear and it might have been preferable to have selected experts whose recent experience was a little further removed from the ILO.
- 219.** IMEC urged the review team to obtain a comprehensive picture of the entirety of the ILO's field structure. With limited time and budget available, IMEC encouraged the team to use all cost-effective means at its disposal, such as teleconferencing or meeting with field office representatives whilst they were in Geneva to ensure comprehensive coverage. They welcomed the Director-General holding informal consultations with the Governing Body in January or early February 2008 when they anticipated that Members could be given advance details of the Director-General's intended recommendations. This would enable them to be able to provide substantive feedback ahead of the March session.
- 220.** The representative of the Director-General (Ms O'Donovan, Executive Director, Management and Administration Sector) confirmed that the review team was engaged in the consultative phase and had held meetings with tripartite constituents in most of the countries visited. She confirmed that the team was looking at the experience of other agencies such as the United Nations Educational, Scientific and Cultural Organization (UNESCO), the WHO and the Food and Agriculture Organization of the United Nations (FAO) all of which would help to inform their work. The team was on target and, upon completion of its work, a report would be prepared and presented to the Director-General. She confirmed that there would be an opportunity for informal consultations prior to the March session.

## Evaluations

(Thirteenth item on the agenda)

### (a) Annual Evaluation Report 2006

221. The Committee had before it a paper<sup>17</sup> comprising the Annual Evaluation Report 2006.
222. Mr Barde, speaking on behalf of the Employers' group, said that the document presented serious problems for his group on multiple points, in particular relating to its tone, its contents and the role of the Governing Body in the evaluation process. The first problem was the self-satisfaction exhibited by the document. An evaluation document should be more objective. The Employers were interested in finding out whether the ILO, and not EVAL, had worked well. The second problem lay in the interest in discussing a document that considered follow-up to various thematic or country programme evaluations that had already been submitted to the Governing Body. The document offered no general evaluation of the Office's activities, or any information on their impact.
223. The third problem related to the very role of the Governing Body. The report went back over the implementation of recommendations submitted to the Governing Body last November, but omitted the comments made by the Governing Body and its recommendations. The Employers therefore asked why it was necessary for the Governing Body to make comments if they would not be taken into consideration. The Employers' group could, therefore, only take note of the document and was unable to approve the point for decision.
224. Mr Blondel, speaking on behalf of the Workers' group, said that he found the comments by the Employer spokesperson to be worrisome. Although critical, the Workers' group was, if anything, in agreement with the document's conclusions in that evaluations only contributed to improving programmes when the responsible managers took appropriate follow-up actions in response to recommendations. It was therefore important to improve the involvement of constituents, both at the GB level and at the country level. That significant conclusion was to be found in paragraphs 85 and 86 of the document.
225. The Workers' group considered, however, that the question could have been tackled more imaginatively in the document as a whole and, by the same token, it would have been worthwhile to look into the involvement of the social partners in tripartite seminars.
226. Returning to the issue of documents prepared for the PFAC, he stressed the relevance of independent evaluations, but hoped that they would be limited to considering the programmes and expected results and parameters that could be tangibly assessed. The debate initiated by the Committee on Strengthening the ILO's Capacity in June could prompt future evaluations, particularly with regard to tripartite analysis.
227. He sought further information on the Office's involvement in the "One UN" pilot country evaluations. It would be useful to know how ILO standards, tripartism and social dialogue were taken into account by those evaluations. Referring to paragraph 88 of the document, he requested ACTRAV to be mentioned alongside departments asked to collaborate in training staff from other services. In conclusion, he said that the Workers' group approved the point for decision.

<sup>17</sup> GB.300/PFA/13/1.

- 228.** The representative of the Government of the United States, speaking on behalf of the IMEC group, reaffirmed that IMEC attached great importance to the ILO's evaluation work as a tool for assessing the impact of the ILO's activities, demonstrating results, providing lessons learned, improving programme delivery and informing programme and budget decisions.
- 229.** IMEC noted the absence of one of the evaluation reports, namely the "Independent evaluation of ILO's strategy to support member States to improve the impact of standards", and requested information on the status of this evaluation. She said that IMEC fully supported intra-Office collaboration to enhance results frameworks and monitoring systems and the development of staff capacity in monitoring and evaluation. IMEC strongly endorsed evaluation follow-up and improved management response as key priorities for 2008. They requested that the point for decision should go beyond the proposed wording and suggested the following amended text: "The Committee notes the present report and endorses its conclusion that the Office is progressing satisfactorily with the implementation of the evaluation policy and strategy. It also notes the follow-up to high-level evaluation reports presented to the PFAC in 2006. Further, the Committee urges the Office to implement immediately measures to further strengthen and benefit from its evaluation function, including through prompt establishment and implementation of a policy on follow-up to evaluations and of a system for tracking management response to recommendations emerging from evaluations."
- 230.** The representative of the Government of the United States, speaking on its own behalf, noted with satisfaction the Office's activities to build evaluation capacity but asked for more information on the criteria of the Office to decide when and where to choose a full-time evaluation officer in a Regional Office versus a different solution and the experience so far with the different modalities. She also asked whether the global web-accessible evaluation database was finished and accessible, and whether the ILO's evaluation guidance adhered to the OECD/DAC and UN evaluation norms and standards, and whether there was any difference between them. She also emphasized the importance of improving the skills of constituents to participate in monitoring and evaluation but cautioned that they should not conduct evaluations that were meant to be independent.
- 231.** Finally, she clarified that the GAO report mentioned in the paper did not reflect the opinion of the Government of the United States but that of the auditor, and that she could provide copies of the report which was also accessible online.
- 232.** Mr Paraiso, Director of the ILO's Evaluation Unit, assured the Committee that the Office pays close attention to the comments of the Governing Body. He explained that the Annual Evaluation Report was not an evaluation of the ILO's work but a report of the progress made by the Office in implementing the evaluation policy and strategy, endorsed by the Governing Body in November 2005, and the role of the evaluation unit in supporting this process. The Annual Evaluation Report also highlighted follow-up measures taken by the Office in response to high-level evaluations so that the Governing Body could consider whether the follow-up had been appropriately addressed. He suggested that in future the report would express a view on whether the management follow-up had been satisfactory and that the Evaluation Advisory Committee would also be reporting on this to the Director-General.
- 233.** He highlighted the two surveys carried out by the Office, as well as the quality appraisal of independent project evaluation reports which were quite critical and showed shortcomings. He noted that the report contained a critical analysis of areas needing improvement but accepted that it could be more incisive in future.

234. Mr Paraiso explained that the evaluations of the pilot “One UN” country programmes had not yet started. The ILO was a member of the steering group managing these evaluations and would ensure that tripartism and standards were incorporated in the methodology of these evaluations. He also confirmed that training on evaluation (paragraph 88) would include ACTRAV and ACT/EMP colleagues.
235. The Office welcomed the strong support given to the evaluation function by IMEC, and the great importance it attached to generating clear results and lessons learned. It was confirmed that the global evaluation database was now functioning. Regarding the evaluation report on the impact of standards, he explained that the consultant had resigned late in the process, which had delayed the completion of the process but that the report would be submitted when it was completed.
236. In response to the question raised by the delegate from the Government of the United States, he emphasized the importance of regional offices having an evaluation officer, based on the specialized skills involved and the Office mechanisms to support follow-up and knowledge sharing.
237. Finally, he explained that the ILO’s guidance and training were in full compliance with the OECD/DAC and UN evaluation norms and standards.
238. Taking into account the discussion and the amendment to the point for decision proposed by IMEC, the amended point for decision was agreed as follows:

*The Committee notes the present report on the evaluation policy and strategy. It also notes the follow-up to evaluation reports presented to the Programme, Financial and Administrative Committee in 2006. Further, the Committee urges the Office to implement immediately measures to further strengthen and benefit from its evaluation function, including through prompt establishment and implementation of a policy on follow-up to evaluations and of a system for tracking management response to recommendations emerging from evaluations.*

239. Prior to discussing the next report under this item, the Chairperson informed the Committee that, due to the broad scope of the independent evaluation of the ILO strategy to support member States to improve the impact of standards and due to time constraints, it had not been possible to complete the evaluation within the time frame foreseen. A number of field interviews have been carried out, and the information from them would be considered within the field structure review. As the current session of the Committee on Legal Issues and International Labour Standards would discuss a paper entitled "Improvements in the standards-related activities of the ILO: Possible approaches on an interim plan of action, to enhance the impact of the standards system", it has proposed to return to this evaluation at a later time.

**(c) Independent evaluation of the ILO country programme for Argentina: 2001–06**

240. The Committee had before it a paper<sup>18</sup> summarizing the independent evaluation of the ILO’s programme for Argentina.

<sup>18</sup> GB.300/PFA/13/3 and GB.300/PFA/13/3(Add.).

- 241.** Mr Barde, speaking on behalf of the Employers' group, regretted the fact that the report merely set out the outcomes of the Office's activities in an extremely general manner. For example, in paragraph 40, the document referred to outcomes in the field of freedom of association without supplying information on what had been done. The same was true for all the outcomes of each strategic priority. No indications were given as to the impact of the Office's activities on employers. The Employers' group considered that Part VI of the report better met its expectations and asked the Office to implement the report's recommendations. Lastly, without wishing to impede the Committee's deliberations, he said that he saw no case for adopting the point for decision.
- 242.** Mr Blondel, speaking on behalf of the Workers' group, said that a genuine debate on the situation in Argentina could have taken place outside the PFAC, particularly on account of the serious economic crisis that had gripped the country. The Workers' concerns tallied with those of the Employers in that the crisis in Argentina had been the most significant indication of the failure of the Washington Consensus in that region. The political and economic measures that had put an end to the crisis represented a complete divergence from the recommendations made by the International Monetary Fund (IMF). In that respect, he hoped that Mr Strauss-Kahn, the new Managing Director of the IMF, would be able to address the ILO as part of coordination between international institutions.
- 243.** He stressed that the DWCP for Argentina had been an opportunity for the ILO to tie in with initiatives implemented to tackle the crisis and to translate the decent work concept into a programme of action. As shown in the evaluation, it appeared that the country had indeed capitalized on the programme, in spite of encountering some difficulties. The Workers' group was satisfied with the tripartite declaration in the addendum to the report that proposed a new DWCP guided by current and future needs in Argentina.
- 244.** Lastly, he said that the Workers' group supported the point for decision in paragraph 64, while stressing the need to find a better arena for a more thoroughgoing discussion of DWCP evaluations. Discussions in the Committee on Technical Cooperation and the PFAC were relevant, yet limited, arenas, meaning that it would be helpful to consider a larger framework.
- 245.** The spokesperson for the Government of Argentina thanked the Office on behalf of the Government of Argentina for the evaluation report which reflected the difficulties of the crisis the country faced during the 2001–03 period. He also complemented the Office for its swift and timely intervention during the crisis and considered the Decent Work Agenda a key part of the recovery effort. The technical assistance provided by the Office in the development of effective employment policies that considered decent work had been a vital element of the Government's economic policies and not merely a result of them.
- 246.** The Government also wanted to publicly express its gratitude to the ILO who, together with the Governments of Spain and Italy, contributed decisively to alleviating the effects of the crisis. The Government representative emphasized the coherence and relevance of the ILO's DWCP for Argentina.
- 247.** The Government noted that tripartite participation was effective throughout the development and implementation of the DWCP. Furthermore, the Government agreed with the statements in paragraph 35, adding that the strengths listed in that paragraph enabled the consolidation of decent work concepts as a national tool that involved all social partners.
- 248.** The Government of Argentina fully supported the point for decision and underscored its agreement with the lessons presented and recommendations made.

249. The representative of the Government the United States, speaking on behalf of the IMEC group, noted that the report provided an overview of activities in Argentina, but did not clearly specify what role the ILO played in those activities or what impact those activities had. IMEC also noted that the report referred to accomplishments without providing adequate evidence. IMEC noted the recommendations pertaining to staffing and human resources needs and asked that these be considered within the ongoing field structure review to aid in determining appropriate representation in the field. Noting their support for the DWCP, she nonetheless called for better indicators that would support better evaluations in the future.
250. The representative of the Government of the United States, speaking on its own behalf, indicated that it would continue support for the Argentina DWCP, since this has been adopted as the principal mechanism for planning and implementation at the national level. She reiterated that the evaluation of the DWCP for Argentina was not so much an assessment of the ILO's programme as it was a description of activities carried out, many of which, it seemed, by organizations other than the ILO. She also noted a contradiction in the report when it referred to indicators. In paragraph 38, the report credited the ILO for contributions to different indicators, while stating in another section that results could not be evaluated due to the lack of measurable indicators.
251. The representative of the Government of Mexico stated his Government's support for the point for decision and encouraged the ILO to undertake new initiatives for the new DWCP for Argentina.
252. The representative of the Director-General, the ILO's Regional Director for the Americas, Mr Maninat, responded that the Office would have liked to present measurable results of the DWCP for Argentina but he noted that this was not always possible given the socio-economic and political realities of the crisis. However, he did point to the quantitative evidence presented in the results of the Heads of Households programme.
253. He also acknowledged the importance of obtaining a good balance between qualitative and quantitative indicators in DWCPs, and pointed out that this was not only a lesson for the Argentina DWCP but for the design of all future DWCPs. The Office therefore welcomed the lessons and recommendations of the evaluation report as very useful reference points for improving the design of future DWCPs in the region. He noted that the DWCP for Argentina was the first in the region.
254. He also noted that the evaluation benefited from the full participation of the national constituents throughout the evaluation process and highlighted as a good practice for all DWCP evaluations the tripartite meeting where the evaluation results were presented and discussed. The concerns expressed by constituents on that occasion were taken into account in the final draft of the report.
255. ***The Committee recommends to the Governing Body that it request the Director-General to take into consideration the findings and recommendations outlined in documents GB.300/PFA/13/3 and GB.300/PFA/13/3(Add.), together with the deliberations of the Committee, for continuing support to Argentina through the ILO's DWCP.***

**(d) Independent evaluation of the ILO's country programme of support to Ukraine: 2000–06**

- 256.** The Committee had before it a paper<sup>19</sup> summarizing the independent evaluation of the ILO's programme of support to Ukraine.
- 257.** Mr Blondel, speaking on behalf of the Workers' group, said he thought the choice of programme priorities in Ukraine had been judicious and that the results obtained were encouraging. He had hoped for more information on the linkages between the activities planned and the results actually obtained. He saw no indication of results for priorities 1 and 2 concerning the establishment and operation of the National Tripartite Economic and Social Council. The same was true of result 4 under priority 1, which envisaged the formation of a group of trade union trainers on issues of occupational safety and health, or result 2 under priority 2 concerning the creation by the Government of a guarantee fund for the payment of wages and the establishment of a tripartite committee on wage arrears, or again the result linked to activities under priority 3 to harmonize national laws concerning social protection with the relevant European and ILO standards.
- 258.** He welcomed the fact that extra-budgetary donors had funded activities relating to freedom of association, labour standards and social dialogue, but regretted that the Office had been unable to find the regular budget resources to support those activities, despite the fact that they pertained to its priority area. Referring to the conclusion to paragraph 25, he said he was concerned at the fact that the ILO's participation in UNDAF 2000–05 and 2006–10 had not enhanced the visibility of the DWCP or strengthened its links with UNDAF. The implementation of the DWCP should, in the view of the Workers' group, be phased over two biennia in order to allow the ILO to act in a more strategic way and to mobilize adequate funds and human resources. He was in favour of setting up a joint DWCP monitoring mechanism with the Government and social partners in order to ensure that the desired results were actually being achieved. Lastly, he endorsed the point for decision.
- 259.** Mr Barde, speaking on behalf of the Employers' group, said that the evaluation report was quite comprehensive and covered the ILO's essential areas of activity. He regretted, however, that the methodology used had not been set out. He was surprised that the report placed responsibility with the constituents for the fact that the activities undertaken did not correspond to the expectations of the programme, when it was for the Office to respond to the constituents' real needs and priorities. The DWCPs needed to be adapted to national conditions and practice. It was a pity that the evaluator had not considered the question.
- 260.** Mr Barde also noted that the report failed to provide certain essential information on activities undertaken, or on the donor countries and the individuals involved in the evaluation process. While acknowledging the important role of national correspondents in implementing ILO activities, the Employers' group hoped that they would abide by their duty of neutrality and not interfere in the management of the constituents. He noted that the IOE had received negative comments concerning the role of some national correspondents in Europe, and requested that the Regional Office remind the national correspondents of their role and obligations.
- 261.** Turning once again to activities undertaken in Ukraine, he said that the Office had a role to play in promoting the European model and in the area of freedom of association, including with regard to employers' organizations, while the Government was in fact interfering in this area. The Employers' group wished to have more information, for example on the law on social dialogue and the difficulties in applying it, and on job creation initiatives. The

<sup>19</sup> GB.300/PFA/13/4 and GB.300/PFA/13/4(Corr.).

Employers' group would also have liked the report to describe the activities of ACT/EMP and ACTRAV in Ukraine. A number of activities by ACT/EMP during the period covered by the evaluation had not been mentioned in the report. The speaker also hoped to be given some further explanations, in particular on paragraphs 19, 21 and 24. Lastly, he said that his group was not against the point for decision but considered that it was more a matter of taking note of the report, rather than a decision as such.

- 262.** The representative of the Government of Mexico expressed his Government's appreciation for the report.
- 263.** The representative of the Director-General, Ms Nesporova (Acting Regional Director for Europe and Central Asia), noted that the independent evaluator had consulted with all constituent groups in Ukraine and had used a sound methodology during the evaluation. She also emphasized the impact of the country's political instability on the ILO's work, noting that the ILO and constituents would need to jointly address areas needing improvement. Regarding the law on social dialogue, its implementation would need to focus on strengthening capacities at regional levels. She also noted the need to further strengthen the National Tripartite Social and Economic Council. Finally, she emphasized the importance of setting up wage guarantee funds and the Office's continued support to constituents for this.
- 264.** *The Committee recommends to the Governing Body that it request the Director-General to take into consideration the findings and recommendations outlined in documents GB.300/PFA/13/4 and GB.300/PFA/13/4(Corr.), together with the deliberations of the Committee, for continuing support to Ukraine through the ILO's DWCP.*

## **Matters relating to the Joint Inspection Unit: Reports of the JIU**

(Fourteenth item on the agenda)

- 265.** The Committee had before it a paper<sup>20</sup> on the report of the JIU for 2006 and the programme of work for 2007 for information.
- 266.** Mr Blondel, speaking on behalf of the Workers' group, said he had no comments to make.
- 267.** Mr Barde, speaking on behalf of the Employers' group, thanked the JIU for its reports this year, and recommended that the heads of secretariat of the various organizations concerned read them attentively. The Employers hoped to be informed of any follow-up to the JIU's recommendations on ILO management, and also hoped to learn of the JIU's views regarding the establishment by the ILO of RBM.
- 268.** With regard to paragraph 11, and following the discussions by the Building Subcommittee, the Employers wished to be informed of the Office's response to the JIU's recommendation that it was essential to be exemplary in respecting the laws, traditions and customs of host countries.
- 269.** With regard to paragraph 12, the Employers considered that, despite the apparent unwillingness of the Office to discuss matters with the JIU, it would have been well advised to follow the latter's recommendation to set up a special fund with a view to

<sup>20</sup> GB.300/PFA/14.



ensuring that adequate resources were available from the regular budget for major repairs and renovation work at headquarters.

270. The Committee took note of the Office paper.

## Other financial questions (Fifteenth item on the agenda)

### Financial arrangements for the funding of the ILO Liaison Officer in Yangon

271. The Committee had before it a paper <sup>21</sup> concerning financial arrangements for the funding of the ILO Liaison Officer in Yangon.

272. Mr Barde, speaking on behalf of the Employers' group, said that he hoped the situation in Myanmar would improve, although the Employers were not optimistic in that regard. They agreed to endorse the point for decision, on the understanding that it was worth asking whether the investment was really useful.

273. Mr Blondel, speaking on behalf of the Workers' group, said that the Workers had the same concerns as the Employers regarding Myanmar. They endorsed the point for decision to release additional funds of US\$554,200 for the purpose of maintaining the ILO's Liaison Office in Yangon in 2008–09.

**274. *The Committee recommends that the Governing Body approve the additional cost of operating the Liaison Office in Yangon in 2008–09, estimated at US\$554,200, and that it be financed in the first instance from fund raising of extra-budgetary resources or, failing that, from savings in Part I of the budget or, failing that, through Part II.***

Geneva, 12 November 2007.

(Signed) Mr Barde,  
Reporter.

*Points for decision:* Paragraph 16;  
Paragraph 22;  
Paragraph 37;  
Paragraph 48;  
Paragraph 67;  
Paragraph 82;  
Paragraph 126;

Paragraph 152;  
Paragraph 174;  
Paragraph 182;  
Paragraph 238;  
Paragraph 255;  
Paragraph 264;  
Paragraph 274.

<sup>21</sup> GB.300/PFA/15/1.



## Appendix

### Independent Oversight Advisory Committee

#### *Terms of reference*

Under the Standing Orders of the Governing Body, the PFAC of the Governing Body shall study any financial and administrative questions referred to it by the Governing Body or submitted to it by the Director-General.<sup>1</sup> Without prejudice to the role of the PFAC as defined under the Standing Orders of the Governing Body, the IOAC of the International Labour Office, reporting to the PFAC, assists the Governing Body in fulfilling governance and oversight responsibilities. Its primary functions are:

1. to review the operation and effectiveness of the Financial Regulations and Financial Rules;
2. to review management's risk assessment and to ensure that the risk management process is comprehensive and ongoing;
3. to confirm audit arrangements have been conducted and delivered during the year to provide the necessary levels of assurance required by the Director-General and the Governing Body;
4. to monitor the timely, effective and appropriate responses to internal and external audit recommendations;
5. to provide advice to the Director-General on issues within the mandate of the Committee;
6. to prepare an annual report, which shall be presented by the Chairperson to the March session of the PFAC. The Committee may also report key findings and matters of importance to the PFAC at any other session.

#### **Composition**

The Committee shall comprise five members who have demonstrated integrity, objectivity and expertise in senior positions in the areas covered by these terms of reference.

Members of the Committee shall be appointed by the Governing Body on the recommendation of the PFAC. The Director-General, in concert with the Officers of the Governing Body, shall propose candidates for membership of the IOAC for consideration by the PFAC.

Members will provide services pro bono.

Independence is a fundamental requirement of members. Members serve in their personal capacity and shall not seek or accept instructions in regard to their performance on the Committee from any government, constituent organization or other authority external or internal to the International Labour Office. They shall be independent of the UN Panel of External Auditors, the JIU, the Governing Body of the International Labour Organization and the International Labour Office and shall not hold any position or engage in any activity that could impair their independence from the Office or from companies

<sup>1</sup> Section 4.1.2, Standing Orders of the Governing Body.

that maintain a business relationship with the Office. All members will be required to sign a declaration of independence.<sup>2</sup>

- Members should possess relevant professional financial qualifications and recent experience in accounting, auditing, risk management and other financial and administrative matters.
- Members should have or acquire rapidly an understanding of the objectives of the Organization, its tripartite governance and accountability structure and the relevant rules governing it; its organizational culture and control environment.
- Committee membership should include a balance of representation with public and private sector experience.
- At least one member shall be selected based on his/her qualifications and experience as a senior oversight professional or senior financial manager in the UN system or another international organization.

Expertise should guide the selection process with due regard given to the tripartite nature of the organization, geographical distribution and gender.

The Chair of the Committee shall be selected by the members of the Committee.

The Director-General, External Auditor, Treasurer and Financial Comptroller, Chief Internal Auditor or their representatives shall attend meetings when invited by the Committee. Other officials with functions relevant to the items on the agenda may likewise be invited.

### ***Term of office***

The term of office shall be four years.

The Chair of the Committee shall serve in this capacity for a term of two years.

Appointment to the Committee may only be revoked by the Governing Body on the recommendation of the PFAC.

### ***Administrative arrangements***

Members of the Committee not resident in the Canton of Geneva or neighbouring France shall be entitled to the reimbursement of travel expenses in accordance with Office procedures applying to senior officials.

The Committee shall meet twice per year – normally in February and September. Exceptionally, the Committee may convene an extraordinary meeting when required.

The quorum for meetings of the Committee shall be three members.

The Committee shall adopt its own rules of procedure which shall be communicated to the PFAC. The Committee may propose amendments to its terms of reference for consideration by the Governing Body.

The Office will provide support to facilitate the work of the Committee.

<sup>2</sup> The annex provides the format for the required declaration.

## Annex

### Declaration of Independence of Members of the Independent Oversight Advisory Committee

*I declare to the best of my knowledge that, having read the terms of reference for the International Labour Office Independent Oversight Advisory Committee, I am eligible to serve as a member of that Committee. I undertake to discharge my functions and responsibilities as a member of the Committee with the interests of the International Labour Organization alone in view and not to seek or accept instructions in regard to the performance of these functions from any government, constituent organization or other authority external or internal to the International Labour Organization.*

*Should there be any change in my relationship with the International Labour Office with respect to my independence, I will immediately inform the Chairperson of the ILO Governing Body.*

*Signed* \_\_\_\_\_

*Date* \_\_\_\_\_