



NINTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Addendum and Corrigendum

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

(a) Programme and Budget for 2010–11

(b) Authorization to accept contributions and gifts

1. The Committee had before it three papers¹ concerning the International Institute for Labour Studies.
2. Mr Julien, speaking on behalf of the Employers' group, fully supported the point for decision.
3. Sir Roy Trotman, speaking on behalf of the Workers' group, said that the Institute's work in developing talent and leadership, and its role as a think-tank, were highly valued. The work of the Institute should not be based on short-term planning and budgeting, but rather the funding base should be long term and predictable to allow it to continue to produce cutting-edge research.
4. The representative of the Government of France said that as part of the ILO's knowledge strategy, the ILO needed to build on its capacities, and to deliver more and better research products with the help of the Institute in order to remain competitive. The Government of France agreed with the proposals set out in the document.

¹ GB.306/PFA/4/1; GB.306/PFA/4/2 and GB.306/PFA/4/3.

- 5. *The Committee recommends that the Governing Body endorse the programme and approve the budget for the International Institute for Labour Studies for 2010–11 as set out in document GB.306/PFA/4/1.***

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

- 6.** The Chairperson introduced the item, which was a continuation of the discussion from the previous sitting. Recalling that discussion, the Chairperson referred to the consensus in the Committee on the need to develop an action plan proposing long-term solutions for adequate and stable funding for the Centre to enable it to carry out its important work.
- 7.** Speaking on behalf of the Officers of the Board, the spokesperson for the Government group on the Board, Ms Fitting (Germany), noted with concern that the Centre had presented a budget deficit for 2010 despite all efforts at cost saving. The deficit was caused by structural problems, which had been discussed for several years but remained unresolved. To ensure the future of the Centre, an action plan was needed to minimize the deficit, as well as a strategy for sustainable resources for the Centre.
- 8.** The measures to be taken should be linked, coherent, and based on the following principles:
- (a) a medium-term strategy as well as short-term measures;
 - (b) the integration of the Centre, as the training arm of the ILO, into the ILO strategy as stated in the Declaration on Social Justice for a Fair Globalization and in the Programme and Budget for 2010–11;
 - (c) recognition of the key role of the Centre in the capacity building of ILO constituents and its involvement in all the ILO's efforts to enhance their capacity;
 - (d) recognition of the role of the Centre in ensuring sustainability of ILO programmes, especially that of Decent Work Country Programmes;
 - (e) recognition by the Office that the Centre is necessary for the dissemination of knowledge and values, and should be part of the knowledge strategy of the ILO;
 - (f) engagement by the Office in systematic cooperation with the Centre and provision of sufficient and reliable resources for it, so that its financial dependence on market resources will not weaken its role;
 - (g) enhanced cooperation by the Centre and the ILO with other organizations, especially UN organizations and other donors.
- 9.** Those principles would help the ILO to address new challenges arising from the Global Jobs Pact and the G20 mandate by developing training measures with the full involvement of the Centre. The speaker recalled the request made at the recent Board meeting, and asked that the Office and the management of the Centre take that into account, as well as the remarks and suggestions made by the Programme, Financial and Administrative Committee (PFAC), when developing a coordinated action plan for the short, medium and long terms. The speaker requested that the short-term proposals for action be available in March 2010 and that preliminary proposals for medium and long-term action also be presented in March 2010 so that decisions could be made at the 72nd meeting of the Board and the PFAC in November 2010.

10. The Director-General expressed his appreciation to the Governing Body for its support to the Centre and its recognition of the key role that the Centre had played in delivering the ILO's Decent Work Agenda and the Global Jobs Pact. Indeed, the Centre had organized, two weeks before the current meeting, a very successful tripartite workshop on the crisis and the Global Jobs Pact. The Centre undertook a wide range of training and capacity-building activities which were very much appreciated by constituents. The Centre also played an increasingly important role in providing ILO staff development and training.
11. The Centre had demonstrated its capacity to respond to new challenges by adapting its learning model and introducing innovative approaches to learning. The speaker recalled that the Centre had adapted all its procedures to the Decent Work Agenda in order to be able to respond to the four strategic objectives. But the Centre had the potential to do more. To fully realize this potential and position the Centre more strategically, there were short-, medium- and long-term issues that needed to be addressed, together with a review to optimize its methods of work.
12. In relation to the ILO's contribution to the budget of the Centre, the speaker said it was useful to clarify the evolving situation. The ILO contributions to the earned income of the Centre had increased by 14 per cent since the last biennium, to US\$14 million. That was in addition to the regular budget direct contribution of US\$6.3 million for the biennium. In 2009, the total ILO contribution to the Centre from all sources of funds would amount to some US\$12 million which represented 21 per cent of the total budget. The speaker reminded the Committee that even in an environment of zero real growth budgets, he had proposed in the 2010–11 budget that the contribution to the Centre be increased by US\$500,000, which was an additional increase of 8 per cent. From a long-term perspective, after excluding inflation and exchange rate factors, the ILO regular budget contribution to the Centre for 2010–11 had increased by 16 per cent in real terms when compared to 1998–99. During the same period, the total ILO regular budget had increased by less than 1 per cent. That confirmed the importance of the Centre within the ILO regular budget.
13. At the most recent meeting, the Board of the Centre had reviewed progress on the implementation of the medium-term strategy of the Centre, preceded by the PFAC in March of the current year. The strategy document had the full support of the Board and the Governing Body and provided a solid basis to go forward, with a view to making the Centre more efficient and more effective, and to realize its full potential.
14. Following the recommendations and guidance given during the previous week by the Chairperson and the Committee, and further to consultations with the Officers of the Board during the current week, it had been agreed that headquarters would work closely with the Director of the Turin Centre to prepare a workplan to take the strategy forward. That would be done in full consultation with the Officers of the Board.
15. The relevant services at headquarters (particularly FINANCE, PROGRAM and PARDEV) had been requested to work with the management of the Centre to develop concrete proposals to address the resource challenges which the Centre faced, including the projected deficit for 2010 as well as developing options for more sustainable funding over the medium to long term. A first meeting of the internal working group had taken place the day before.
16. Those concrete proposals would be discussed in the March meeting of the PFAC and the 2010 meeting of the Board of the Turin Centre. The exercise would focus on the following areas: addressing the projected deficit for 2010; deepening the integration between the Centre and headquarters at the levels of management and administration, planning, programming and budgeting, in order to reduce duplication of functions, enhance cost-

effectiveness and assure predictability of resources; reviewing the Centre's expenditures and identifying possibilities for further savings; developing a common resource mobilization strategy to increase voluntary contributions to the Centre focusing on traditional donors, United Nations agencies, global and regional financial institutions, non-governmental organizations, foundations and private sector companies; and preparing a common capacity-building strategy to support the implementation of the Global Jobs Pact.

17. The speaker expressed his confidence that the exercise would lead to clear and concrete proposals which would secure the future of the Turin Centre and enable it to fulfil its potential. He expressed his appreciation to the Chairperson for her proactive approach to the matter and thanked the members of the Board of the Turin Centre and the PFAC as a whole for their support for the work of the Turin Centre and their commitment to finding sustainable solutions.
18. Sir Roy Trotman, speaking on behalf of the Workers' group, expressed his appreciation for the Director-General's direct response and his involvement with the issue. He said that the Centre's work was critical, at the heart of what the ILO was trying to accomplish, and as such should not rely so heavily on donations. He recognized that finding solutions to the funding problem was difficult, given the reduction in voluntary funding and other increased demands on donors.
19. He was hopeful that the working group would find appropriate solutions, and reiterated that the full range of options discussed so far should be evaluated.
20. Mr Julien, speaking on behalf of the Employers' group, welcomed the Director-General's statement, which he found to be clear and constructive, and which provided some preliminary answers to his questions. The Employers' group was pleased with the Director-General's message about prospects for the future, and looked forward to working with the Office and the Centre on the solutions.
21. The representative of the Government of Portugal expressed concern at the difficulties and uncertainties weighing on the future of the Centre, and fully supported the statement made by the Officers of the Board. It was very important that the Centre be able to count on enough resources to continue work that was essential to the objectives of the ILO. It was hoped that the funding situation could be rectified soon, to the benefit of constituents and the Office.
22. The representative of the Government of Italy supported the statement made by the Officers of the Board, and thanked the Director-General for his response and action. The Government of Italy confirmed its support for the Centre, and its relevance to the work of the ILO. In the context of the reflection on the functioning of the multilateral system, it was hoped that other donors would join Italy in recognizing the relevance of the Centre and providing support. The issue was about more than funding, and had strategic and political dimensions. He emphasized that the Centre's capacity, knowledge, and skills were a precious resource.
23. The representative of the Government of France supported the statement made by the Officers of the Board, and welcomed the Director-General's direct involvement in the matter. The Government of France thought that the Centre had an important role in the ILO's activities, in particular the Global Jobs Pact, and in responding to the requests by the G20, and supported strengthening the linkage between the Centre and the ILO. Efforts had to be made to find sustainable funding.
24. The representative of the Government of South Africa, speaking on behalf of the Africa group, supported the statements made by the Officers of the Board and the Director-

General. He requested that the possibility of using Regular Budget Supplementary Account (RBSA) contributions towards funding the Centre be considered.

25. The representative of the Government of Sudan supported the statement made by the Officers of the Board. He noted the good work done by the Centre on behalf of member countries, and expressed his appreciation for the training which had taken place in southern Sudan, and which was available to that area for the first time.
26. The Chairperson acknowledged the contributions made by the different speakers and thanked the Director-General for ensuring prompt action by the Office. She looked forward to a continuation of that work and the presentation of solutions and strategies at the March 2010 session of the Committee.

Matters relating to the Administrative Tribunal of the ILO

(Nineteenth item on the agenda)

Statute of the Tribunal

27. Discussion continued from the previous sitting on the first paper concerning the Administrative Tribunal.²
28. Sir Roy Trotman, speaking on behalf of the Workers' group, said that, as the ILO had expertise in human resource matters that was second to none, there was no reason to postpone discussion of the matter to 2011. The Workers' group therefore did not support the point for decision, and would prefer the decision to be taken earlier, and no later than the March 2010 session.
29. Mr Julien, speaking on behalf of the Employers' group, said that the ILO was engaged in a process of dialogue with the other United Nations agencies. Seeing that coherence between all such agencies was very important, the Employers supported the point for decision as proposed by the Office.
30. The Chairperson noted that there was no agreement within the Committee on the point for decision as proposed.
31. *In the light of the above, the Committee recommends that the Governing Body postpone the consideration of the item to its 307th Session (March 2010).*

Corrections

The following corrections to the reports were circulated.

First report: Financial questions

Paragraph 158: the fourth and fifth sentences should read "Noting the shortcomings referenced in paragraph 17, the IMEC group was concerned that there was not an integrated, transparent and readily accessible monitoring information system. IMEC also

² GB.306/PFA/19/1.

appreciated the steps being taken to improve ILO monitoring systems but called on the Office for continued efforts.”

Second report: Personnel questions

Paragraph 33: the final sentence should read as follows: “In respect of paragraph 13 of the document, he supported efforts towards effective succession planning, which would allow for progress on rebalancing the grading structure, and requested statistical data on the latter point, including on the evolution of the grading structure.”

Geneva, 18 November 2009

Points for decision: Paragraph 5;
Paragraph 31.