

International Labour Conference, 100th Session, 2011

Report II

Draft Programme and Budget for 2012–13 and other questions

**Second item on the agenda: Programme and budget proposals
and other questions**

International Labour Office Geneva

ISBN 978-92-2-123095-3 (Print)
ISBN 978-92-2-123096-0 (Web pdf)
ISSN 0074-6681

First edition 2011

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Preface

This report comprises, in addition to material submitted for information, a number of items requiring action by the Conference. Any other items which may arise after the publication of this report and which also call for action by the Conference will be submitted to the participants through the *Provisional Record*.

This report deals with the draft Programme and Budget for 2012–13 as examined by the Governing Body at its 310th Session (March 2011). The full material relating to the draft Programme and Budget for 2012–13 appears on pages 1–6. This material should be read in conjunction with the Director-General's original Programme and Budget proposals for 2012–13 (GB.310/PFA/2) as indicated in paragraph 2 on page 1.

Other items requiring action are:

- (a) Financial Report and Audited Financial Statements for 2010, which is published in a separate document available to Conference participants;
- (b) Scale of assessments of contributions to the budget for 2012; and
- (c) Composition of the Administrative Tribunal of the International Labour Organization.

Details of these items are set out in the following pages of this report.

Contents

	<i>Page</i>
Preface.....	iii
Programme and Budget for 2012–13	yellow pages
Consideration of the Director-General’s Programme and Budget proposals for 2012–13 by the Programme, Financial and Administrative Committee and the Governing Body	1
Recommendations of the Governing Body to the Conference at its 100th Session (June 2011)	2
 Summary tables	
Strategic budget: Proposed expenditure budget by appropriation line (table A).....	3
Proposed operational budget – Analysis of increases and decreases (table B)	4
 Other financial and administrative questions	
Financial Report and Audited Financial Statements for 2010	7
Scale of assessments of contributions to the budget for 2012.....	8
Composition of the Administrative Tribunal of the International Labour Organization	9
 Appendices	
I. Third report of the Programme, Financial and Administrative Committee of the Governing Body at its 310th Session (March 2011) (GB. 310/10/3(Rev.))	blue title page
II. Director-General’s proposals for adjustments to the Programme and Budget proposals for 2012–13 (GB.310/PFA/2/1(Rev.))	pink title page
III. Report of the Government members of the Committee on Allocations Matters (GB.310/10/4(Rev.))	green title page
IV. Composition of the Administrative Tribunal of the ILO (GB.310/PFA/14/1)	golden title page

Programme and Budget for 2012–13

Consideration of the Director-General's Programme and Budget proposals for 2012–13 by the Programme, Financial and Administrative Committee and the Governing Body

1. The Director-General's original Programme and Budget proposals for 2012–13 were submitted to the Governing Body at its 310th Session (March 2011) in document GB.310/PFA/2. That document is being reissued as a supplement to the present report.
2. The Director-General's original proposals were considered in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. The Committee's discussion of the original proposals, and adjustments subsequently proposed by the Director-General, was recorded in its third report to the Governing Body, which is reproduced in Appendix I to the present report.¹ The Governing Body accepted the recommendations of the Committee and decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 73rd financial period, ending 31 December 2013, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 7.
3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of US\$744,447,748 estimated at the 2010–11 budget exchange rate of 1.07 Swiss francs to the US dollar. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.
4. The final programme and budget proposals recommended by the Governing Body are being placed before the Conference in the form of the Director-General's original proposals together with the provisional programme level for 2012–13 as endorsed by the Governing Body following its approval of adjustments proposed by the Director-General. Details of the Director-General's proposed adjustments are set out in Appendix II to this report, and are incorporated in table A on page 3.

¹ See blue title page. This report for the Conference was prepared immediately after the 310th Session (March 2011) of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations. The discussion of the Programme, Financial and Administrative Committee's third report in the Governing Body will be reflected in the minutes of the 310th Session of the Governing Body, which were not available at the time of going to press.

5. Table B, which is set out on page 4, and is entitled “Proposed operational budget – Analysis of increases and decreases”, permits the identification of changes in programme level, as distinct from changes due to cost increases and currency fluctuations. The second column shows the Director-General’s proposals for 2012–13 costed in terms of constant 2010–11 US dollars, i.e. on the basis of cost levels and exchange rates used in preparing the 2010–11 programme and budget. These figures can thus be compared directly with those in the first column, which is headed “2010–11”, so that programme increases and decreases in real terms can be readily identified. The figures in the penultimate column represent the 2012–13 budget proposals costed on the basis of estimated 2012–13 cost levels and the 2010–11 budget rate of exchange of 1.07 Swiss francs to the US dollar.

Recommendations of the Governing Body to the Conference at its 100th Session (June 2011)

6. The Governing Body recommends to the International Labour Conference at its 100th Session (June 2011) that the final amount of the 2012–13 budget be based on the endorsed proposed expenditure budget of US\$744,447,748 estimated at the 2010–11 budget exchange rate of 1.07 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference.

7. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 73rd financial period, ending 31 December 2013, the budget of expenditure for the International Labour Organization amounting to US\$ and the budget of income amounting to US\$, which, at the budget rate of exchange of Swiss francs to the US dollar, amounts to Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Table A. Strategic budget: Proposed expenditure budget by appropriation line

	Strategic budget 2010–11 (in US\$)	Proposed strategic budget 2012–13 (in constant 2010–11 US\$)	Proposed strategic budget 2012–13 (recosted US\$)
Part I. Ordinary budget			
A. Policy-making organs	79 304 958	75 354 528	76 081 792
B. Strategic objectives	542 334 389	551 544 760	567 123 396
Employment	167 210 568	170 877 536	175 704 051
Social protection	110 961 717	111 719 566	114 875 137
Social dialogue	155 811 582	157 231 433	161 672 507
Standards	108 350 522	111 716 225	114 871 701
C. Management services	63 243 523	62 022 804	63 001 431
D. Other budgetary provisions	40 120 297	40 107 314	40 531 443
Adjustment for staff turnover	-6 104 967	-6 104 967	-6 144 399
Total Part I	718 898 200	722 924 439	740 593 663
Part II. Unforeseen expenditure			
Unforeseen expenditure	875 000	875 000	875 000
Part III. Working Capital Fund			
Working Capital Fund	–	–	–
Total (Parts I–III)	719 773 200	723 799 439	741 468 663
Part IV. Institutional investments and extraordinary items			
Institutional investments and extraordinary items	6 946 800	2 920 561	2 979 085
TOTAL (Parts I–IV)	726 720 000	726 720 000	744 447 748

Table B. Proposed operational budget – Analysis of increases and decreases

	2010–11	2012–13 estimates in constant 2010–11 US dollars	Programme increases (decreases)		Cost increases (decreases)		2012–13	% of total budget
	\$	\$	\$	%	\$	%	\$	%
PART I. ORDINARY BUDGET								
Policy-making organs	79 177 678	75 354 528	-3 823 150	-4.8	727 264	1.0	76 081 792	10.2
International Labour Conference	13 927 896	13 149 338	-778 558	-5.6	348 873	2.7	13 498 211	
Governing Body	5 775 844	5 487 053	-288 791	-5.0	-6 169	-0.1	5 480 884	
Major Regional Meetings	1 110 627	297 187	-813 440	-73.2	9 663	3.3	306 850	
Legal Services	3 443 313	3 434 924	-8 389	-0.2	15 706	0.5	3 450 630	
Relations, Meetings And Document Services	54 919 998	52 986 026	-1 933 972	-3.5	359 191	0.7	53 345 217	
Strategic objectives	547 653 170	551 544 760	3 891 590	0.7	15 578 636	2.8	567 123 396	76.2
Technical sectors	250 414 368	248 540 730	-1 873 638	-0.7	2 979 481	1.2	251 520 211	33.8
Employment	48 957 213	48 462 421	-494 792	-1.0	635 508	1.3	49 097 929	
Social Protection	34 916 360	34 475 594	-440 766	-1.3	605 359	1.8	35 080 953	
Social Dialogue	55 734 472	55 358 134	-376 338	-0.7	707 998	1.3	56 066 132	
Standards and Fundamental Principles and Rights at Work	37 851 052	37 547 281	-303 771	-0.8	333 006	0.9	37 880 287	
Cross-cutting Programmes								
Communications and Public Information	26 038 709	26 685 515	646 806	2.5	359 745	1.3	27 045 260	
Partnerships and Development Cooperation	10 266 150	9 839 327	-426 823	-4.2	50 351	0.5	9 889 678	
Gender Equality	3 000 953	2 995 125	-5 828	-0.2	29 341	1.0	3 024 466	
Support to UN Reform and Inter-agency Programmes	1 557 882	0	-1 557 882	-100.0	0	n/a	0	
International Institute for Labour Studies	5 776 699	5 930 222	153 523	2.7	31 275	0.5	5 961 497	
International Training Centre of the ILO, Turin	7 609 877	7 609 877	0	0.0	83 531	1.1	7 693 408	

	2010–11	2012–13 estimates in constant 2010–11 US dollars	Programme increases (decreases)		Cost increases (decreases)		2012–13	% of total budget
	\$	\$	\$	%	\$	%	\$	%
Policy Integration	7 803 369	7 631 500	-171 869	-2.2	50 319	0.7	7 681 819	
Statistics	9 466 074	9 902 741	436 667	4.6	72 783	0.7	9 975 524	
Technical Meetings Reserve	1 435 558	646 607	-788 951	-55.0	-6 358	-1.0	640 249	
Support to South–South and Triangular Cooperation	0	1 456 386	1 456 386	n/a	26 623	1.8	1 483 009	
Regions	219 945 295	224 567 669	4 622 374	2.1	11 313 112	5.0	235 880 781	31.7
Field Programmes in Africa	68 455 998	70 525 138	2 069 140	3.0	2 188 455	3.1	72 713 593	
Field Programmes in the Americas	54 504 521	55 665 168	1 160 647	2.1	4 249 247	7.6	59 914 415	
Field Programmes in Arab States	14 308 547	14 780 269	471 722	3.3	533 705	3.6	15 313 974	
Field Programmes in Asia and the Pacific	61 482 231	62 153 609	671 378	1.1	3 582 223	5.8	65 735 832	
Field Programmes in Europe and Central Asia	21 193 998	21 443 485	249 487	1.2	759 482	3.5	22 202 967	
Support services	77 293 507	78 436 361	1 142 854	1.5	1 286 043	1.6	79 722 404	10.7
Information Technology and Communications	27 713 990	29 916 863	2 202 873	7.9	370 436	1.2	30 287 299	
Facilities Management	20 531 708	20 006 318	-525 390	-2.6	347 559	1.7	20 353 877	
Central Services, Security and Protocol	26 547 120	26 018 362	-528 758	-2.0	421 598	1.6	26 439 960	
Procurement	2 500 689	2 494 818	-5 871	-0.2	146 450	5.9	2 641 268	
Management services	57 050 574	56 392 172	-658 402	-1.2	942 332	1.7	57 334 504	7.7
General Management	9 066 536	8 591 773	-474 763	-5.2	53 146	0.6	8 644 919	
Human Resources Development	22 294 652	22 252 638	-42 014	-0.2	191 419	0.9	22 444 057	
Financial Services	15 331 141	15 294 616	-36 525	-0.2	626 839	4.1	15 921 455	
Programming and Management	8 732 441	8 712 144	-20 297	-0.2	61 536	0.7	8 773 680	
Executive Director's Office, Management and Administration	1 625 804	1 541 001	-84 803	-5.2	9 392	0.6	1 550 393	
Oversight and evaluation	5 034 567	5 630 632	596 065	11.8	36 295	0.6	5 666 927	0.8
Internal Audit and Oversight	2 414 034	2 408 430	-5 604	-0.2	19 416	0.8	2 427 846	
Independent Oversight Advisory Committee	343 561	343 561	0	0.0	-1 215	-0.4	342 346	

	2010-11	2012-13 estimates in constant 2010-11 US dollars	Programme increases (decreases)		Cost increases (decreases)		2012-13	% of total budget
	\$	\$	\$	%	\$	%	\$	%
Ethics function	201 482	201 118	-364	-0.2	2 143	1.1	203 261	
Evaluation	2 075 490	2 677 523	602 033	29.0	15 951	0.6	2 693 474	
Other budgetary provisions	40 113 417	40 107 314	-6 103	0.0	424 129	1.1	40 531 443	5.4
Adjustment for staff turnover	-6 104 967	-6 104 967	0	0.0	-39 432	0.6	-6 144 399	-0.8
TOTAL PART I	722 924 439	722 924 439	0	0.0	17 669 224	2.4	740 593 663	99.5
PART II. UNFORESEEN EXPENDITURE								
Unforeseen expenditure	875 000	875 000	0	0.0	0	0.0	875 000	0.1
PART III. WORKING CAPITAL FUND								
Working Capital Fund	-	-	-	-	-	-	-	-
TOTAL (PARTS I-III)	723 799 439	723 799 439	0	0.0	17 669 224	2.4	741 468 663	99.6
PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS								
Accommodation	2 920 561	2 920 561	0		58 524	2.0	2 979 085	0.4
TOTAL PART IV	2 920 561	2 920 561	0	0.0	58 524	2.0	2 979 085	0.4
TOTAL (PARTS I-IV)	726 720 000	726 720 000	0	0.0	17 727 748	2.4	744 447 748	100.0

Other financial and administrative questions

Financial Report and Audited Financial Statements for 2010

1. In accordance with articles 28 and 29 of the Financial Regulations, the International Labour Conference will be called upon to adopt the Financial Report and Audited Financial Statements for 2010 after their examination by the Governing Body. The Financial Report and Audited Financial Statements comprise the Director-General's financial report and audited financial statements covering the regular budget, the Working Capital Fund, extra-budgetary accounts administered by the Organization, and all other special funds and accounts.
2. The report and the statements for 2010, together with the Auditor's report, will be communicated to Members as a separate document. The Governing Body's recommendation as to the adoption of the Director-General's Report and the audited statements will be communicated to the Conference in a separate document to the Finance Committee of Government Representatives.

Scale of assessments of contributions to the budget for 2012

1. At its 310th Session (March 2011), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee, to propose to the Conference at its 100th Session (June 2011) that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it adopt the draft scale of assessments for 2012 as set out in column 3 of the appendix to the report of the Government members of the Committee on Allocations Matters, which is reproduced as Appendix III to this report.
2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessments for 2012 and to make appropriate proposals to the Conference.

Composition of the Administrative Tribunal of the International Labour Organization

1. At its 310th Session (March 2011), the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee (see Appendix IV to this report), to propose to the International Labour Conference at its 100th Session (June 2011) that it express its appreciation for services rendered by Mr Gordillo, that it renew the term of office of Ms Gaudron for three years, that it appoint Ms d'Auvergne for a term of office of three years, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization,

- (a) to express to Mr Agustín Gordillo its appreciation for the services he has rendered to the work of the Administrative Tribunal as judge;
- (b) to renew the appointment of Ms Mary G. Gaudron (Australia) for a term of three years;
- (c) to appoint Ms Suzie d'Auvergne (Saint Lucia) for a term of three years.

Appendix I

**Third report of the Programme, Financial
and Administrative Committee of the
Governing Body at its 310th Session
(March 2011) (GB. 310/10/3(Rev.))**



Governing Body

310th Session, Geneva, March 2011

GB.310/10/3(Rev.)

TENTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Third report: Programme and Budget proposals for 2012–13

1. The Programme, Financial and Administrative Committee (PFAC) of the Governing Body met on 8, 9, 16 and 17 March 2011 to consider the Programme and Budget proposals for 2012–13. The Committee was chaired by Mr Matjila, Chairperson of the ILO Governing Body. Mr Julien and Sir Roy Trotman acted as Vice-Chairpersons. Mr Julien served as Reporter.
2. The Committee had before it the Director-General's Programme and Budget proposals for 2012–13.¹ The Director-General's presentation of the proposals is attached to this report as Appendix I.
3. The Committee agreed to the order of discussion proposed in document GB.310/PFA/2/D1. The Chairperson opened the discussion on the executive overview (paragraphs 1–100), policy coherence (paragraphs 298–307), and delivering results on gender equality (paragraphs 308–319).
4. Sir Roy, speaking on behalf of the Workers' group, expressed concern over the difficult times confronting the Organization, its constituents, as well as the Office, in the wake of the worst global crisis and upheavals and social unrest around the world. Those developments made the ILO more relevant than ever and challenged it to make a difference among other United Nations (UN) agencies in addressing the root causes of those problems emanating from widespread poverty, unemployment, underemployment and lack of social justice. He concurred with the Director-General's message in the programme and budget proposals that globalization had failed to eradicate inequality and poverty. The ILO had a key role to play in promoting a more balanced and sustainable growth model that emphasized demand-led growth, a better balance between wages and productivity, with the recognition of the key role played by collective bargaining and rights at work and the

¹ GB.310/PFA/2.

right set of employment-generating macroeconomic policies, with developing countries having the policy space to determine their development priorities and the pace and sequencing of their implementation. The ILO Declaration on Social Justice for a Fair Globalization, the Global Jobs Pact and up-to-date international labour standards had to guide the Organization and its constituents.

5. The speaker welcomed the recognition in the proposals of the ILO's primary role as a policy-making, standard-setting and supervisory institution. He commended and supported a number of new features of the proposals. They included: (i) the strengthening of the areas mentioned in paragraph 28, including the increase in resources for the Bureau for Workers' Activities (ACTRAV); (ii) the emphasis on South–South and Triangular Cooperation and its integration in several outcome strategies, which should build on tripartism and other ILO universal values; (iii) the attempt to reflect the integrated work of the Office under each of the 19 outcomes, which required the Office to step up its efforts to instil integrated methods of work across the administrative structure; (iv) the specific references to building the capacity of constituents in the outcome strategies, indicators and measurement criteria, which recognized the key role of the social partners in policy-making and the need for their involvement in Decent Work Country Programmes at all stages; (v) the information presented for the first time in table 8 summarizing the factors that had led to changes in targets and resource levels; and (vi) the enhancement of the ILO's role within global governance structures, which should translate into a prominent role for the Office in the G20 or G8 processes and within UN structures in order to promote a development model based on equity, rights and decent jobs.
6. Sir Roy strongly endorsed the proposals for zero real growth and appealed to governments to accept the 2.7 per cent cost increases, given the urgent need for ILO services, in view of the crisis and recent social upheavals. That increase would be even more important in the light of the expected decline in extra-budgetary and Regular Budget Supplementary Account (RBSA) resources. He welcomed the efficiency gains pursued by the Office and recognized the limit to which that trend could continue without affecting the quality of services delivered. Efforts to reduce travel costs through better planning and more videoconferencing were also welcome, but any measures affecting staff should be negotiated with the Staff Union. It would be important for the ILO to serve as an example when setting standards in the UN system.
7. Turning to the regions, the speaker welcomed the increased allocation for Africa and expressed the need to support the African trade unions in areas such as macroeconomic and industrial policies, the informal economy, wages and working conditions. The targets for indicators under outcome 14 for the region should be increased owing to recent developments in North Africa and the gap in the implementation of Conventions Nos 87 and 98. The ILO had a key role to play in supporting the popular uprising in the Arab region, which was a consequence of prolonged jobless growth, especially among young people. The Office should take special measures to resolve the situation and allocate more resources to the region. In Asia, emphasis should be placed on the ratification and implementation of core Conventions, particularly Nos 87 and 98. Other important issues in the region included increased attacks on trade union rights, the growth of precarious employment, the informal economy, child labour, migrant work and the unequal distribution of wealth. In that connection, targets for indicators under outcomes 14, 4 and 5 should be increased. Conventions Nos 87 and 98 were priorities for the Latin

American region, and freedom of association and collective bargaining and working conditions had to be systematically mainstreamed into work on sustainable enterprises. Targets for indicators 18.3 and 18.4 and for indicators under outcomes 14 and 17 should be increased, through the rebalancing of targets under outcome 16. Targets for indicators under outcomes 4, 5 and 6 should also be increased. The relatively small increase in regular budget allocation to the European region for several consecutive biennia was a concern, given the growing demand for integrated ILO services in the light of deregulatory approaches and the growth of precarious and informal work. The Office should increase the regional budget to meet its commitments and to follow up on the Oslo meeting with the International Monetary Fund (IMF). The disproportionate focus of targets for the outcomes on HIV/AIDS and child labour should be redressed, while the targets for indicators under outcomes 14 and 19 should be increased.

8. Sir Roy requested clarifications and more transparency on staff matters related to the upgrading of the information technology (IT) infrastructure. He questioned whether the staff development funds would be enough to support training for the new knowledge system as well as for the training linked to the Integrated Resource Information System (IRIS) field roll-out and other development-related training.
9. Concerning outcome 19 on policy coherence, the speaker expressed concerns over the imposition of policies in some countries aimed at flexibilizing labour markets, undermining collective bargaining institutions and cutting wages, thereby going against the recommendations of the Global Jobs Pact and the Decent Work Agenda. In some of the worst cases, like Romania, there had been attempts to completely undermine trade unions through proposed changes in labour legislation infringing on freedom of association and the right to bargain collectively. The Office needed to have the necessary resources to help those countries to maintain ILO values. Many developing countries, primarily in Africa, still faced the pre-crisis challenges and unsustainable patterns of growth, which required a strong reply from the Office. The ILO should argue against fiscal austerity and state that when some fiscal consolidation was needed it should be implemented in a fair manner to avoid putting the burden on workers and the poorest people. The findings of research anchored in international labour standards should be used to provide country-level policy advice in policy proposals with other international organizations and in forums such as the G20. The proposed additional resources for that outcome were welcome and should be channelled towards providing expert advice to constituents on establishing a legislative framework and promoting recovery measures. Strategies for developing countries should focus on helping them with integrated policies aimed at promoting decent employment and formalizing the informal economy. The Office should intensify its policy coherence work, assessing the impact of World Trade Organization rules and bilateral trade agreements on employment and decent work and conducting employment assessments of trade and financial market policies. While initially the use of the Toolkit for self-assessment had probably been a good step, the time had come to have a more direct engagement with those international institutions that were at the forefront of developing and implementing economic policies that often created conditions that led to indecent work, such as the IMF, the World Bank and regional development banks. To continue to use the Toolkit with less influential international organizations could lead to a waste of critical human and financial resources. The following biennium should allow a better balance of resources between the promotion of the Toolkit and the other work of the Policy

Integration Department. The initiative on decent work country profiles had the support of the Workers' group and the number of countries for which decent work indicators were used should be increased. In addition to developing countries, the Office should produce such profiles for developed countries where statistics were available and where such profiles would be easy to produce. Decent work indicators should be used to monitor progress within countries with the aim of better targeting the Office's assistance and not of "ranking" countries. The target under indicator 19.1 should be increased from ten to at least 15 member States, particularly in the Arab States, Asia and Europe, and no region should show a target of zero.

- 10.** Sir Roy fully supported the work on gender equality, hoping that the Office and member States, in cooperation with social partners, would make gender equality a reality. The emphasis on the implementation and ratification of the gender equality Conventions was welcome. The Office should address the gender dimension in crisis recovery measures, the informal economy, precarious jobs and export processing zones (EPZs). It should also have an ambitious research agenda on unpaid work and the care economy, and on their contribution to economic growth. Progress made in the area of anti-discrimination would be unsustainable if the past policies on dismantling or privatizing care provisions continued.
- 11.** Mr Julien, speaking on behalf of the Employers' group, welcomed the efforts made by the Office in terms of presentation, adaptation and informing constituents. It was good to have recalled the fact that the ILO was not a development agency, which tended to be forgotten. It was to the ILO's advantage to maintain, through the strategic objectives and 19 outcomes, a relatively stable sphere of activity, enabling it to look at the longer term, improve its performance, compare different years and strengthen the expertise of constituents and the competencies of staff. The year 2011 would be difficult but exciting for the ILO. Cooperation with the IMF, which had begun with the Oslo conference, should be further consolidated. The ILO had its place in the G20; it should go beyond decent work and make operational proposals.
- 12.** The ILO should pursue four priorities. The first related to knowledge strategy and management. The Employers' group was ready to support the necessary funding called for by the programme and budget to build expert capacity, increase added value and improve the relevance of the Organization. However, three conditions must be met. The Human Resources Strategy adopted in November 2009 must be implemented, resources must be shared – for example by merging the International Institute for Labour Studies and INTEGRATION – and a serious funding and implementation plan must be prepared. Expressing regret at the absence of new elements concerning that strategy, on which the future of the Office would depend, the speaker encouraged its effective implementation during the 2012–13 biennium. Second, the Office should be responsive. In 2009, it had succeeded in responding and accepting the jobs pact proposed by the Employers; it should now send tripartite delegations to North Africa and the Middle East as a matter of urgency. The speaker suggested that talks between the Office and those countries should focus on two areas – youth employment and social dialogue – and that funds allocated to South–South cooperation, a less pressing issue, should be used for the purpose. Third, there were gaps in the programming, transparency and presentation of reports, including with regard to showing regional activities by results and extra-budgetary spending. In future, the discussion of the report on programme implementation should be integrated into the discussion of the programme and budget proposals so that the Governing Body would have an overview of the Organization's activities. With the

introduction of tables 6, 8 and 9 into the report under discussion, the Office had made a real effort to provide constituents with information; in preparing the budget, it remained to include the Employers' and Workers' groups, upstream, in the Office's budget decisions. Fourth, activities for Employers must be given appropriate priority. The speaker thanked the Director-General for having shown greater flexibility in the management of those activities and welcomed the appointment of Ms Deborah France-Massin as Head of the Bureau for Employers' Activities (ACT/EMP). ACT/EMP had had to focus on certain strategic objectives, through lack of resources, and was having to support a number of employers' organizations in difficulty, particularly in the former Eastern Bloc, where they had had to start from scratch. Recalling that those organizations were indispensable to the functioning of socio-economic systems, the speaker encouraged the Office and constituents to increase ACT/EMP's resources in future.

13. The speaker welcomed the progress made with regard to outcome 19, with impetus from the Director-General, who had wanted the Organization to cooperate with its sister bodies, particularly within the G20. The Employers underlined, however, that the ILO should ensure that it did not exceed its mandate, especially given that it had more limited resources than many of its partner organizations. Coherence meant increasing coordination and synergies between organizations acting in the social and economic arena. As the boundaries of that arena were movable, the ILO could not impose its vision of global governance on other organizations, any more than the IMF or the World Bank, for example, could impose theirs. Therefore, in the Employers' view, outcome 19 reflected an error of perspective, in so far as strengthening coherence could not replicate what the ILO did.
14. Before concluding, the speaker reiterated the Employers' support for the ILO's campaign for gender equality.
15. Lastly, the speaker underscored the relevance of the focus of the ILO's work and said that strengthening expertise would be key for success. However, the diversification of activities, geographical dispersion and the exaggerated development of sectoral activities to the detriment of constituents could hamper the fulfilment of the Organization's core tasks and weaken the Office. The ILO should ensure that the quality of its products was maintained and keep in mind that all its actions should reflect the needs of its constituents. The Employers called for greater prioritization, more coordination with other international organizations, improved data analysis, more internal reorganization and help for constituents, and better responsiveness to current upheavals. In their view, the programme and budget reflected a qualitative improvement in relations with the constituents, but should go further in setting policy priorities.
16. The representative of the Government of the United Kingdom, speaking on behalf of the group of industrialized market economy countries (IMEC group), welcomed the continued inclusion of an executive overview in the programme and budget proposals. In future programme and budget documents, however, such a section should be limited to a statement of three pages maximum, including a table of estimated budget expenditure and estimated revenues for the biennium, as well as the outcomes for the previous budget period. That would allow for greater focus on the indicators and on the use of resources to reach the targets. Table 7 should include more information on the cost of delivering each target and targets should be specific, measurable, achievable, realistic and time-bound (SMART). The budget documentation should be

made available a minimum of six weeks in advance of the Governing Body discussion.

- 17.** With reference to paragraph 26, the IMEC group believed that the ILO should focus on its main mandate, which was policy-making and standard setting. The Director-General's views were requested on the relationship between two elements of the ILO's work – its policy-making and standard-setting role, and technical cooperation funded by extra-budgetary resources, which was often essential to achieve the strategic objectives. As for the 19 outcomes and their indicators and targets, the group regretted the lack of prioritization among the various activities proposed, and the absence of information on the cost of those activities. The inclusion of an assessment of the level of achievements for previous biennia would help the Governing Body to gauge the relevance of indicators and the added value of the ILO programmes in countries and make the resource decisions accordingly.
- 18.** The speaker welcomed several developments in the proposals. They included: (i) the new training programme for management and leadership development; (ii) the new performance management framework, although more information was needed on how it linked to the promotion process; (iii) the strengthening of oversight functions; (iv) the efforts to rationalize, streamline and coordinate the ILO's knowledge management and research capacity, which should be based on quality and rigorous research products and on an inventory of ILO publications with a view to focusing on fewer and higher quality products; (v) the increased use of videoconference facilities to reduce travel costs, although more savings should be sought on the travel budget; and (vi) the inclusion of table 9 on the risk register, which should be further improved through the evaluation of risk levels (high, middle, low) and the differentiation of type of risks (development, reputation and fiduciary risks).
- 19.** The speaker asked for clarifications on the following areas: (i) the rationale for targets in order to better understand how stretching they were, as well as for the measurement of indicators, with some being seemingly easier to achieve than others; (ii) the resources involved in strengthened IT functions and web-based platforms (paragraph 28); (iii) the resources involved in enhanced communication and information outreach (paragraph 47); (iv) staff turnover figures (table 1); (v) the reliability of the estimated RBSA figures for 2012–13 presented in paragraph 81 and of figures on the voluntary contributions already pledged for that period; (vi) the slow pace of the deployment to the field of the IRIS, which was a matter of concern as it affected the implementation of International Public Sector Accounting Standards (IPSAS) requirements (paragraph 58); (vii) the level of resources for oversight, as information in paragraph 64 did not match that in Annex I, nor that presented on the subject during the informal consultations; (viii) discrepancies in information on staff cost increases (paragraph 483 and table A2-5, and table A2-3); (ix) the increase in total work-years (annex on page 109); (x) the increase in unforeseen expenditure of US\$500,000 (table 1); (xi) the potential additional savings from the International Labour Conference through measures such as new technological solutions, rationalization of the bus shuttle service and keeping meetings to schedule; (xii) the savings expected from the Governing Body reform; (xiii) the cost increase for travel and further savings on travel; and (xiv) complementary options for long-term sick leave, in addition to the proposed provision for the long-term sick leave compensation scheme.

20. In conclusion, the speaker indicated that the explanations on the method used to calculate cost increases and the proposal for a zero real growth budget had been duly noted. However, the IMEC group considered that further reduction of the budget would be both possible and desirable.
21. The representative of the Government of Australia, speaking on behalf of the Asia and Pacific group (ASPAG), welcomed the comprehensive programme and budget proposals, which helped the Governing Body to perform its governance function. The explanations on the linkages between the programme and the strategic budget were particularly useful, as was the crosswalk in table 8. The proposed zero real growth budget was being considered in difficult financial and economic circumstances for many Members. That had two main implications: the capacity of member States to increase their contributions to the ILO on the one hand, and an increase in demand for ILO services, on the other. The group called upon the Office to substantiate the required levels of spending for each area of the budget and to provide an explanation of measures taken to achieve greater efficiencies and savings.
22. While no reductions in ILO programmes and services were requested, there was a need to ensure that programmes were delivered in the most effective and efficient manner possible. To that end, ASPAG encouraged the Director-General to form an internal expenditure review committee, made up of senior officials from the Office, to continually review programmes and expenditures on a value-for-money basis, and to allocate potential savings to the highest priorities.
23. The speaker referred to the various initiatives presented in the programme and budget proposals (managing for results, enhancing the knowledge base, teamwork, optimal use of human resources, strengthening support to governance, training for management), emphasizing that those initiatives needed to be accompanied by cultural and management reform within the Organization. He called on the Director-General to provide some indications of the measures that had been put in place to enable him and his management team at headquarters and in the regions to achieve that goal. He also sought further clarifications on the following issues: (i) the implications of table 7 with respect to budget allocations and the priority of resources; (ii) the indication of priority amongst the activities related to the 19 outcomes; (iii) information on the approach and frequency with which the Office will manage and report on risks; and (iv) assurance that improvements in the coherence of oversight functions would not reduce the independence of those functions.
24. The appointment of the IRIS programme manager should be dealt with as a matter of priority, in line with the recommendations of the Independent Oversight Advisory Committee (IOAC). Absorbed costs presented in table 3 were welcome and should be treated as a measure of prudent budget management, not as exceptional. Areas such as travel, meetings and conferences provided potential for greater efficiencies with little impact on savings and should be looked into with particular attention. Another area requiring review was recruitment practices and delays, with the associated use of consultants and contractors.
25. The representative of the Government of South Africa, speaking on behalf of the Africa group, referred to the ILO Declaration on Social Justice for a Fair Globalization and called upon the Office to review and adapt its institutional practices to enhance governance and capacity building. The ILO's mandate for social justice and the responsiveness of the Office could be thwarted by major global economic and

political drives, as the recent economic and financial crisis and the social conflicts in North Africa and the Middle East had shown. In those circumstances, the ILO remained an indispensable partner to turn to as it struck the balance between States, markets, societies and the different set of policies for sustainable development. There was great need for the Organization to adapt and respond to evolving contexts, addressing the high expectations to provide real-time and specific knowledge advice to constituents and policy-makers. The situation in terms of the global decent work deficit affecting people everywhere had worsened over the previous ten years. As noted in paragraph 19, addressing the decent work challenges was essential to promote more balanced and fairer patterns of economic growth and development.

26. In that context, the speaker welcomed a number of features presented in the programme and budget proposals, notably: (i) the redeployment of resources to strengthen the technical capacity of constituents; (ii) the increase in resources to the Bureaux for Employers' and for Workers' Activities, although a similar support to the Government group would also be welcome; (iii) the introduction of a new budget line to promote South–South and Triangular Cooperation; and (iv) the modernization of the IT infrastructure, especially in Africa, which was essential to support the ILO's knowledge base.
27. For the Africa group, the regular budget should remain the core of the integrated budget. The group supported a zero real growth budget, although it considered that an approach based on that budget level was unsustainable. The projected fall in extra-budgetary resources was a concern and the speaker called upon the donor community not to withdraw its support completely in the light of the good performance in extra-budgetary technical cooperation delivery in 2010, especially in Africa.
28. The speaker supported proposed outcome 19 on policy coherence and, with regard to gender equality, the focus on measures to ensure the ratification and effective implementation of the relevant Conventions.
29. The representative of the Government of Argentina, speaking on behalf of the Group of Latin American and Caribbean States (GRULAC), acknowledged that the programme and budget proposals struck a balance between the needs and new challenges relating to the promotion of decent work, and the financial challenges faced by member States. While the level of the regular budget had remained essentially the same in real terms since 2000, it had declined by 14.2 per cent between 1980 and 2010, and that situation warranted attention.
30. His group considered that the proposal for a zero real growth budget accompanied by a clear definition of priorities and results-based management was a good starting point for the discussion in the Committee. In that respect, the speaker highlighted several issues of importance, namely: (i) the clear definition of priorities, alongside corresponding areas of technical capacity to be strengthened and resource allocations; (ii) outcome-based workplanning for the 19 programme and budget outcomes, with greater focus on employment creation; (iii) the optimization of human resources, with emphasis on strengthened ILO field presence and collaborative working methods; (iv) the modernization of IT, in particular to improve connectivity in ILO offices in the regions; and (v) the acknowledgement for the first time in the proposals of South–South and Triangular Cooperation as a source of knowledge and practices on decent work.

31. The representative of the Government of Sweden, speaking on behalf of the like-minded donors (Belgium, Denmark, Finland, Netherlands, Norway and Sweden), endorsed the IMEC statement. He welcomed the proposed increase in the evaluation budget and requested reassurance that the other oversight bodies would continue to operate adequately with a budget maintained at the 2010–11 level. He expressed disagreement with the statement in the proposals that the ILO would suffer from a decrease in extra-budgetary expenditure of 6.7 per cent compared to 2010–11. The RBSA projections found in the Strategic Policy Framework for 2010–11 were outdated and actual RBSA contributions for the biennium should be used instead for comparison. Those contributions were higher than in 2008–09. Therefore, RBSA contributions were on the rise, not on the decrease. The speaker supported a zero real growth budget, noting that maintaining a real level of the budget would avoid dependence on increasingly unpredictable voluntary contributions. He encouraged the Office to seek further ways to increase efficiencies without compromising its ability to deliver on the key programme and budget outcomes. The suggestions made by the IMEC group on that topic should be looked at. With reference to the budget negotiations carried out and their impact on the overall transparency of the process, he stressed that the previous consultations had not provided sufficient information. His group had expectations that the Office would facilitate the negotiations among constituents, while providing full disclosure of its cost structure and actively supporting the discussion on opportunities for further savings. The proposals were a good starting point for transparent negotiations leading to a realistic results-based programme and budget and enabling the ILO to deliver on its programme while ensuring adequate audit and oversight.
32. The representative of the Government of France supported the IMEC statement and recognized the qualitative improvements made to the programme and budget proposals, which made it a complete document. He regretted that the French version of the document had not been made available online prior to the opening of the Governing Body session. The cost increases built into the zero real growth budget had been duly brought down to 2.7 per cent, which nonetheless could still seem high considering that inflation might be lower. The overall framework of outcomes, strategies and indicators had been improved in line with a results-based management approach. Projections for voluntary contributions had been revised downwards, which made them more realistic. Increased reference to complementarities with other organizations, the modernization of databases and of audit and oversight bodies were equally encouraging developments. The current discussion on the programme and budget proposals marked a new era for the Office, the era of results-based management as a concrete method to identify the objectives of the Organization. It was also the era of IPSAS accounting rules, leading to more transparency and effectiveness in the allocation of resources. Finally, it was the era of the ILO at the heart of the UN system, centred on its priorities and aware of its value added and its leading role in decent work. The Government of France considered that the ILO had a major role to play in the aftermath of the crisis. International organizations had to have the means to fulfil their mission, which was the reason why the regular budget of the ILO should allow for funding of the core functions of the Organization, including its participation in the design of a new global architecture and of the social dimension of globalization, while lowering dependence on the increasingly unpredictable voluntary contributions. The speaker stressed several points for further work by the Office to address that challenge, notably the need to: (i) reflect on the formulation of the 19 outcomes with a view to better identifying common objectives

in the international community, determining the real priorities of the Organization and its comparative advantage vis-à-vis other organizations, and formulating simpler and more pertinent performance indicators; (ii) review the costs of the governing organs, in particular the Governing Body and the International Labour Conference; (iii) tackle issues related to the use of the Special Programme Account together with the programme and budget discussion; (iv) consider investments in new priorities, in particular those related to IT, not as additional costs but as a means of improving efficiency; and (v) further refine the risk register to provide for a more complete picture of the risk factors weighing on the Organization. The speaker concluded by noting that in the future the discussions on the programme and budget should start with a substantive interaction between the Office and the Governing Body at the November session, with the March session being the final step in the process.

- 33.** The representative of the Government of Egypt said that the countries in North Africa were experiencing radical changes led by people asking for new government and new management, based on freedom and justice. He called for technical support from the ILO, among the international organizations, to enhance the capacity of those people to reorganize their economic and social systems, and their labour and employment legislation. That would contribute to strengthening the strategic objectives of the ILO in line with the ILO Declaration on Social Justice for a Fair Globalization.
- 34.** The representative of the Government of Singapore, speaking on behalf of the ten member States of the Association of Southeast Asian Nations (ASEAN), supported the ASPAG statement. She commended the efforts to achieve savings through streamlining work processes, modernizing IT and optimizing the use of human resources, and urged the Office to continue with those efforts in order to maintain a zero growth budget. The speaker asked for clarification as to why areas where savings had been achieved did not seem to show the corresponding decrease in associated costs (in Annex 2, while the resource allocations for the four technical sectors had been reduced from minus 0.6 per cent to minus 2 per cent, their cost components had increased from 1 per cent to 1.9 per cent). The Office should clarify that trend and examine how the lowering of staff costs could be achieved through increases in productivity. The costs for other components had also gone up, resulting in an average cost increase of 2.7 per cent. The reasons for any cost increase should be fully justified. The speaker expressed her support for the following four priorities underpinning the programme and budget proposals: (i) adherence to the ILO's mandate; (ii) enhanced services to constituents; (iii) the improved knowledge system; and (iv) South–South and Triangular Cooperation. Programmes under the four strategic objectives were particularly important and, despite the difficult financial circumstances, their budget should in no way be compromised by cuts to fund the cost increases. The proposal to enhance the ILO's knowledge system had ASEAN's support. However, given the significant costs involved in enhancing the IT infrastructure, the Office should re-examine the costs and focus merely on the core services most useful for constituents.
- 35.** The representative of the Government of Japan supported the IMEC and ASPAG statements. His Government supported a zero nominal growth budget across all international organizations. He requested clarifications on the following issues: (i) the discrepancy between the base salary for Professional staff estimated to increase by 4.5 per cent (table A2-5 on page 125) and the adjustment rate of 1.37 per cent (paragraph 483); (ii) the projected expansion of work-years of Professional staff by 2.5 in the context of a zero real growth budget (Annex 1, page 106); (iii) the

breakdown of costs related to IT improvements (paragraph 71); and (iv) the total costs of the IRIS roll-out, an evaluation of its costs and benefits and the schedule for its completion. To improve efficiency, priority should be given to the reduction of indirect costs such as support services, which on the contrary were projected to increase. The costs of outsourcing should be matched with a reduction of internal costs. With reference to table 6, the speaker welcomed the increase in the resources allocated to outcome 6 on occupational safety and health (OSH) compared to the figures presented at the informal consultations in January. He also expressed appreciation for the increase in the budgets of the regions, which showed the Office's focus on local activities.

- 36.** The representative of the Government of the United Kingdom supported the IMEC statement. He welcomed the ambition of the proposals to focus on essential priorities, value for money and efficiency savings, but regretted that that was not borne out by the proposed cost increases of 2.7 per cent on the current budget. The redeployment of resources to the priorities in paragraph 28 was also welcome, although information was required on the resource implications of those priorities, including on any activities that the ILO had stopped or would stop doing in order to contain costs. The Office's commitment to improving teamwork and to optimizing human resources in the context of the new Knowledge Management System was equally important. The slow progress of IRIS deployment to the regions and the associated costs were a matter of concern. The speaker requested the Office to present to the Governing Body the details of the savings made from the Governing Body reform, noting that the reform of the International Labour Conference should also lead to further significant savings. The cost increases of 2.7 per cent did not properly take into account the pressures faced by governments. Following the examples of other UN organizations, the ILO should strive to become a leaner and more efficient Organization with demonstrated value for money. The speaker expressed the expectation that the programme and budget proposals should be based on zero nominal growth. Turning to the proposals on policy coherence, he welcomed the recognition that fiscal consolidation could complement efforts to promote decent work, and expressed support for the continued Office work on assessing recovery policies in that context. He noted the difficulties in measuring qualitative progress under outcome 19, and asked for clarifications on some of the measurement criteria of the two indicators.
- 37.** The representative of the Government of Brazil supported the GRULAC statement. She commended the quality of the programme and budget proposals in their comprehensiveness and results-oriented focus. The ILO had a critical role to play in helping member States to achieve a more balanced and inclusive economic growth in the aftermath of the jobs crisis. Adequate resources were essential to realize the common objectives of the Organization. The speaker acknowledged the Office's efforts to prioritize results on the ground as well as to work with the tripartite constituents to strengthen the delivery of support and services. She welcomed the inclusion in the programme and budget proposals of South–South and Triangular Cooperation. There was ongoing collaboration between her Government and the ILO in that respect in the areas of the eradication of child and forced labour, social protection, post-crisis recovery and freedom of association, and such collaboration had already borne results in several other countries in Latin America, Africa and Asia. As a tripartite organization, the ILO brought with it to such cooperation the views and needs of the real economy in addition to its analytical capacity. She called on the other members to join forces with Brazil and strengthen the ILO.

- 38.** The representative of the Government of the Republic of Korea endorsed the ASPAG and IMEC statements. Welcoming the systematic approach to knowledge management, he stressed two elements contributing to its success. First, the ILO knowledge should be systematically classified and made available to end-users in member States. The ILO website, through which a great deal of knowledge was made available, was not user-friendly. Second, ILO staff should be both knowledge messengers and knowledge creators. A conference organized recently by the International Institute for Labour Studies had proved to be an important forum for knowledge creation. Knowledge activities of that nature should continue and expand. The speaker noted that as the 15th Asia and the Pacific Regional Meeting would be held in April 2011, the 16th Meeting was not expected during 2012–13. He sought clarification from the Office on cost appropriation for the 16th Meeting in 2012–13.
- 39.** The representative of the Government of Canada endorsed the IMEC statement. In acknowledging the Office's efforts to undertake budgetary consultations and provide more complete and transparent information in the proposals, she highlighted some issues related to the consultation process which needed further improvement. The lack of information and documentation hampered the ability of Governing Body members to provide guidance and strategic input on the development of the proposals. In the future, early consultation would need to be held and more detailed supporting documentation provided at least five full working days in advance of such consultation. As a minimum, the documentation should comprise the following information: (i) a clear outline on costing methodologies and formulas; (ii) a direct link between the proposed budget and the strategic objectives; and (iii) information on the previous biennium pertaining to the status of actual revenue per strategic objective, the actual expenditures and the target implementation rate. Programme and budget proposals should be made available in the three official languages a minimum of six weeks prior to the commencement of the Governing Body session. The speaker welcomed the proposals to strengthen the knowledge base, increase coherence and improve governance. The ILO could increase its relevance and impact globally by focusing on key priorities within its mandate. Given the serious fiscal pressures governments were facing, continued efforts should be directed at identifying further cost reductions and delivering a zero nominal growth budget. There was room for additional savings in travel expenditure, from field offices in developed countries, from the shortening or suspension of regional conferences for the following two biennia, as well as in publications. The speaker reiterated the request made to the Office on previous occasions for a full inventory and review of publications and pamphlets in order to rationalize, streamline, and eliminate duplication. She requested more information on what was included in the budget of US\$26 million for communication and public information.
- 40.** The representative of the Government of Germany supported the IMEC statement. He welcomed the restrictive budget planning that took account of the prevailing economic and financial situations in several countries. Joint efforts to identify further savings should be pursued with a view to eventually achieving a satisfactory agreement. However, after a decade of zero real growth budgets, his Government would not be in favour of cuts in the strategic areas. At the same time, the proposed resource increases for labour market analysis and statistics would require further justification, as would the increase in resources for communication. On the measurement of results, the speaker indicated that the quantitative measurements were not fully satisfactory; qualitative results should also be measured across all

outcomes. In conclusion, he reiterated his Government's expectation of strict fiscal discipline and its availability to contribute to further developing and improving the proposals.

- 41.** The representative of the Government of Bangladesh supported the ASPAG statement, and made five observations on the proposals. First, the budgetary constraints should not impede the ILO technical capacity to deliver its services in the areas stipulated in paragraph 28. The ILO should deepen its work on global trends and cross-cutting issues affecting decent work conditions, for example the potential adverse impacts of climate change. Second, the Office's work on South–South and Triangular Cooperation and on policy coherence should evolve through informed deliberations within ILO governance mechanisms so as to ensure ownership and alignment with constituents' priorities. Third, further clarification on the methodology used to quantify the proposed targets per indicator and per region was needed. Fourth, the availability of resources should not be the sole determining factor in delivering services to constituents. The flexibility and ability to customize support services to constituents in line with their needs was of significant importance and demonstrated value for money. Fifth, there should be a review to assess the impact of the centralization of certain services. The centralization of statistical services was a matter of concern as it could have adverse implications on implementing the knowledge strategy in the regions. Lastly, the speaker referred to the Fourth United Nations Conference on the Least Developed Countries, scheduled for 9–13 May in Istanbul, where a programme of action would be prepared to increase the productive capacity of the least developed countries, including through decent employment generation among youth and migrant workers. The ILO should continue to deepen and expand its engagement with the least developed countries, where the relevance of its work would be most felt, and deliverables should be factored into the implementation of the Programme and Budget for 2012–13.
- 42.** The representative of the Government of the United States supported the IMEC statement and made seven comments. First, table 8 on the crosswalk and table 9 on the risk register were helpful. Second, the Office should clarify which activities across the different strategic objectives were most essential to achieving the desired outcomes, indicators and targets, and how much of the regular budget would be allocated to them. Third, her Government attached great importance to ensuring adequate resources for standards activities. Fourth, strengthening the ILO's oversight functions was equally important to improve programme effectiveness and governance. Fifth, efforts to enhance the ILO's knowledge management, research capacity and IT function were welcome. Sixth, the Office's recognition of the difficult circumstances faced by governments was appreciated. Efforts to seek cost efficiencies in its proposals were welcome but further savings should be sought. Seventh, her Government supported a zero nominal growth budget in all international organizations, which reflected the fiscal reality of the country, not the lack of value of the ILO's work.
- 43.** The representative of the Government of China supported the ASPAG statement. He commended the Office's practice of organizing consultations with constituents to prepare the proposals. As many countries would go on suffering from high unemployment and underemployment, the focus of the proposals should continue to be on employment and social security. Resource allocations to those two areas should be increased. The speaker requested clarifications on the 2.7 per cent costs increases, as well as on the exchange rates used in the document.

44. The representative of the Government of India thanked the Director-General for not compromising on the strategic objectives of the ILO in balancing competing demands in the context of financial restraints. He welcomed the increase in the resources allocated to the Asia and Pacific region and called for an increase in resources for outcome 19. Other welcome features of the proposals included the provisions for upgrading and maintaining the IT infrastructure, the proposed risk register, the strengthening of governance and evaluation, the use of part of the staff development funds for staff training in collaboration with the Turin Centre, and South–South and Triangular Cooperation as an emerging dimension of ILO work. The speaker emphasized the need to regulate and manage the RBSA properly, as well as to strongly integrate regular budget and extra-budgetary resources into the execution of the programme. He supported the adoption of the proposals.
45. The representative of the Government of Mexico supported the GRULAC statement. She recalled her Government's support for a zero nominal growth budget across all international organizations and called on the Office to make every effort to move the budget into that direction. She asked for two clarifications. First, the Office should provide more information on the reasons for increasing the allocation concerning the unforeseen expenditure by US\$500,000 compared to 2010–11. Second, the sources of funding for the establishment of a long-term sick leave compensation scheme should be clarified.
46. The representative of the Government of Austria supported the IMEC statement. She welcomed the thrust of the proposals in trying to overcome and follow up on the crisis and said that the ILO must play a strong role, especially in the field of standards. The Director-General's effort to present a more moderate budget than in previous biennia was appreciated. However, further savings were possible and needed to be identified. In that regard, the proposals put forward by the Government representatives of Canada, France, Germany, Japan, Mexico and the United Kingdom should be closely examined by the Office. Her Government supported a zero nominal growth budget.
47. The representative of the Government of Mozambique supported the Africa group's statement. The proposals for 2012–13 were realistic, given the prevailing financial and economic difficulties worldwide. The 2.3 per cent resources increase proposed for the African region was welcome. Job creation was the key to fighting poverty in Africa, especially sub-Saharan Africa. Therefore, the ILO should enhance its support for Decent Work Country Programmes with a view to creating decent and sustainable jobs. The speaker welcomed the South–South and Triangular Cooperation from which several African countries had already benefited and encouraged the ILO, Brazil, and other countries involved, to pursue such cooperation. He urged the ILO to provide more technical assistance to the least developed countries, including the participation of the constituents in the training programmes of the ILO.
48. The representative of the Government of Pakistan indicated that the 2.7 per cent cost increases might create problems for poor member States and proposed that other alternatives, such as better financial management and austerity measures, be considered.
49. The representative of the Government of Argentina supported the GRULAC statement. He commended the methodology, the conceptual clarity and the projections found in the proposals, as well as the underpinning efforts directed at a

more efficient use of resources in the regions. The ILO had been the first international organization to provide support to Argentina during the 2001 economic crisis through a technical cooperation project. The country had been the first in the region to implement a national decent work programme. In conclusion, the speaker noted that in the context of the existing budgetary restrictions for many governments the proposals responded to countries' needs.

- 50.** The representative of the Government of Australia supported the IMEC and ASPAG statements. His Government supported a zero real growth budget. That should be accompanied by further pursuits of efficiency gains and savings, and continued efforts to improve financial management practices. The effective use of member States' contributions had never been more important. The speaker supported the Office's endeavour to align its programmes and funding priorities to the core mandate of the ILO, especially in respect of strengthening the technical capacities of the ILO and its constituents. The intent to better use evaluations and lessons learned was beneficial and should continue, while at the same time the Office should better estimate the resources required for the effective and efficient delivery of the ILO's programmes under each outcome. Efforts to identify savings in areas such as travel, administrative services and coordinated work were welcome. The Office should pursue that approach, including through a more rigorous assessment of methods of work. The speaker echoed the comments of ASPAG and the IMEC group on that matter, notably: (i) the proposal for the establishment of an expenditure review committee to better monitor the expenditure and the implementation of the programme and budget and to redirect any savings to priority work; and (ii) the request for more information on the approach of the Director-General and his management team in leading internal reforms. With regard to the strategic objectives, he welcomed the way in which resources were allocated to the 19 outcomes in the proposals and urged the Office to continue to make improvements in that area. In the area of knowledge, the focus should not only be its management, but also its deployment to constituents in member States. With regard to outcome 19, the Office should maintain a focus on policy coherence and ensure a holistic approach within the Office. At the same time, it should continue to work with other international organizations to pursue policy coherence globally and within countries. That required solid evidence-based analysis and research and a strong capacity to provide constituents with relevant practical guidance. Turning to the issue of gender equality, the speaker supported the implementation of the ILO Action Plan for Gender Equality 2010–15 and encouraged the Office to take on board the lessons learned from previous biennia in implementing the plan for 2012–13.
- 51.** The representative of the Director-General (Mr Johnson) responded to questions raised during the discussion concerning the methodology and calculation of costs. He started by distinguishing the increase or decrease of costs at a programmatic level from the cost increase that was applied later to the adjusted programme level. For staff turnover calculations, the same rate of 1.2 per cent used since 1992–93 had been applied, amounting to US\$6 million of total staff costs. That reduction in the budget was to reflect savings generated following the departure of an official and the arrival of the replacement. With regard to the reconciliation of the oversight figures, the total budget for that function in the proposals totalled US\$6.5 million – with most costs budgeted under the heading "Oversight". In addition, an amount of US\$1.1 million for external audit and some US\$300,000 for the Joint Inspection Unit were included under the heading "Other budgetary provisions". On the increase in "Unforeseen

expenditure”, he noted that supplementary expenditure approved by the Governing Body in successive biennia had significantly exceeded the current level of US\$875,000 and an increase could therefore be justified. For travel, the proposed budget constituted 1.8 per cent of the regular budget. Travel resources had been systematically reduced in successive budgets. During the previous ten years those reductions had amounted to almost 50 per cent in real terms. A further reduction of US\$800,000 was anticipated following the implementation of a thorough review of travel savings and other cost-reduction measures. The cost increase at the rate of 0.65 per cent based on International Air Transport Association (IATA) data was applied to cover increases in ticket costs. Inflation on daily subsistence allowance (DSA) rates had not been provided for, but the Office had adjusted them to the current International Civil Service Commission (ICSC) approved rate. With reference to long-term sick leave, the pattern of leave showed a very consistent rate with an average of 22 staff across the Office on extended leave beyond 90 days. The proposal was intended to enable departments concerned, after a three-month waiting period, to request resources in order to maintain programme delivery in the absence of those staff members on long-term sick leave. In responding to questions on staff cost increases, the speaker explained the methodology used in calculating UN salary scales for both Professional and General Service staff at headquarters and in the field. He further explained the need to consider both base salary and post adjustment in the context of overall increases in staff salaries. He advised that the ICSC adjustment between base salary and post adjustment on a no-gain-no-loss principle was not an indicator of inflation for ILO salaries. The large element of staff costs was the local field staff. Of the US\$13.5 million increase for staff costs, some US\$8.8 million related to field staff, about US\$4 million to the standard-costed staff and the balance to short-term and other categories. The speaker pointed out that in view of the increase in Professional work-years (from 1,636 to 1,677) and the decrease in General Service work-years (from 1,672 to 1,618), the net decrease totalled 20 work-years across the budget. The cost of those Professional work-years as opposed to General Service work-years was covered through transfers within the constant dollar budget and not within the provision for cost increases.

- 52.** The representative of the Director-General (Mr Thurman) thanked the Committee for the positive comments on results-based management and the format of the programme and budget. He acknowledged that additional improvements were still needed. Concerning IRIS, roll-out was funded from within the limited resources for maintenance and improvement of the IRIS system. That restricted the pace of roll-out. A separate budget came from staff development resources to support change management and training needs. Concerning the estimation of extra-budgetary resources for 2012–13, the Office was confident about the level presented in the proposals. However, all estimates of technical cooperation were in nominal dollars, which meant that in addition to the estimated US\$40 million decline, there would be a further real fall due to cost increase factors. With regard to RBSA estimates, it was correct that the drop was only US\$10 million when compared to the actual resources in 2010–11. Referring to requests for more detailed figures on the knowledge system, the speaker said that the investment cost for IT amounted to some US\$2.4 million. A proposal was made in a separate GB paper to use the Special Programme Account to cover that cost. Ongoing costs for maintenance and the costs of central coordination were budgeted at US\$1 million each as part of the regular budget. There were other costs as well, which were partially attributed to the knowledge initiative, for instance the cost of US\$3.8 million to improve Internet connectivity in the regions. Staff

development resources would be used to support the introduction of the system. There would be changes in job descriptions and methods of work. He explained the programming process. Forced budget reductions of 5 per cent generated resources that were distributed by the Director-General to high priorities as presented in paragraph 28 of the document. With regard to savings from the reform of governance, the Office had included reductions of some US\$2.4 million in the expectation of rationalization, though the Governing Body had not yet taken final decisions. On resources for the next Asia and the Pacific Regional Meeting, which were provided for in the budget proposals, the Office would reconsider their use. As for resources for communications, they covered a large number of key operations, namely, the ILO Library and its information systems, which formed the largest budgetary category, the Department of Communication and Public Information, the Web Development Unit and the publications function.

53. The Chairperson opened the discussion on the strategic objectives (paragraphs 101–297).

Employment

54. Mr Julien recalled that employment remained the priority strategic objective of the Employers' group. The proposed text, however, made comparison with previous years difficult, because of the lack of both information on figures and adequate monitoring between various years. The lack of alignment with the implementation report and the format thereof was unsatisfactory; it was a sensitive issue, which it would be desirable to address within the framework of an exhaustive global discussion.
55. The chapter on employment was an attempt to apply the conclusions of the recurrent discussion from June 2010, and in that regard constituted a good starting point. The speaker recalled, however, that the debate had not enabled a specific economic model to be formulated; he observed, in that regard, that the Employers' group did not really believe in economic theories and did not think that it fell to the ILO to develop them. Countries had different needs and pursued specific economic policies, and it was undoubtedly not for the ILO to make general recommendations. Similarly, although the Office examined the consequences for employment of macroeconomic, trade and industrial policies, it should not try to formulate those policies. Countries should be free to pick and choose the elements of the Global Jobs Pact that best suited their circumstances; given that a review phase had begun, it would be useful to look carefully at what was wanted from the Pact.
56. With regard to outcome 1, the speaker considered that the document went beyond the conclusions adopted in June 2010 in that it referred to issues relating to precarious employment. He expressed doubt about certain activities, particularly the experimental methodology mentioned in paragraph 111, and wondered whether the already very limited resources had been well used in that instance. Recalling that the Employers' group had requested assistance for countries that could not collect data, he noted with regret that that request had not been taken into account.
57. The G20 had given the ILO a specific mandate in the area of training and it was unfortunate that the section on outcome 2, which covered that issue, remained nebulous. The strategy presented by the ILO to the G20 on the issue of workers' employability had enjoyed wide support, and it was regrettable that it was not given

more prominence, at a time when technological and demographic changes made it more necessary than ever to mobilize competencies. The Employers' group also considered that the issue of youth employment had not been highlighted sufficiently in the report.

- 58.** Outcome 3 was more satisfactory, but the speaker recalled that it was not for enterprises to apply standards per se. It was important that, in future, ACT/EMP and the International Organisation of Employers (IOE) should be able to participate fully, as the goal was to develop enterprises, not to place additional burdens on them that would discourage them. Lastly, the importance that the Office attached to cooperatives and the social economy should not lead it to reduce or cease activities relating to larger enterprises.
- 59.** Sir Roy thanked the previous speakers for their level of understanding of workers' needs. He expressed the hope that discussion on the programme and budget would be conclusive and regretted the Employers' views that the ILO's role should be limited to addressing only internal ILO institutional needs rather than contributing to the creation of sustainable growth worldwide. One should not turn back on the Global Jobs Pact and its income-led growth concept; the ILO should play its role in the entire multilateral system.
- 60.** The speaker reaffirmed the position of his group regarding the recurrent discussion on employment and the priority that should be given to policies placing full employment and decent work at the centre of economic and social policies, also rooting employment policies in core labour standards, and other relevant standards, with a particular focus on Convention No. 122. That required research on economic, financial, trade, investment and industrial policies conducive to employment and decent work, and the implementation of those policies within countries. The ILO should step up its efforts to help constituents in countries to adopt recovery measures consistent with all the elements of the Global Jobs Pact, while avoiding a pick-and-choose approach. He welcomed the adaptation of the Global Jobs Pact scan methodology to Decent Work Country Programmes, calling for the allocation of adequate resources to build the capacity of the social partners in that respect. Work in that area should be pursued through enhanced collaboration between the Employment Sector and other sectors, in particular the Social Dialogue and Standards Sectors. The speaker also welcomed the mainstreaming of youth employment in all outcomes, and called on the Office to give further effect to the 2005 Conference conclusions on that matter. He regretted that the proposals seemed to add to existing priorities rather than help re-prioritize work and stressed that the aim of the recurrent discussion should not result in continuing business as usual. Referring to paragraph 108, he stressed the need for a more integrated approach towards development and to look into sectors that needed to be promoted such as rural employment, industrial development, services and green jobs. That approach should be linked to a skills strategy coupled with policies to facilitate transition from the informal to the formal economy. It would also avoid the "silo" approach that was currently promoted on rural employment, the formal/informal economy and green jobs.
- 61.** Sir Roy welcomed enhanced work under outcome 1 on pro-employment macroeconomics frameworks and the employment impact of trade and investment policies, and on the qualitative dimension of employment and the analysis of new forms of precarious and informal employment and employment-intensive investment. He asked how resources would be reallocated to support those efforts. He welcomed

the links with other outcomes (14, 18) and called for better mainstreaming of standards in line with the 2010 Conference conclusions, greater emphasis on the role of the International Institute for Labour Studies in research related to an integrated macroeconomic policy framework for the delivery of decent jobs, and better links with work related to outcome 10. He regretted the lack of focus in that section on the issues of wages and incomes, and asked for work in that area to be developed with the ACTRAV and the Conditions of Work and Employment Programme. He challenged the target set for indicator 1.6 on the informal economy as being too low and asked that it be raised. He regretted that despite the specific reference to “income opportunities” in the wording of outcome 1 and the references to wages and increasing income levels in the 2010 Conference conclusions, that crucial issue was addressed only through indicator 1.4.

- 62.** Referring to outcome 2, the speaker requested more details on the follow-up to the G20 training strategy, as well as on the involvement of the social partners in it. He asked that more work be done on skills related to an industrial development strategy. He regretted the lack of reference to workers’ organizations in the five indicators, despite the fact that the link with outcome 10 was articulated in the text.
- 63.** Concerning outcome 3, Sir Roy called for greater alignment with the 2007 Conference conclusions concerning the promotion of sustainable enterprises, regretting that the Office focused too exclusively on the economic pillar of sustainability at the expense of the social pillar. He questioned the use of the guidelines of the Donor Committee for Enterprise Development as a basis for knowledge development rather than the 2007 Conference conclusions (paragraph 130) and did not support the proposed Office-wide programme on corporate social responsibility (paragraph 128) in that context. The speaker called for more work on the social economy, cooperatives and public enterprises, and said that advantage should be taken of the UN International Year of Cooperatives in 2012 to promote Recommendation No. 193. The MNE Declaration should also be vigorously promoted inside and outside the Office. He asked how resources would be reallocated to better cover the above topics. He also requested additional work concerning safeguarding and promoting decent jobs in the public sector. He supported the need for the globalization of labour relations and the call made by the ILO Declaration on Social Justice for a Fair Globalization for partnerships between the ILO, multinational enterprises and trade union organizations operating internationally at the sectoral level. The speaker expressed concern about the lack of reference to the work on multinationals and the MNE Declaration. Greater emphasis should be put on the promotion of the MNE Declaration, including through cooperation with other international organizations, making it the “social benchmark” for ILO programmes such as Better Work and Sustaining Competitive and Responsible Enterprises (SCORE), public–private partnerships and private initiatives aimed at improving living standards and social progress.
- 64.** The representative of the Government of South Africa, speaking on behalf of the Africa group, advocated an approach that would stimulate job creation in the short run, and would promote better balanced social and economic growth in the future to help recover from the crisis. He expressed support for a number of features found in that section of the document, notably: (i) the twin focus on short-term measures addressing the needs of the most vulnerable, and long-term measures impacting structural policies; (ii) the Office’s endeavour to advocate greater articulation of employment policies, which required improvements in labour market information and

data; and (iii) the focus on enhanced policy research addressing the multi-country assessment of macroeconomic policies and their employment outcomes, which should embed gender equality and non-discrimination as cross-cutting issues. Turning to the matter of skills development, the speaker supported the focus on work on green jobs, while noting that there was room for further work on skills development and collective bargaining. Local expertise should be tapped into when establishing regional networks of youth employment policy-makers (paragraph 121) and measures should include well-designed active labour market policies, targeting young people in particular. The Office should make available good practice examples of such measures that have worked in different regions and that are not costly to governments.

- 65.** The representative of the Government of Australia acknowledged the prominent role of the ILO in assisting member States to respond to the crisis and in the recovery from it. The Office should ensure it was best placed to tackle the increased demand for services and practical solutions, based on rigorous, evidence-based research and analysis. In that context, it should strengthen its capacity to respond to requests for employment policy review and implementation. It should also implement all the conclusions from the recurrent discussion on employment, especially the practical priorities. Turning to outcome 2, the speaker urged the Office to increase efforts to address the youth employment problem.
- 66.** The representative of the Government of the United Kingdom agreed that work on employment should continue to be organized around the three outcomes set out in paragraph 105, while ensuring coherence across them. The focus on synergy, especially in reviewing employment policies with social protection policies, was welcome. However, the lack of reference to working with others through partnerships to address requests was surprising, as joint advocacy and resource-sharing arrangements could be appropriate. The speaker welcomed a number of aspects featured in that chapter, notably: (i) the importance of the Global Employment Agenda as the main driver of the ILO's employment promotion strategy; (ii) continued assistance to constituents in respect of youth employment and entrepreneurship, along with the continued use of an indicator on that matter; and (iii) the focus on the assessments of the impact of employment policies, including the assessment of the employment outcomes of macroeconomic policies. In reporting back on performance, the Office should provide an assessment of the extent to which the ILO contribution, as well as other factors, had brought about change in countries. Likewise, his Government was interested in the continued assessment and dissemination of private contractors' policies and practices, especially for companies contracted by governments to integrate people into the labour market. Turning to the indicators, the speaker underscored some areas requiring close scrutiny, in particular the fact that some criteria were easier to fulfil than others and some indicators were narrowly focused on certain groups. Referring to the range of knowledge products planned for the biennium, he requested the Office to provide the Governing Body with evidence about who had used them and their effect in terms of improving the quality and quantity of employment.
- 67.** The representative of the Government of Germany expressed agreement with the expanded emphasis on employment in the proposals, as well as in the relevant indicators and targets. A great deal of experience and initiatives existed in many countries, including Germany, that could be made available through such a forum. The Office's efforts to leverage expertise on skills development among the UN agencies were welcome. At the same time, the speaker regretted that targets in a

number of areas, for example concerning people with disabilities, could not be maintained at the same level as in 2010–11.

68. The representative of the Government of the United States referred to paragraphs 111 and 112, which contained a range of analytical and research endeavours, and inquired how they would relate to the centrally managed knowledge strategy. Regarding the dissemination of research results through various means, including publications, the speaker asked which process would be used to determine the research that merited publication, in the event new publications were envisaged, and whether resources for publications were reflected within the strategic objective budget or elsewhere.
69. The representative of the Government of France underscored the absolute priority to be given by his Government to employment, in particular when taking account of the current economic and fiscal constraints and ongoing crisis. He expressed concern about the rate of employment growth in many countries and the difficulties faced by youth and other vulnerable groups. Both the G20 discussions and the French presidency fully recognized the important role of employment in partnership with the social partners. He supported the measures contained in the programme and budget proposals to help constituents to achieve sustainable employment. Emphasis should be placed on skills development, knowledge sharing and the dissemination of research and study results. He asked the Office to produce and disseminate data in the areas of macroeconomic policy and growth with a view to promoting employment.
70. The representative of the Government of China expressed support for work and outcomes under that strategic objective. Referring to the ILO Declaration on Social Justice for a Fair Globalization and the conclusions of the recurrent discussion on employment, he urged the Office to prioritize youth employment, including the employment of graduates from universities and colleges, and to further prioritize employment issues through technical cooperation and Decent Work Country Programmes. He advocated knowledge sharing and partnerships with multilateral institutions and regional bodies to mobilize resources for technical cooperation that met constituents' demands.
71. The representative of the Government of Côte d'Ivoire supported the statement of the Africa group. She expressed appreciation that the region was receiving greater attention and increased resources, and she hoped that the support would be directed towards generating employment opportunities for vulnerable populations through skills, entrepreneurship and rural development, consistent with the follow-up to the Ouagadougou Roadmap.
72. The representative of the Director-General (Mr Salazar-Xirinachs) replied, emphasizing that he was fully aware of the ILO's great responsibility in the employment area, especially during times of economic and social crisis. A clear policy framework and a workplan had been established to guide and monitor progress made and results achieved. In view of the restricted length of the programme and budget document, it had not been possible to give a comprehensive perspective. In respect of youth employment, although it was not covered sufficiently in the text, the Office had a growing technical cooperation portfolio with increased resources from donor countries. Likewise, there was an integrated method of work for the Global Jobs Pact, supported by the development of new tools. While new areas of work had been identified following the recurrent discussion in June 2010, several existing work priorities still continued and could not be eliminated because they were mandated by the Conference. The linkages of outcomes 1–3

to outcome 10 would be reviewed. Work on enterprises was conducted in line with the 2007 Conference conclusions concerning the promotion of sustainable enterprises. Concerning the MNE Declaration, work was continuing Office-wide and in a positive direction following a specific request by the MNE Subcommittee. Databases were available to review information on employment policy and the Office was working on the production of a handbook on how to carry out employment targeting. The Office had developed a partnership with the World Bank to set up a database on crisis response covering 90 countries, which was deemed to be the largest global database on that topic. The Office was also currently producing a paper for the Fourth United Nations Conference on the Least Developed Countries to be held in Istanbul and another paper for the African Regional Meeting. Some 20 policy briefs were available on research and knowledge management and distribution. That documentation was produced under tight quality control procedures. The latest flagship document was *Global Employment Trends 2011*.

Social protection

73. Speaking on behalf of the Workers, Sir Roy welcomed the increased resources for that strategic objective and stressed its importance for workers, particularly with regard to its role as an automatic stabilizer in times of crisis. He supported the Office's initiative on the universal Social Protection Floor. Social protection was a fundamental human right and the Social Protection Floor was essential in realizing the full potential for economic and social growth. The health-care component of the Social Protection Floor was important for achieving Millennium Development Goal (MDG) 4 (reduce child mortality), MDG 5 (improve maternal health) and MDG 6 (combat HIV/AIDS, malaria and other diseases). The Social Protection Floor was also an investment in people and a step towards the creation of a more comprehensive social security system that highlighted the link between social security, development, equity and formalization. It was a step towards the creation of a more comprehensive social security system based on Convention No. 102. The adoption of the Social Protection Floor by the UN Chief Executives Board for Coordination (CEB) as one of its joint initiatives was welcome as it raised the ILO's influence worldwide and its added values of social dialogue and standard setting.
74. Concerning outcome 4, the speaker welcomed the strategy enshrined in the rights-based approach and up-to-date ILO social security standards. He also welcomed the agreement with the IMF in Oslo on the Social Protection Floor and expected similar steps with other multilateral organizations could follow. He reiterated that the Social Protection Floor was only an extension mechanism that, by no means, should replace existing social security provisions or systems. The Office should continue working on extending social protection to workers in rural areas and in the informal economy. He supported the development of a Recommendation concerning the Social Protection Floor during the recurrent discussion at the 2011 Conference and expressed confidence that the Organization would be able to make a major breakthrough as the concept had already been embodied in the Global Jobs Pact, in 2009, and the ILO had endorsed the vertical and horizontal extension of social protection together with a definition of the Floor. The Floor was on the agenda of the UN and many developing countries provided their support for the concept. He welcomed the link with outcome 10 and suggested including a reference to trade unions within the outcome indicators.
75. Sir Roy welcomed the increase in regular budget resources for outcome 5. The follow-up work planned for the standard on domestic workers, to be adopted by the

Conference in 2011, was valuable and should be adequately resourced. The ILO's work on wage trends and policies, the wage database and the Global Wage Report were of great importance to his group. The Office should develop wage and income policies addressing the decoupling of wages and productivity growth, which was essential for a balanced and sustainable recovery. He welcomed the work planned for the capacity building of trade unions, with the Turin Centre, on wage fixing (Convention No. 131) and on Convention No. 183, in terms of the coverage of medical and cash benefits. He supported the updating of the database of Conditions of Work and Employment Laws. He was pleased to see the active involvement of trade unions in both the outcome indicators.

- 76.** Outcome 6 covered an important area of work for the Workers, especially in times of crisis when OSH issues tended to be overlooked due to austerity measures. The speaker welcomed the focus on the ratification and implementation of Convention No. 155, its 2002 Protocol and Convention No. 187. More work should be undertaken to promote the ratification and implementation of Convention No. 155. The ILO strategy on OSH should be based on two main pillars, covering support at the country level and advocacy at the international level, respectively. The Office should do more analytical work on how the right to a safe and healthy working environment was affected in times of crisis and how that right could be upheld, including by recognizing the essential contribution of trade unions to healthy and safe workplaces. The proposed strengthened cooperation with the international labour movement, including global union federations, in specific hazardous sectors, and the focus on the prevention of silicosis- and asbestos-related diseases were welcome, as were the links with outcome 10 and the inclusion of workers' organizations in indicators under the outcome. Targets should be developed to focus on the number of countries expected to ratify OSH Conventions.
- 77.** In supporting outcome 7, Sir Roy appealed for greater assistance to refugees fleeing the Libyan Arab Jamahiriya. The Office should prioritize work on the promotion and ratification of Conventions Nos 97 and 143, as provided for in the 2004 Conference conclusions, including by making better use of Decent Work Country Programmes and targeted assistance to countries. The Global Jobs Pact recognized ILO migration standards as relevant in times of crisis. Social dialogue and tripartism should be reflected as a priority in paragraph 176. Referring to paragraph 177, he strongly opposed the development of statistical standards to be applied to labour migration outside the process of the International Conference of Labour Statisticians (ICLS) and expected the ILO to consult member States to include such standards as a priority to be covered in ICLS 2015. Regarding the use of the Technical Meetings Reserve for a Tripartite Advisory Committee on Labour Migration and Development mentioned in paragraph 411, he stressed the need to have clear terms of reference and asked to be consulted on the composition and mandate of such a body. It was meant to provide for a still non-existent global space for tripartite dialogue and policy coordination. Such a forum would need to meet annually and aim at putting the ILO in the driving seat of international policies on migration. It was all the more relevant as the General Assembly High-level Dialogue process had produced frustrating results and calls had been made for the policy debate and decision-making to be brought back to the UN. The ILO was the right place for debate on labour migration and the Advisory Committee could help develop policies ahead of the 2013 General Assembly High-level Dialogue on International Migration and Development. The Office should

review the link to outcome 10 and the role of trade unions in the indicators and measurement criteria under the outcome.

- 78.** Concerning outcome 8, the speaker fully approved the plan to support constituents in giving effect to Recommendation No. 200. He requested that the Office take measures to restore the allocation of resources to the same level as in 2010–11 and stressed that work should not depend on extra-budgetary resources alone. The indicators embedded a clear role for trade unions, which called for the establishment of a more explicit link from that outcome to outcome 10.
- 79.** Mr Julien considered that the Social Protection Floor was a major challenge, but one that should not be the ILO's sole interest in the field of social security.
- 80.** There was a mismatch between indicators for States and the social protection objective of extending coverage to more people, as the indicators did not directly measure the objective. There could not be one single social security model, just as there was no single model for decent work. Little effort had been made, in reality, to build social security capacity among constituents, particularly employers, with the focus being almost entirely on the Social Protection Floor. The Employers hoped that a programme of action to benefit the social partners would be set out at the meeting in June.
- 81.** The Employers considered the focus on non-governmental organizations (NGOs) to be even more problematic, and requested explanations on the ILO's role in that area, as well as on partnerships with the World Health Organization (WHO) and the United Nations Children's Fund (UNICEF). The speaker recalled that informal employment should be combated, not encouraged, as NGOs might indirectly do. No ILO policy should benefit informal workers at the expense of enterprises and workers who respected legislation and their financial obligations.
- 82.** With regard to outcome 5, the speaker said that the Office was anticipating the adoption of standards on domestic work. He recalled the Employers' concerns with regard to the Office's singular approach to the minimum wage, and considered that the Office should pursue a holistic approach to wages. Recalling the group's position with regard to the Maternity Protection Convention, 2000 (No. 183), the Employers wished to have more details on the resource package mentioned in the report.
- 83.** The text on outcome 6 was very general and did not lend itself to comment. With regard to outcome 7, Conventions Nos 93 and 147 still posed a problem for the Employers, who considered that the multilateral framework approach was a more appropriate tool for the objective in question than a Convention.
- 84.** The representative of the Government of South Africa, speaking on behalf of the Africa group, recalled the adoption in October 2010 of the Yaoundé Tripartite Declaration on the implementation of the Social Protection Floor by tripartite delegations from the region, which endorsed the two-dimensional extension strategy also endorsed by the Tripartite Meeting of Experts on Strategies for the Extension of Social Security Coverage, held in September 2009. That concept was particularly relevant for Africa, where only 10 per cent of the elderly had any pension benefits, and less than 3 per cent of the workforce was covered by any unemployment protection schemes. He expressed appreciation for the ILO's investments in that area over the past biennia in Africa through training activities, knowledge development

and teaming up with the universities of Maastricht and Lausanne to conduct a master's programme in social security. Work within the QUATRAN AFRICA, in collaboration with the Turin Centre, had been helpful in the analysis of gaps and policies. The speaker expressed support to expand that approach through the online Social Security database (paragraph 149), and welcomed the provision of technical assistance on wage policies. He specifically reflected on three areas in the proposals. With respect to outcome 6, the fact that indicator 6.1 targeted one country only in Africa was a concern. In relation to outcome 7, the threefold emphasis of the strategy was welcome. On outcome 8, the projected 37 per cent decline in extra-budgetary resources would not be offset by the small increase in regular budget resources. Such a drastic decline would put at serious risk the delivery of services to the constituents. The speaker urged the Office to seek ways to at least retain the same levels of resources for that programme as in past biennia, including to meet commitments resulting from the adoption of the HIV and AIDS Recommendation (No. 200), in June 2010.

- 85.** The representative of the Government of Germany supported the minimum coverage of the Social Protection Floor, and expressed appreciation for the efforts made by the ILO to involve other UN agencies in that initiative, despite its restricted resources. He regretted that higher targets could not be established, which could be explained by the fact that the limited resources also had to cover other outcomes under that strategic objective.
- 86.** The representative of the Government of France expressed support for the orientation of that strategic objective, as reflected in the proposals, and highlighted two points. First, outcome 4 had particular relevance in the context of the recurrent discussion on social security to be held at the 2011 session of the Conference, as well as within the forthcoming G20 discussion on social protection under the French presidency. Knowledge development and partnerships would be particularly important in that context. Second, the ILO could bring added value in the area of OSH. The Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), and its accompanying Recommendation, No. 197, were based on an integrated approach aimed at promoting global strategies at different levels. The focus of ILO action in that area should be on support to constituents and partnerships.
- 87.** The representative of the Government of Brazil supported the two-dimensional strategy to enhance the coverage and effectiveness of social protection for all, and welcomed the priority given to the establishment of a Social Protection Floor. He expressed gratitude to the French presidency of the G20 for the importance given to that topic. Noting the Office's efforts to coordinate its action within United Nations Development Assistance Frameworks (UNDAFs), he inquired about the involvement, including through funding, of other UN bodies such as the CEB and the World Health Organization. With regard to outcome 5, the development of South–South cooperation was welcome, as was cooperation with UN agencies and the integrated approach to MDGs 3, 4 and 5. South–South cooperation had also produced positive results in response to the HIV/AIDS pandemic. Concerning outcome 7, knowledge sharing on the protection of migrant workers was particularly important, as acknowledged during the tripartite seminar promoted by the Governments of Italy and Brazil in collaboration with the Turin Centre in 2010.
- 88.** The representative of the Government of Kenya supported the Africa group statement. A Social Protection Floor was very important for countries to help lift people out of

poverty, especially the working poor. However, social protection systems did not operate in a vacuum but within political, socio-economic and cultural dynamics specific to each country. Most of the labour force in Africa was concentrated in rural areas and in the urban informal economy, and was thus in need of special targeting. The speaker referred to developments in Kenya, including the ongoing process towards an integrated and comprehensive social protection policy, and the new constitution, which provided for social security as a basic right. He thanked the Office for the advice and technical assistance offered to Kenya in that domain.

- 89.** The representative of the Government of Australia noted that social protection was important in both non-crisis and crisis periods. In non-crisis periods, it supported growth and employment while stabilizing the economy; in crisis periods, it served as a key policy measure to bolster the resilience of the poor. She expressed support for the ILO's three-tiered approach to social protection, comprising extension and sharing of a global knowledge base, policy guidance frameworks, and technical cooperation services. Likewise, she welcomed the Office's intention to build on the lessons learned from the Global Campaign on Social Security and Coverage for All and the use of expanded knowledge to inform policy advice in countries. Her Government looked forward to the recurrent discussion at the 2011 session of the Conference and expected the outcome of that discussion to be built into the Programme and Budget for 2012–13 and subsequent ones.
- 90.** The representative of the Government of China reiterated the importance and urgency of strengthening social protection as a means of improving people's lives and balancing social development. He expressed support for the Office's strategy, principles and methods as reflected in the proposals. The focus on workers in rural areas and in the informal economy (paragraph 143) was welcome and the Office should mobilize resources for technical cooperation and for the exchange of experiences in that area. The speaker voiced his support for well-managed and gender-equitable social protection systems, but noted that sustainability was a concern. The Office should provide advice to member States on how to make the guiding framework on a two-dimensional extension strategy sustainable (paragraph 147).
- 91.** The representative of the Government of the United States welcomed the extension of the knowledge development and sharing in the area of social protection and asked for clarifications on the following issues: (i) results achieved to date through the Regulating for Decent Work initiative (paragraph 158), in particular whether that initiative was a new effort or was based on already existing programmes and whether the work envisaged with academics focused on research or on advocacy; (ii) the role played by the International Labour Standards Department in the development of the database of Conditions of Work and Employment Laws and the Working Conditions Laws report; and (iii) the impact of the Maternity Protection Resource Package, including during the pilot phase in 2010–11, and the purpose of the planned technical cooperation activities on that matter. Referring to outcome 6, the speaker emphasized the role of the ILO concerning the protection of the rights of migrant workers and sought clarifications on the public–private partnership initiative mentioned in paragraph 182.
- 92.** The representative of the Government of India welcomed the importance given to social security in the proposals. The biggest challenge lay in the extension of social protection to the unorganized sector and in the progressive social security coverage

among workers in the informal economy. The ILO's technical expertise should be easily accessible to developing countries. The speaker referred to a number of initiatives under way in India with ILO support. His Government was not in favour of prescribing a mandatory social security floor, because of the complexities and constraints associated with the developing and informal nature of the economy in India. The ILO's work on OSH was particularly valuable, especially for the emerging economies, where hazardous industries were increasingly shifted. He welcomed the proposed measures on capacity building, for prevention of silicosis and asbestosis, as well as the focus on data collection on occupational diseases. His Government looked forward to the ILO's increased role in fostering South–South cooperation, protecting the interest of migrant workers, and addressing the safety concerns of seafarers.

93. The representative of the Government of Argentina welcomed the inclusion of social security in the proposals, not only through the Social Protection Floor but also as an obligation based on article 22 of the Universal Declaration of Human Rights and as an important element to reach out to the most vulnerable populations. The proposals also emphasized the importance of international labour standards in that area, for example Convention No. 102. The report for the forthcoming recurrent discussion at the 2011 session of the Conference would be an important element for a comprehensive discussion on social security.
94. The representative of the Government of Ghana supported the statement by the Africa group. The two-dimensional strategy to be applied by the ILO to extend social security was duly noted, as was the three-tier approach that would be used by the Office to that effect. The speaker acknowledged the benefits that had accrued to Ghana following the introduction of the national health insurance scheme with ILO support, and welcomed the allocation of additional resources to extend assistance on social protection to other African countries.
95. The representative of the Government of the United Kingdom welcomed the emphasis in paragraph 137 on employment-enhancing social protection measures, which was in line with his Government's belief that sustainable employment was the best form of social protection. With regard to the horizontal dimension of the social security strategy, priority should be given to promoting social protection measures to those who were currently excluded, particularly in low income countries, with particular attention to the workers in the rural economy. On a vertical dimension, priority should be given to helping more countries advance towards the ratification of Convention No. 102. As for the programme of work on working conditions and OSH, the speaker asked whether the Office had prepared scenarios for reduced extra-budgetary funding. With respect to the proposed work on HIV/AIDS, he welcomed the emphasis placed on partnerships and the focus on resource use at the country level. The Office should avoid the duplication of interventions and integrate country programmes into existing inter-agency initiatives and consider developing joint programmes. The two indicators under outcome 8 provided useful benchmarks to measure progress in that area.
96. The representative of the Government of the Islamic Republic of Iran acknowledged the challenges faced by the Office in preparing the proposals and welcomed the promised accountability, transparency and adaptability. Increased integration and coherence in delivering the outcome-based work on social protection was expected. The Office should reassess the resource levels when and where necessary, with a

view to addressing the immediate global decent work challenges, in particular in the area of social protection.

- 97.** The representative of the Director-General (Mr Diop) concurred on the importance of the involvement of the social partners to expand and ensure sustainable social security. Convention No. 102, for example, would be the subject of a promotional strategy involving constituents, aimed at establishing a vertical approach to social security. The role of governments in the establishment of a Social Protection Floor was key and, as in the case of Burundi, its financing could be advanced with the involvement of local communities. Cooperation with other UN or multilateral organizations was also valuable, as shown by the ILO experience in Mozambique. The work of some NGOs operating in the informal economy was beneficial for vulnerable workers; many other UN agencies also worked in partnership with NGOs. Stressing the importance of knowledge development and sharing, the speaker encouraged African countries to extend partnerships among universities in the region to enable the transfer of know-how in that area. The request to rebalance targets of indicators under outcome 4 was well noted and would be addressed. Turning to outcome 7, the speaker concurred on the need to strengthen cooperation with the social partners, as well as to promote multilateral agreements among the sending, receiving and transiting countries of migrant workers. On HIV/AIDS, he clarified that targets had been set on the basis of a current funding scenario in line with a cautious approach by the Office. The Office would continue to engage with bilateral and multilateral donors to mobilize resources as necessary.
- 98.** Sir Roy commented on two issues that arose from previous speakers. First, he thanked the representative of the Government of South Africa for recalling the region-wide meeting on social security held in Yaoundé. He praised the region for holding such a meeting and for taking a holistic approach to the issue of social security in considering it as a fundamental right for each individual. Second, he expressed disappointment at the passive role played by some ILO officials in the regions in convincing other UN agencies about the value added of involving the social partners. He rejected the perceived belief that workers' organizations did not want to work with bona fide NGOs, which did not reflect the reality on the ground.
- 99.** Mr Julien expressed support for the statement made by Sir Roy.

Social dialogue

- 100.** Mr Julien recalled that the ACT/EMP budget had not increased, but had benefited from a transfer of budget lines that would allow for greater flexibility. With regard to outcome 11, the Employers would await the conclusions from discussions at the Conference in June, but considered the activities to be too disparate and the rest of the text to be too vague. The speaker expressed surprise that no linkage had been made with outcome 3 on enterprises. Employment protection was important, but the Employers would have preferred work on labour markets that created or maintained many jobs.
- 101.** In paragraph 222, the term “precarious workers” was ambiguous. The Employers recalled that they opposed Recommendation No. 198, which threatened trade relations, and considered that participation by the social partners in the IMF and the World Bank was separate from social dialogue. With regard to outcome 13, not all

ILO activities could be priorities, at the risk of seeing sectoral activities develop at the expense of general activities. Furthermore, in paragraph 236, the word “strategy” was used in error.

- 102.** Sir Roy expressed satisfaction with the content of the section. Concerning outcome 10, he welcomed the focus of ACTRAV on standards, crisis response, the extension of social protection, and trade union participation in Decent Work Country Programmes. Such a focus would help trade unions to integrate a social dimension into the globalized economy. He stressed the importance for trade unions of being involved in all stages of Decent Work Country Programmes and expected ACTRAV to assist unions in participating in that process. Planned work on a wage-led economic recovery, an alternative growth model, green jobs and on informal, migrant and precarious workers was equally welcome. Trade unions were ready to be actively involved in a new development paradigm, which had to integrate fair distribution of income and wealth, collective bargaining, progressive fiscal and wage policies, high-quality public services, fair treatment of workers, improved social protection and better provisions for health and safety and the environment. He praised the work of ACTRAV in developing cooperation with all the technical departments of the Office.
- 103.** The speaker welcomed the strategic focus of outcome 11, as outlined in paragraph 218. A key priority for 2012–13 should be to assist constituents in giving effect to Recommendation No. 198, including through Decent Work Country Programmes. In that connection, the target for indicator 11.3 should be increased, and employment relationship issues should also be addressed under outcomes 12 and 13. Labour inspection and labour administration were crucial for the enforcement of labour legislation; the discussion at the 2011 session of the Conference would help to strengthen work in that area, including by stepping up efforts to ratify Conventions Nos 81, 129 and 150. Outcome 11 should be linked to outcomes 9 and 10.
- 104.** Turning to outcome 12, Sir Roy urged the Office to continue promoting workers’ rights on freedom of association and collective bargaining, which were prerequisites for effective social dialogue. Regretting the recent decisions of some governments undermining those rights as part of recovery packages, he called on the Office to provide advice to constituents in line with Conventions Nos 87 and 98. The planned use of global tools such as the guides to Conventions Nos 144 and 154 was welcome, as was that of the manuals on collective bargaining and tripartite social dialogue. Further research should be undertaken on the positive relationship between labour market institutions, a high trade union density rate, productivity and economic growth, and on the labour market regulations required to reduce employment volatility, avoid precarious employment and orient competition towards innovation. Likewise, research would be necessary on the growing forms of precarious work and the erosion of the employment relationship as causes of widening income inequality, poor working conditions, unbalanced growth and declining organizing and collective bargaining rates, together with strategies to counterbalance them.
- 105.** With regard to outcome 13, the speaker welcomed the emphasis on the promotion of sectoral standards and the focus on hazardous sectors, alongside the planned capacity building of workers’ organizations through the Better Work programme. In that regard, the lessons learned in paragraph 236, indicating that levels of ratification increased in the presence of a targeted approach, should be widely applied by the Office. In light of the revamping of the follow-up work on the MNE Declaration, including synergies with the OECD Guidelines for Multinational Enterprises and

global supply chain initiatives, that outcome should be linked to outcome 3 for the necessary synergies with the Multinational Enterprises Programme and outcome 10. The speaker urged the Office to closely coordinate its work on sectoral activities with ACTRAV.

- 106.** The representative of the Government of South Africa speaking on behalf of the Africa group, expressed support for the approach to knowledge development focusing on assistance in social partner development, and welcomed the assistance to governments in the area of labour administration. The group endorsed the five areas for intensified work under outcome 9, as outlined in paragraph 201, while urging the Office to also consider local academics as partners for collaboration. He expressed his group's expectation concerning the development of training materials for labour inspectors indicated in paragraph 219. The Office's planned work on domestic workers should feed into the follow-up to the standard to be defined by the 2011 session of the Conference. Up-to-date, credible and timely policy advice and other knowledge support for constituents remained essential; the proposed strengthening of technical cooperation and the sector-specific approach to that effect was thus welcome. The speaker emphasized the need to assess the impact of the proposed programmes under outcome 13, within a time frame to be agreed for 2012–13.
- 107.** The representative of the Government of Australia reiterated the importance and uniqueness of tripartism in the ILO, and supported the ILO's continuous work to build constituents' capacities. Social dialogue should not be treated as an outcome only, but also as the foundation upon which the success of the programmes under all other outcomes depended. The efforts to promote South–South and North–South cooperation, built into that part of the proposals, were welcome, and the Office should keep the Governing Body informed about those initiatives. The involvement of the social partners in implementing knowledge development and research activities was equally important. The ILO's policy advice work on labour law reform, labour administration and inspection was largely demand-driven, and as such could not easily be forecast in terms of costs. Nevertheless, the Office should allocate regular budget resources to priority activities, such as those put forward in the proposals (i.e. undeclared work, child labour, gender equality and HIV/AIDS).
- 108.** The representative of the Government of France supported the directions set up for the strategic objective, covering well the comprehensive nature of tripartism. He focused his comments on outcome 11. Without pre-empting the outcome of the discussion at the 2011 session of the Conference, he indicated that support to constituents and technical cooperation should feature as important elements of the conclusions. The speaker pointed out that the current formulation of indicator 11.3 was narrowly focused on labour legislation, and inquired about the possibility of reformulating it to encompass more global strategies.
- 109.** The representative of the Government of the United States expressed support for the ILO's work to strengthen the institutional capacity of ministries of labour and to enhance labour administration and inspection, by fostering linkages to other outcomes. She acknowledged that that was duly reflected in the proposals. With regard to outcome 13, she expressed the strong support of her Government to the Better Work programme. Referring to the earlier statement of the Africa group, she echoed the need for the evaluation of sectoral programmes.

- 110.** The representative of the Government of India emphasized the importance of social dialogue both in maintaining social cohesion and in the rule of law. His Government was committed to strengthening tripartism at all levels. The speaker supported the proposed measures in the areas of knowledge development and capacity building, alongside those to promote gender equality and non-discrimination in that area.
- 111.** The representative of the Director-General (Mr Dragnich) replied to the specific questions on partnerships (paragraph 218) by referring to a few good practice examples of ongoing partnerships, such as the formal agreement with Brazil, Cape Verde and the ILO on labour inspection; the collaboration between the South African Ministry of Tourism, the ILO, the UN and the WTO on South–South cooperation in the tourist industry; and the collaboration between the United Arab Emirates, India and the ILO on the electronic computerized wages protection system. Referring to paragraph 227, he recalled a recent agreement between the ILO and the IMF to work in four countries – Armenia, Bulgaria, the Dominican Republic and Zambia – on dispute resolution in the public sector. Likewise, work would be undertaken with the World Bank on urban and peri-urban agriculture. On sectoral activities, the speaker stressed the remarkable level of engagement of private institutions and the quality of work conducted with scarce resources. There were good examples of practical and immediate achievements stemming from sectoral activities, as a recently organized forum on packaging containers for shipping had shown. With respect to the involvement of the social partners in UN country programming, the Office was continuously advocating for tripartism as the ILO’s added value. He acknowledged the tremendous need for labour law in the developing countries, particularly in many of the African countries – a need that the Office tried to address within the available limited resources. Finally, he indicated that an evaluation of the Better Work programme was under way.

Standards and fundamental principles and rights at work

- 112.** Sir Roy recalled that standard setting and supervision lay at the heart of ILO action as an essential guarantor of workers’ rights. Fully supporting the ambition to assure universal ratification of core Conventions by 2015, he pointed out that important problems in application prevailed, especially with regard to Conventions Nos 87 and 98. He called for a global campaign towards the ratification and implementation of the standards identified in the Global Jobs Pact as relevant in a crisis context, with emphasis on workers in precarious employment in the informal economy, in EPZs and in rural areas. The speaker was glad to see that regular budget resources had been increased but remained concerned about the significant decrease in extra-budgetary resources, notably for the Programme for the Promotion of the Declaration on Fundamental Principles and Rights at Work.
- 113.** On outcome 14, the highest priority needed to be given to freedom of association and collective bargaining. His group supported the development of global tools for the better application of those rights and the collection of relevant statistics. The focus on freedom of association for rural workers and workers in EPZs was welcome. The low target of indicator 14.2 was a concern and should be increased. Likewise, the low level of extra-budgetary resources should be duly compensated through RBSA allocations. The group remained concerned that outcome 14 – just after outcome 5 on working conditions – was getting the lowest level of extra-budgetary resources.

- 114.** On outcome 16, the group agreed with the strategy proposed. The emphasis on the worst forms of child labour should not go without the continued promotion of Convention No. 138. The Office should increase its assistance to workers' organizations on this topic, consistent with the section on capacity building and the focus on specific sectors of the economy such as agriculture and domestic labour.
- 115.** On outcome 17, the speaker supported the strategy in paragraph 279, noting that the decrease in extra-budgetary resources was well offset by the increase in the regular budget due to the contribution of the Bureau for Gender Equality. The Office should work on the other forms of discrimination – pay equity and racial discrimination remaining priorities for his group – and carry out more research on the consequences of the crisis on the various forms of discrimination.
- 116.** Sir Roy welcomed the increase in the regular budget for outcome 18 and supported the strategy proposed. He called for the mainstreaming of standards into all outcomes, for the systematic promotion and implementation of the up-to-date standards, as identified by the Cartier Working Party, as well as for the use of the recurrent discussion to identify new topics for standard setting. The Office should develop “standards’ packages” as guidelines for policy-makers in developing and implementing policies on specific issues. Those packages should take into account both substantial provisions and those related to processes such as the one foreseen for Convention No. 144. The comments of the supervisory bodies should be integrated into all outcome strategies, and taken into account in Decent Work Country Programmes. The ratification and implementation of Conventions Nos 87 and 98 needed to become systematic features of those programmes. Concerning indicator 18.4, all Decent Work Country Programmes should have a standard component. The conclusions of the supervisory bodies should be the subject of wide dissemination among outside partners, and training on standards relevant to other international and regional instruments, such as trade agreements, should be organized. The target of indicator 18.3 was rather low and the indicator should have covered all up-to-date instruments.
- 117.** Finally, the speaker asked for clarification on table 10 and the list of outcomes considered relevant for research on the role of standards in rebalancing globalization. He expressed concern for the funding of the Special Action Programme to Combat Forced Labour, and appealed to the Department for International Development (DFID) to reconsider the decision to discontinue its support to the programme.
- 118.** Mr Julien observed that it was important not to prejudge the outcome of the recurrent discussions that took place among the constituents and that did not automatically lead to new standards. He further noted that the Office had an increasing tendency to approach enterprises directly, and in that regard urged it to demonstrate greater caution. The constituents were actually the employers' organizations, and they should be kept informed and involved through ACT/EMP. Governments would hardly appreciate it if official ILO documents described direct relations between the Office and local authorities; the same reasoning applied to the family of employers' organizations.
- 119.** The speaker drew attention to an overlap between outcome 14 and outcome 18 in terms of respect for and application of the fundamental Conventions and pointed out, in that regard, a recurring legal confusion that he considered problematic for an organization committed to defending rights. Referring to paragraph 254, in which the

Office mentioned a sustainable post-crisis model, he wondered whether it was the role of the Office to develop models. With regard to decent work indicators, he observed that the Office's updated instruments for that purpose were not true indicators but simple information tables, which was also a matter for discussion. The issue of indicators was in any case a very complex matter that should be handled with the greatest care.

120. The speaker expressed regret that an overall vision had not been proposed for the knowledge strategy and said that his group would have liked more information on activities related to outcome 14. He noted that the language used concerning EPZs was negative, although such zones allowed for job creation, and suggested that indicator 14.2 should be deleted.
121. The speaker welcomed the Office's collaboration with the Employers in the area of forced labour. Real progress had been made towards giving more consideration to the needs of constituents and applying the 2008 Declaration. He hoped that the Office would continue its activities in that field, but with the systematic involvement of ACT/EMP. The wording of paragraph 261 was confusing, in that it could lead one to think that all migrant workers were victims of forced labour.
122. With regard to outcome 16, the speaker was concerned to note that financing was to be assured almost exclusively from extra-budgetary funds and asked whether the Office had contingency plans in the event that funding from that source dried up.
123. With regard to outcome 17, the Employers' group attached more importance to the application of standards, in other words their effect in reality, than to seeking new ratifications. That also applied to outcome 18, for which the indicators should be reviewed from that perspective. Many countries ratified Conventions on paper but failed to apply them in practice. Conversely, there were many systems that provided for freedom of association, even without ratification of Convention No. 87. The Employers' group disagreed with paragraph 289, particularly with regard to the interpretation of standards. He also expressed concern about paragraph 291, especially with regard to free trade agreements and workers' rights. Lastly, the speaker observed that, contrary to what the Office seemed to think, journalists and lawyers were not ILO constituents.
124. The representative of the Government of South Africa, speaking on behalf of the Africa group, highlighted the crucial importance of the political will and commitment of constituents in order to realize standards and fundamental principles and rights at work. Reaching consensus among constituents on those matters remained the biggest challenge. His group supported the development of country-specific industrial relations information, reflecting good practices. It also shared the view that regional organizations should be involved in the identification of gaps in legislation, policies and practices and in the provision of relevant support to address those gaps. Referring to outcomes 15, 16 and 17, the speaker urged the Office to sustain the various programmes, while enhancing visibility and the involvement of the social partners. The Office should also continue supporting tripartite consensus on the ratification of international standards and the full and effective application of ratified Conventions.
125. The representative of the Government of Canada welcomed the proposed strengthening of standard setting and supervision through a coherent standards policy. To remain credible and effective, the supervisory system mechanism should be

adequately resourced. While support to ratification was important, the Office's efforts should be geared towards assisting constituents in meeting their ILO obligations and implementing ratified Conventions. The special attention to gender equality in paragraph 292 was welcome; Convention No. 102 should be added to the list of Conventions in which gender-specific restrictions should be removed. The speaker supported the proposals in paragraph 290, to ensure effective follow-up to Conference conclusions, and in paragraph 291, concerning the consolidation of all standards-related databases to improve their accessibility.

- 126.** The representative of the Government of Australia raised five points. First, he urged the Office to strengthen its technical cooperation capacity in order to reinforce the institutional capacities of labour inspectorates, improve cross-border cooperation to combat labour trafficking and ensure the effective implementation of labour standards through national legislation. Second, he recommended that the planned dissemination of information under outcomes 14 and 17 be targeted to enable constituents to achieve the best possible results within countries. The Office should also continue to seek opportunities for technical cooperation as part of an effective strategy to achieve the outcomes. Third, the budgetary implications of improvements in standards policy, as described in paragraph 39 of the report GB.310/LILS/3/1, should be taken into account in allocating resources under that strategic objective. Fourth, the Office should provide the necessary resources to ensure that the report for the first recurrent Conference discussion on fundamental principles and rights at work, to be held in 2012, included an analysis of the ILO's activities, including relevant lessons learned. The Conference's conclusions on that matter should be fully taken into account when preparing the Programme and Budget for 2014–15. Fifth, the speaker requested that resources allocated to the Committee on Freedom of Association should be kept under review to ensure its secretariat had the financial capacity to meet the increasing demands.
- 127.** The representative of the Government of the United States reiterated her Government's strong support of ILO work under that strategic objective. She expressed concern about the decrease in resources for standards activities, notwithstanding the increase in the workload. She requested an explanation of how the Office was planning to handle that situation.
- 128.** The representative of the Government of Pakistan acknowledged the increasing relevance of international labour standards in the wake of globalization. They provided for the normative and rights-based foundation of the Decent Work Agenda and were critical for attaining a more balanced economic and social development. The speaker made reference to progress in his country, including the ratification of all eight fundamental Conventions and the elimination of child labour from the soccer ball industry in Sialkot, with ILO support. He supported the proposal in principle.
- 129.** The representative of the Government of France expressed support for the proposals. He raised three points. First, he informed the Committee that the French presidency of the G20 had proposed to its partners to put on the agenda a topic related to fundamental and social principles and rights at work. Second, turning to the outcomes and indicators, he welcomed the focus on progress made in effective application and on tangible measures. The objective should be to ensure that the values enshrined in ILO standards took root in countries. In terms of means of action, priority should be given to strengthening the capacity of constituents and technical cooperation. Third, while continuing to promote the ratification of standards, the Office should place

emphasis on concrete measures and practical activities to foster their application in countries. Knowledge development proved to be valuable to that effect.

- 130.** The representative of the Government of the Republic of Korea stated that knowledge development and dissemination should be core functions of the ILO. Referring to the three types of communication tools proposed in paragraph 285, he suggested that the same approach be applied to all 19 outcomes.
- 131.** The representative of the Government of India asked for clarifications on the proposed research on international labour standards and trade in paragraph 291, arguing that it appeared to be contradictory to the ILO Declaration on Social Justice for a Fair Globalization, which provided that labour standards should not be used for protectionist trade purposes.
- 132.** The representative of the Government of Argentina supported the statement by the representative of the Government of France on the equal importance of both the ratification and application of Conventions. More synergies were needed between the supervisory system and the Decent Work Country Programmes, with a view to promoting either the application of ratified Conventions or the ratification of non-ratified Conventions.
- 133.** The representative of the Director-General (Mr Ryder) acknowledged that, while fundamental principles and rights at work and international labour standards were at the heart of the ILO's mandate and the Decent Work Agenda, there were areas of disagreement. He made three general comments. First, the Office's efforts were focused on both the ratification and application of Conventions, including in areas of the world of work that were the most challenging to reach, such as the informal economy and EPZs. Second, the Office was under pressure to resource work related to the supervisory mechanisms, due also to an expanding workload. That could be handled in different ways, including by streamlining methods of work, improving efficiency in the work of the supervisory mechanisms and looking at ways in the standards strategy to do more with the same level of resources. On the other hand, the high dependency on extra-budgetary resources was a concern. The Office was striving to maintain its resource base, failing which some readjustments would have to be made to the programme of work. Third, on the use of knowledge, the consolidation of all standards-related databases was well advanced. The Office's outreach to audiences other than ILO constituents, such as journalists, aimed to reach actors who could act as amplifiers for ILO standards activities. Turning to more specific comments, the speaker indicated that the target set for indicator 14.2 was justified considering the constraints and the reality on the ground. As for the international tripartite meeting mentioned in paragraph 263, under outcome 15, it would provide a forum for constituents to extract and document lessons learned and the policy implications of work done so far in selected countries. On outcome 16, the goal to eliminate the worst forms of child labour by 2016 would not be pursued to the detriment of work on the Minimum Age Convention, 1973 (No. 138). Concerning outcome 17, the Office was conscious of the need to tackle the different forms of discrimination. That was being addressed in the Global Report before the Conference in 2011. On outcome 18, the ILO Declaration on Social Justice for a Fair Globalization and the ILO Declaration on Fundamental Principles and Rights at Work provided a clear perspective on the international labour standards in relation to protectionism; the Office's research work remained within that scope. Finally, the speaker recalled that the Office was in the process of advancing a strategy on

international labour standards. It was critical to bring about tripartite consensus on the essentials of such policy.

- 134.** The Chairperson opened the discussion on technical capacities and on governance, support and management (paragraphs 320–387).
- 135.** Mr Julien underlined the importance his group attached to matters of governance, support and management.
- 136.** With regard to strengthening technical capacities, the speaker noted with regret that the report provided no new information. For the Employers, the lack of forecasting on a strategy they judged to be the most important of all the Office's priorities was unacceptable.
- 137.** Furthermore, the speaker said that, while he obviously supported strengthening the capacities of constituents, the report ran the risk of trivializing the issue through repetition. The Employers would have liked the section to be better presented and to make more systematic linkages with outcomes 9 and 10.
- 138.** The speaker's group supported the improvement of the audit and evaluation functions and welcomed the fact that a first round of informal consultations on evaluation had been organized by the Office in January. They had been extremely interesting and prompted a number of reactions. The Employers would like a study to be conducted, either by the Governing Body or as part of external evaluation, on improving the audit and evaluation functions. They welcomed the increase in the budget allocated to those functions and underlined the need to guarantee their independence and transparency.
- 139.** The speaker observed that the operational budget table under that heading showed an increase of 40 per cent for using external contractors and requested additional information. He raised other questions from his group on buildings, information services and climate neutrality. He welcomed the efforts made by the Office to involve the constituents in country programmes to promote decent work, but hoped not to have to recall again that such efforts should be made with support from ACTRAV and ACT/EMP.
- 140.** The Employers expected the reforms to the Governing Body and the International Labour Conference to lead to improvements, particularly in terms of the publication of documents. They also wondered whether the Income Adjustment Account, which had held more than US\$50 million in 2010, could be used to finance the modernization of ILO premises.
- 141.** Lastly, the speaker raised the question of human resources management, a source of constant concern, worry and incomprehension for the Employers. They welcomed the mediation that had taken place between the Staff Union and management, but considered that the moment had come for the Office to establish the causes of, and attribute responsibility for, the mediocre results observed in implementing the policies adopted by the Organization.
- 142.** As examples, the speaker cited the extremely high costs arising from IRIS and the delays in its implementation, the hesitation surrounding the decision to renovate the building and the somewhat opaque dealings with the Swiss authorities in that regard,

and the significant delay in introducing International Public Sector Accounting Standards (IPSAS). In particular, the situation with regard to replacing staff seemed unacceptable: two key ILO posts in the area of IT and communications had yet to be filled after almost a year, even though they had been vacated by retirements, which had therefore been foreseeable.

- 143.** The speaker read extracts from document GB.306/PFA/12/2 relating to decisions adopted by the Governing Body on that matter: “The Governing Body adopted the Human Resources Strategy for the period 2006–09 in November 2005. It focused on: sound and effective policies and procedures for recruitment, placement and career progression; integrated, motivating and rigorous staff performance management and development systems” The same document validated the Human Resources Strategy for 2010–15 and stated that it aimed to anticipate and address emerging needs and to update human resources practices, rules and procedures to respond to the challenges as identified in the ILO Declaration on Social Justice for a Fair Globalization and the Global Jobs Pact. The document also stated that the strategy was intended to reaffirm the human resources function as a partner with management in building the organizational capabilities necessary to deliver the goals and outcomes of the Organization, and that it would support the delivery of the 19 outcomes in the Strategic Policy Framework for 2010–15, linked to the other key management strategies on IT. Recalling that nobody had yet been appointed to be in overall charge of implementing the strategy, even though that document had been adopted in November 2009, he urged the Office to react.
- 144.** Sir Roy supported the strengthening of the knowledge base to improve services to constituents and reiterated the need to provide policy-oriented research and knowledge both at the global and country levels. He expressed concerns regarding staffing and funding implications and stressed that the proposed work should not be done to the detriment of services to constituents. He stressed the importance of provisions for the capacity building of workers’ organizations to maintain the knowledge base and strengthen South–South cooperation, calling for more cooperation with regions and ACTRAV to expand and consolidate the Global Labour University and the Global Union Research Network. He supported the research areas outlined in paragraph 338, but stressed the need for greater emphasis on income-led recovery policies and macroeconomic policies to promote decent work in an integrated way and for documenting trends on precarious work. He asked that international labour standards be referred to in paragraph 341.
- 145.** Referring to the role of IT, the speaker expressed concern about the human resources and capacity to deliver the many IT projects, pointing to the management and capacity problems identified in the IT study of November 2010. He questioned whether the proposed programme would be too ambitious and also asked for a consolidated figure of all IT expenses for the regions.
- 146.** Sir Roy supported the strategy for developing institutional and technical capacity for each constituent, welcoming the proposal for the direct involvement of constituents in assessing capacity development needs. That should be done through a dedicated programme and with adequate resources. The capacity building of constituents to work together was also needed. He acknowledged the importance of building technical cooperation partnership agreements, as well as partnerships within the UN and with non-state entities and economic actors.

- 147.** Referring to governance, support and management, the speaker reaffirmed the determination of his group to fully exercise its role. He considered as “natural” the measures put in place to improve working methods and review rules, procedures and practice, and asked that the Staff Union be adequately associated with that process. He alluded to the ongoing mediation between the Administration and the Staff Union, formulating the hope that mutually satisfying solutions would be worked out.
- 148.** He concurred that Decent Work Country Programmes remained the ILO’s main operational mechanism. They would be successful only if driven by constituents. He called for the systematic incorporation of labour standards into those programmes and expressed concern about the statement concerning the limited number of priorities, which might contradict the need to cover all dimensions of decent work in a balanced way.
- 149.** The speaker confirmed that his group firmly supported the reform of the functioning of the Governing Body – towards greater focus on policy and decision-making debates. As far as the Conference was concerned, he recalled that a few years previously there had been a working group that had adopted changes to the Conference. He stressed the need to be careful not to spend time going from one working group on reform to another with the risk of losing focus on the strategic issues that should guide Governing Body work.
- 150.** Sir Roy made a final suggestion concerning indicators, asking that in the future a standard indicator be provided for each outcome on the level of advancement with regard to the ratification and implementation of Conventions, which would include reportable measurements of progress and of the level of involvement of social partners and governments.
- 151.** The representative of the Government of Australia supported the systematic approach to knowledge management and sharing. Both headquarters and regions should use that resource for analysis and advisory services to constituents. He was pleased with the Office’s plan for participatory consultations and trials with staff concerning the knowledge system, especially in regions where they would be both key contributors and key users of country-level information. To that end, field staff should also be adequately trained in its use. On operational capacity, he expressed concern over the heavy reliance on mobilization of additional extra-budgetary resources for the delivery of technical cooperation activities and the strategies identified in the proposals. The Office should implement risk mitigation strategies to ensure that high priority programmes were resourced through the regular budget. That would enable the continuation of programmes in the event of lower technical cooperation funding than projected. Referring to governance, support and management, the speaker urged the Office to continue pursuing a results-based management approach and using lessons learned from evaluations. Relevant, effective and efficient external and internal governance mechanisms contributed to prudent use of resources to provide technical assistance to member States. Those approaches would enable the ILO to be a best-practice UN agency in using its resources to deliver on its core mandate. The efforts to achieve savings, including through better environmental practices and space use, were welcome. The Office should continue to identify further savings in 2012–13, including through a rigorous assessment of methods of work. Continued good financial and risk management planning was crucial to savings still to be realized in future. Lastly, the speaker echoed his support for the ASPAG proposal to establish an internal expenditure review committee.

- 152.** The representative of the Government of Brazil reiterated his appreciation for the Office inclusion of South–South and Triangular Cooperation as a means of realizing ILO strategic objectives. His Government had contributed US\$6 million to ILO projects implemented on the basis of South–South cooperation. Such cooperation could be usefully combined with South–North cooperation. The effectiveness of such cooperation lay in its contribution to the exchange of experiences among countries facing similar challenges and to the definition of solutions tailored to specific national contexts. In that respect, the proposals had taken the right step in diversifying available tools to implement ILO priorities across the 19 outcomes.
- 153.** The representative of the Government of the United States asked for more information on the proposed data collection and comparative analysis and asked the Office to present the methodology for collecting new country-level data, which was referred to in the proposals. Commenting on the overlap in research work across the Office, she supported the consolidation and rationalization of that work and of the number of publications, for the sake of increasing cost effectiveness. In respect of the new system serving as the basis for comparative analysis in paragraphs 322–323, she asked the Office to ensure the inclusion of caveats to inform users of what specific information was comparable across countries. She welcomed the work of the Research and Publication Committee to monitor the achievement of biennial milestones in the Knowledge Strategy for 2010–15. In that connection she reiterated the importance of external peer review and requested the Office to report on how it planned to use it.
- 154.** The representative of the Government of Japan raised two points. First, he supported the strengthening of the knowledge system, but warned the Office against possible delays and increased costs when putting in place IT infrastructures. IRIS was a case in point. Insufficient transparency on IT matters was also a concern. Second, on partnership strategy, the proposed efforts to expand the donor portfolio were welcome. The Office should strengthen partnerships with private foundations, such as the Bill and Melinda Gates Foundation, in particular at a time when many donor countries were facing fiscal difficulties.
- 155.** The representative of the Government of France focused his intervention on the strengthening of the ILO knowledge base, which he considered as the absolute priority. In that area, demands on the ILO were growing, including as a result of various commitments, such as those stemming from the ILO Declaration on Social Justice for a Fair Globalization and from the G20 process. The proposed enhancement of the knowledge base was critical to uphold those commitments. The key question remained “how to” – a question that remained unanswered in table 10. That brought with it the need for the Office and the Organization collectively to reflect on and identify key priorities.
- 156.** The representative of the Government of China welcomed efforts to strengthen the ILO capacity to provide better services to constituents, based on an improved knowledge system. The Office should establish a mechanism to share information with the European Union and intergovernmental bodies with a view to ensuring an optimal use of resources. Resources should be used to recruit consultants and experts to gather and update country information. Furthermore, documents should be translated into the various languages.

- 157.** The representative of the Government of Argentina associated himself with the comments made by the representative of the Government of France concerning table 10. He supported the proposal of the Office in that respect, acknowledging the usefulness of the three information tracks for the visibility of the Organization vis-à-vis external actors, for analytical work on normative and policy issues, and for supporting technical cooperation.
- 158.** The representative of the Director-General (Mr Thurman) focused his reply on six issues. First, the Office continued to work on the improvement of Decent Work Country Programmes. The paper on the Special Programme Account before the Committee included proposals to strengthen those programmes, including through a scan methodology to include coverage of the four strategic objectives and through closer involvement of constituents in Decent Work Country Programme design and implementation. Part of the resources reserved for strengthening evaluation functions in 2012–13 was devoted to strengthening the evaluation of those programmes. Second, the regular updating of the knowledge system would fall under the responsibility of technical specialists at headquarters and in the regions. That would support rather than reduce services to constituents. It required, however, substantive efforts to streamline and rationalize existing knowledge products. Third, on governance, it was not for the Office to assume in advance any decisions of the Governing Body on its reform. However, due note was taken of the need for improvements, for instance with regard to the timely availability of documents. Fourth, the Office proposed to increase resources for IT. That took account of the urgent need for investments in that area to address shortcomings that could put ILO operations at risk, as the IT infrastructure study in 2010 had shown. It also built on lessons from previous experiences, notably the slow roll-out of IRIS due to budget constraints. IT investments were also equally necessary to deliver on the priorities identified in the proposals for 2012–13, in particular the new knowledge management system. Fifth, the Office would report on progress in the implementation of the Human Resources Strategy for 2010–15 in the report on ILO programme implementation 2010–11, which would be presented to the Governing Body in 2012. In the meantime, the Director of the Human Resources Development Department stood ready to brief Governing Body members on progress to date. The process of filling senior-level positions was well under way. Sixth, the increase in the external collaboration resources in the budget of the Internal Audit reflected a more cost-effective way to bring in specific expertise. The multiplicity of oversight arrangements existing in the ILO could be discussed under audit questions and in particular the item on the IOAC.
- 159.** The Director-General thanked the Committee for the honest and frank debate on the proposals. The messages and expectations had been duly noted. He also expressed his appreciation for the Committee's recognition of the improvements reflected in the programme and budget proposals. It was clear from the discussion that the Office and the constituents shared a common strategic approach. The main question remained how to balance increasing demands with limited resources. He was looking forward to an in-depth discussion with the Governing Body on that matter. He expected that the Governing Body reform would provide for more intensive political and policy discussions, including strategic discussions on the management, not only of the Office, but of the Organization as a whole. So far, the consensus at the highest political level on the central role of the ILO globally and within countries had not been followed by an increase in resources entrusted to the ILO. That was a political

decision. He concluded by expressing his gratitude to ILO staff for their dedication and commitment to the values and tasks of the Organization.

160. The Chairperson closed the discussion on the programme and budget proposals and recalled that the Director-General would provide his detailed response on Wednesday, 16 March.
161. The Committee reconvened on 16 and 17 March. The Director-General introduced his proposals for adjustments to the Programme and Budget proposals for 2012–13, as contained in document GB.310/PFA/2/1. The document also contained a point for decision (paragraph 5). The Director-General's statement is reproduced in Appendix II.
162. The representative of the Director-General (Mr Johnson) informed the Committee of an error in document GB.310/PFA/2/1. The figure in paragraph 3 concerning the reduction in the nominal level of the proposals resulting from the adjustments (US\$1,727,748) was incorrect and should read US\$1,768,046.
163. In their subsequent interventions, all speakers who took the floor expressed their solidarity with the Government and the people of Japan in the face of the tragic consequences of the earthquake and tsunami that had recently hit the country.
164. Sir Roy stressed the need to structure the budget so that taxpayers' money would be used in the most efficient way. While acknowledging the budget constraints confronting many governments in the aftermath of the economic crisis, he expressed doubts about the usefulness of indiscriminate cuts. In his opinion, even in the crisis context the relevance and the importance of the ILO were widely recognized across the three groups. The future of the ILO largely depended on how it would be able to meet the needs of its constituents, and the ILO had greater opportunities than ever to show that it cared and could make the difference by applying its principles and values more strongly than ever. He questioned whether individual countries could be successful while surrounded by poverty, since poverty anywhere was an obstacle in the way of other nations that wished to improve the conditions of their own countries. The speaker stressed that an injury to one was an injury to all. He welcomed the Director-General's efforts to respond to most of the concerns expressed during the discussions. In that respect, an effort had been made to balance the recognition that the world was in crisis, the difficulties faced by many donors and the contribution of the ILO, through support from all member States, in order to create a more just society and more wealth for all people. In that context, his group supported the budget proposals following the adjustments that had been presented and urged the other groups to accept them.
165. Mr Julien said that the Employers' group took note of the reply of the Director-General, who had responded well to the main points raised by the Employers during the debate on the budget. The Employers' group was satisfied with those responses, among which he highlighted the following: (i) the Director-General's approval of the reform of the Evaluation Unit (EVAL); (ii) the proposal for a number of substantial savings; (iii) the additional information supplied by the Office on the IT and knowledge strategies, which attested to the importance attached to those matters; and (iv) the Director-General's commitment to ensuring that vacant strategic posts would be filled. The Employers would keep a close watch on that subject. The Employers also welcomed the fact that the Director-General had responded to events

in North Africa and Egypt. The speaker was pleased with the way discussions had been conducted at the current session, since the constituents had had sufficient time to confer and submit comments on the Office's proposals.

- 166.** Mr Julien then turned to three issues which qualified that positive assessment. First, the way in which the debate had been organized the previous week had revealed the urgent need to reform the Governing Body. The constituents agreed in principle with that reform. The Committee's deliberations had shown that a more rational scheduling of meetings was vital, as was the need to have "a single" Governing Body. The Working Party on the Functioning of the Governing Body and the International Labour Conference should bear that in mind.
- 167.** Second, the Employers had drawn certain conclusions from the debate on the use of the Special Programme Account. It would have been logical to use that account to make up for at least part of the shortfall in funding for the building renovation. The Employers' group regretted the fact that the Governments had not wished to use it for that purpose. The Office's first two proposals regarding the use of the account posed a substantive problem for the Employers, since that account was not normally intended to cover ordinary expenditure which would open new budget lines. The Special Programme Account was not an additional regular budget for funding activities related to standards or decent work; it should be kept for exceptional expenditure or investment. The Employers were not against the adoption of the two other proposals concerning the Special Programme Account, but wished to draw attention to the procedural problem raised by the first two. Furthermore, the proposal relating to standards was based on an ex post facto approach, whereas the Employers favoured a more methodical proactive approach in order to help a number of governments to apply the principles embodied in international conventions, even those which they had not ratified.
- 168.** Third, he welcomed the increased flexibility in the use of the budget of ACT/EMP. The Office's proposal would greatly help ACT/EMP to discharge its responsibilities properly, although of course the proposal did not meet all the challenges which would have to be addressed in the long term if the Bureaux were to be able to engage in outcome-based work planning and implement the 19 outcomes. He drew the attention of the Governing Body to the plight of a very large number of professional organizations in the world, especially in the area of the former Soviet Union, and he emphasized that the representation of enterprises was essential to a mature democracy.
- 169.** For several years, the ILO had relied heavily on extra-budgetary resources and the Employers perceived a risk of it becoming dependent upon them. It was therefore very important to distinguish between the regular budget and extra-budgetary resources and to ensure that the ILO continued to have a budget enabling it to fulfil its essential tasks. The decentralization of activities had probably reached its limits; to go any further would jeopardize the Office's core functions. The time had come to take stock of the distribution and use of resources, to avoid the dispersal of funds which still occurred in some parts of the programme and budget and to distinguish between the short term and long term. The Office and the Governing Body should prove that everything was being done to ensure optimum and highly rigorous use of resources, to achieve further progress and to fully satisfy constituents. While still calling for close consultation of employers' and workers' organizations on strategies related to the management of the Organization, the Employers' group could support the point for decision.

- 170.** The representative of the Government of Australia, speaking on behalf of ASPAG, welcomed the proposed adjustments to the proposals and the significant measures put forward in response to the Committee's concerns. Measures concerning further improvements in the areas of the Office's internal management, transparency and financial practices were particularly welcome, in particular: (i) the acceptance of ASPAG's proposal to introduce a high-level expenditure review committee, alongside the proposal to report regularly to the Governing Body on the work of that committee; (ii) the commitment to ensure the independence of the ILO's evaluation function; (iii) the Director-General's assurance that he would expedite the filling of senior management positions in the Office; and (iv) the commitments regarding the knowledge management strategy and the review of publications. The group looked forward to regular reporting on the implementation of those measures. The group also endorsed the proposal that the review of the purpose, format and costs of Regional Meetings be added to the mandate of the Working Party on the Functioning of the Governing Body and the International Labour Conference, in order to ensure the continued relevance and effectiveness of those forums. The group welcomed the proposed reductions in the budget, and also the reallocation of part of the savings to the priority issues in the Arab States and in North Africa and to the informal economy, the implementation of IRIS and youth employment, noting that those areas were relevant to the needs of the Asia and Pacific region as well.
- 171.** Speaking on behalf of his Government, the speaker subsequently endorsed the ASPAG statement. He acknowledged that the revised cost increase of 2.4 per cent was consistent with the Office's previous practice of keeping budget increases within the constraints of a zero real growth budget. He supported the adjustments to the programme and budget proposals, particularly with regard to the ongoing review and monitoring of the expenditure, as well as the point for decision.
- 172.** The representative of the Government of South Africa, speaking on behalf of the Africa group, recalled six points highlighted by his group during the discussion held the previous week, namely: (i) the ILO remained the place to turn to in the quest for decent work; 25 Decent Work Country Programmes were currently in place in Africa, and 20 more were being negotiated; (ii) high expectations existed in the face of high unemployment and other social challenges; (iii) addressing decent work challenges was central to a more balanced social development; (iv) the projected decline in extra-budgetary resources was a concern; (v) the Conference had adopted a resolution calling on the Governing Body to allocate resources and to mobilize extra-budgetary resources to give effect to the HIV and AIDS Recommendation, 2010 (No. 200); and (vi) social protection was relevant for Africa as a stabilizer to ensure equitable societies. The speaker appealed to the donor community not to totally withdraw their extra-budgetary support, and welcomed the Director-General's efforts to minimize the impact of any such reductions. He welcomed the reallocations of resources to the Arab countries in North Africa, youth employment and the informal economy. He supported a zero real growth budget, as proposed in the adjustments presented by the Director-General.
- 173.** The representative of the Government of Singapore, speaking on behalf of the ten member States of ASEAN, thanked the Director-General for his commitment to balance increased demand from constituents with prudence in budget planning. She made four comments on the adjustments proposed by the Director-General. First, the establishment of the high-level committee on internal expenditure review was welcome. Such a committee should undertake a comprehensive review to ensure that

all expenditures were justified and that funds were used effectively. Second, the infrastructure required to support the new knowledge management system should focus on the core needs of end-users. Third, efforts to reduce cost increases from 2.7 per cent to 2.4 per cent were noted and the explanations provided by the Office were accepted. Fourth, further savings to be achieved through the review of some services, for instance the proposed reduction in the Conference costs, were welcome. The reallocation of resources to the highest priorities, including to address the situation in the Arab States and the Arab countries of North Africa, and the challenge of youth unemployment in Eastern Europe and other regions, were appreciated. The Office should consider reallocating resources to the Asia and Pacific region as well. The speaker supported the programme priorities for 2012–13.

- 174.** The representative of the Government of Sweden, speaking on behalf of the like-minded group of donor countries, namely Belgium, Denmark, Finland, Netherlands, Norway and Sweden, recalled the statement made the previous week in support of a zero real growth budget, while requesting greater efficiency, value for money and increased transparency in the overall process. He expressed appreciation for the additional savings and cost controls proposed. He sought clarifications on the real level of the budget and expressed concern about the lack of transparency of the budget negotiations.
- 175.** The representative of the Government of Jordan, speaking on behalf of Jordan, Lebanon and Qatar, supported the ASPAG statement. He welcomed the Director-General's proposals to strive towards better management practices, in particular the establishment of a high-level committee on internal expenditure review and the expanded tasks of the Working Party on the Functioning of the Governing Body and the International Labour Conference. With regard to senior appointments, he hoped that the Office would take into account candidatures from non-represented and under-represented countries. Concerning knowledge management, the ILO was an institution of excellence, which required that it stood out in its know-how and expertise in specific areas. It was essential that the proposed changes consolidated proper interaction, cooperation and rationalization of the Office's work with a view to reinforcing the ILO's expertise, in both qualitative and quantitative terms. Concerning programme implementation priorities, the speaker welcomed the emphasis on youth employment and entrepreneurship, and hoped that social security and social protection would also be given due importance. He also welcomed the additional resources reallocated to the Arab States region. He commended the Director-General's role in positioning the ILO within the G20 and G8 processes, which in turn had given the social dimension global recognition. He supported the programme and budget proposals with a cost increase of 2.4 per cent.
- 176.** The representative of the Government of France recalled his comments made the previous week concerning the improvements in the form, presentation and transparency of the proposals. However, the compartmentalized structure of the programme and budget discussion in the Committee had limited the interactive nature of the debates – an issue that hopefully the foreseen reform of the Governing Body would address. The speaker welcomed the additional savings proposed by the Director-General, which had brought the cost increases down to 2.4 per cent, while preserving priorities such as the close cooperation with the G20. Effective management could lead to further savings without harming the productivity of the Office. Referring to the 3 per cent reduction in the next UN budget announced by the UN Secretary-General, the speaker noted that the ILO had not benefited from

substantial real budgetary increases prior to the crisis. He endorsed the reallocation of resources to the priority areas identified by the Director-General, emphasizing the need to set a clear hierarchy of priorities. He thanked the Director-General for his personal commitment to the whole process and his responsiveness to the Committee's concerns. The speaker supported the point for decision.

- 177.** The representative of the Government of Canada expressed appreciation for the efforts made to identify further savings, but voiced disappointment at the decision to maintain a zero real growth budget, with a minor reduction of 0.3 per cent. A budget increase of 2.4 per cent was not acceptable for his Government, which expected a zero nominal growth budget. He referred to the UN Secretary-General's recent announcement committing to a 3 per cent cut in the next UN budget and calling on all UN agencies to follow suit. He welcomed several measures proposed by the Director-General in response to the Committee's concerns, namely: (i) the establishment of an internal expenditure review committee and the review of the ILO publications policy, along with the progress reports on those measures to be submitted to the Governing Body session in November 2011; (ii) the proposed measures on evaluation and oversight; (iii) the appointment of senior officials; (iv) the knowledge management system; (v) the expanded mandate of the Working Party on the Functioning of the Governing Body and the International Labour Conference to include the Regional Meetings; and (vi) the identification of further savings in the areas of travel, unforeseen expenditures, allocations for long-term sick leave and Conference costs. With regard to the last point, he regretted that the Director-General had proposed to reallocate the US\$2.34 million savings to programmes, considering the current financial circumstances where identified savings should be reduced from the proposed budget, not reallocated. In closing, the speaker stated that his Government did not support the point for decision, and called for a budget at zero nominal growth for the biennium 2012–13.
- 178.** The representative of the Government of Kenya endorsed the statement of the Africa group. He welcomed the adjustments proposed by the Director-General and underlined the need for proactive interventions, particularly on youth employment and the informal economy. He supported the point for decision.
- 179.** The representative of the Government of the United Kingdom, while reiterating the support of his Government to the ILO's mandate, indicated that the alternative cost increase of 2.4 per cent did not take into account the requests from several governments for a zero nominal growth budget. Such an increase was not justified given the difficult financial situation faced by many governments. The UN Secretary-General had called for a 3 per cent reduction in the next UN budget, and the ILO should follow that example. He requested the Director-General to take the necessary steps to achieve a zero nominal growth, or even lower, budget, failing which his Government would not be able to support the proposals.
- 180.** The representative of the Government of Brazil supported the approval of the proposals. ILO assistance, accompanied by adequate resources, was needed in the aftermath of the jobs crisis, especially for technical cooperation and field operations. The speaker reiterated his appreciation for the inclusion of South–South and Triangular Cooperation in the proposals and renewed the determination of Brazil to further enhance its cooperation with the Office.

- 181.** The representative of the Government of the United States expressed strong support for the ILO's mission and welcomed the Director-General's efforts to respond to the Committee's various recommendations and the calls for further savings. Her Government was actively seeking a zero nominal growth budget across all UN agencies, including the ILO. Notwithstanding the strong support for the ILO's mission, her Government was thus unable to join the consensus on the programme and budget proposals, due to the fiscal reality confronting her country.
- 182.** The representative of the Government of Spain commended the Office's efforts to adjust to the current budgetary restrictions in member States. His Government supported a zero nominal growth budget across all UN agencies. Therefore, while the ILO remained a strategic partner as demonstrated by the generous voluntary contributions, his Government was opposed to any increase in the budget for 2012–13.
- 183.** The representative of the Government of Japan thanked the Director-General, as well as all the members of the Governing Body, for the expressions of solidarity and condolences to the people of Japan. He supported the ASPAG statement and appreciated the Office's effort to make adjustments to the original proposals. He reiterated four areas of concern for his Government. First, transparency on IT matters needed to be enhanced and indirect costs further reduced. The Office should provide information on the total costs of the IRIS roll-out and the related timeline. Second, the regrading of vacant positions was important in order to eliminate budget increases in the medium term and long term. Third, in line with the UN Secretary-General's announcement on the budget level of UN agencies, the ILO should strive to achieve a zero nominal growth budget. Fourth, he made a plea to the Office for understanding of the budgetary hardships confronting many countries, including Japan. In light of the above points, the speaker requested the Office to identify further savings in the budget.
- 184.** The representative of the Government of Argentina supported the point for decision for three reasons. First, the Director-General's proposal was judicious, adequate and rigorous, especially at a time when budget restraints in member States had to be balanced with growing demand for ILO services. Second, the proposal aimed at preserving the principles of the Organization alongside its capacity to respond to constituents' needs through new instruments, such as the knowledge strategy. Third, the proposals reinforced the threefold action of the ILO – the systemic work in the areas of standards and policy development; technical cooperation and assistance in the field; and the role of the ILO in international forums such as the G20. The ILO had demonstrated its capacity to respond to the realities of the international context and to imprint its distinctive values concerning tripartism and social dialogue.
- 185.** The representative of the Government of Germany noted that the Director-General had provided vital clarifications on the budget, pointing towards greater transparency and cost control. He welcomed the introduction of the high-level expenditure review committee. The cost increase of 2.4 per cent might be considered as moderate and acceptable within the Office, although that might not be the case outside. Over the previous ten years, the ILO had been extremely disciplined in its internal management, unlike some other UN agencies, which made the comparison with the UN in light of the UN Secretary-General's announcement unfair. However, further savings should be identified in the areas of the executive bodies, the support services and the management services. The Office should make a further step in that direction

in order to achieve agreement among as many donor countries as possible. In that respect, he called for a viable solution to be submitted to the Conference in June 2011.

186. The representative of the Government of Mexico acknowledged the Office's efforts to achieve budgetary reductions and reallocations. However, the current context required that the ILO do more with less. The Office should strive to achieve additional efficiency and transparency in expenditures.
187. The representative of the Government of Austria thanked the Director-General for the adjustments to the proposals, while noting that further reductions were necessary. Her Government supported a zero nominal growth budget and therefore was not in a position to join consensus on the present proposals.
188. The representative of the Government of Panama supported the adjustments presented by the Director-General. He endorsed the statement made by the Government of France and joined other speakers in calling for improvements in the transparency of ILO decisions. He also called for the continuous upgrading of the staff's expertise and knowledge.
189. The representative of the Government of Uruguay noted that the 2.4 per cent cost increase was one of the lowest proposed by the Office in recent times, and welcomed the clarifications provided, which contributed to greater transparency and participation. The proposed budget would support the continued funding of decent work projects, the Global Jobs Pact, technical cooperation and the reinforcement of Regional Offices, which in turn would translate into increased decent work, better working conditions and lower unemployment, among other improvements. His country would continue to rely on ILO support for the development of its programmes.
190. The representative of the Government of Portugal acknowledged the Director-General's explanations of the adjustments to the proposals, while noting that budget constraints in member States required exploration of further reductions. He requested revised proposals at the level of zero nominal growth.
191. The representative of the Government of India welcomed the Director-General's response to the comments made by the Committee, as reflected in the proposed measures to increase efficiency, transparency and the independence of the evaluation functions. The reallocation of resources to priority issues in northern Africa and Eastern Europe was welcome and should address the hardships of migrant workers in the Arab States and Africa. Resources should be reallocated to the Asia and Pacific region as well. The speaker commended the Office's efforts in areas such as the G20 and other international organizations, and HIV/AIDS in the workplace, and welcomed the new focus on South–South and Triangular Cooperation.
192. The representative of the Government of the Islamic Republic of Iran supported the ASPAG statement, acknowledging the positive and constructive attitude of the Director-General to the observations of the Committee. He supported the six areas identified by the Director-General for adjustments with a view to ensuring good management practices, greater transparency, cost control and accountability. His Government supported South–South and Triangular Cooperation. The composition of staff was a concern and the Office should give careful consideration to candidatures from under-represented and non-represented countries. The speaker supported the

programme and budget proposals with the adjustments put forward by the Director-General.

- 193.** The representative of the Government of Poland acknowledged the need to balance further rationalization and savings, on the one hand, and the growing requests for assistance by constituents, on the other. Further consideration should be given to how to achieve a compromise decision allowing for the realization of the priorities of both the ILO and its constituents before the Conference session in June.
- 194.** The representative of the Government of China supported the ASPAG statement and made two additional remarks. First, he supported the proposed South–South and Triangular Cooperation initiative as a means for ILO constituents to exchange key policy practices on the Decent Work Agenda. Second, he welcomed the resources reallocated to youth employment, noting that balanced allocations across the four strategic objectives were important. The speaker supported the point for decision.
- 195.** The representative of the Government of South Africa supported the statement made by his Government on behalf of the Africa group. He urged the Committee to move and compromise, consistent with the spirit of collective bargaining. He supported the revised proposal.
- 196.** Sir Roy stressed that even those who could not support the budget proposals at that stage did express their appreciation of the efforts made by the Director-General and his staff. He reiterated the appreciation of his group for the economic and fiscal difficulties faced by many governments and the subsequent requests for further discussion on the budget proposals. The call by the UN Secretary-General to UN agencies for a 3 per cent cut in their budgets should not be applied to the ILO, whose regular budget had been on a zero real growth level for 12 consecutive years, unlike the UN whose budget had recently seen a 20 per cent increase. He urged Governments to review their positions and to join the Workers’ and the Employers’ groups in their support of the budget proposals as adjusted by the Director-General.
- 197.** Mr Julien said that there was plainly no consensus, but that the Governing Body’s current session would end on 25 March. The Employers wished to arrive at a solution and they stood ready to assist the Director-General, the Office and the Chairperson of the Governing Body in the ongoing search for common ground on the programme and budget.
- 198.** The Chairperson observed that there was no consensus among the Committee’s members. In the absence of consensus, the reservations of members would be duly summarized in the report of the Committee discussion. He noted that, while some Governments were not satisfied with the budget, a large majority of Committee members seemed to be ready to support the point for decision.
- 199.** The representative of the Government of the United Kingdom said that he wished to see in writing how the fact that there was no consensus on the point for decision would be reflected in the report.
- 200.** The Chairperson indicated that, as in previous discussions, the report would reflect the reservations of those Governments that were not able to support the budget.

201. The representative of the Government of Austria stated that several Governments had indicated that they would not be able to join consensus, not that they wished to block consensus. In such circumstances, the Chairperson's proposal was not appropriate.
202. The representative of the Government of Canada indicated that no member of the Committee had opposed the plea by some Governments to have further consultations in the following days to achieve consensus on additional efficiencies and savings. The Employers' position explicitly supported that possibility.
203. The Chairperson indicated that the majority of the Governments had expressed themselves in support of the point for decision.
204. In acknowledging the lack of consensus within the Committee, the Chairperson suggested moving on to other options to approve the point for decision.
205. The Director-General recalled that the budget discussion was a twofold process, involving the Governing Body first and the Conference afterwards. In the course of the present discussion, several groups, including the Workers' group, the Employers' group, the Africa group, ASEAN, as well as a large number of countries, had expressed support for the revised proposals. At the same time, a number of countries felt that the proposals should be made at a zero nominal growth level and that further savings efforts were required. In the past, the Committee had managed to resolve similar situations by reflecting the reality of the discussion in the recommendations for the Conference. In that regard, he quoted the text of a previous decision.
206. The Chairperson proposed an amendment to the introduction to the point for decision, as follows: "Subject to the positions taken and opposition expressed during the course of the discussion, as noted in the report, the Committee recommends to the Governing Body that ...".
207. The representative of the Government of Canada raised three concerns. First, with regard to the groups of countries in support of the proposed budget, it was only the Governing Body members of those groups of countries who should be counted in assessing the level of support. Second, the Office should clarify whether the proposed amendment meant that the Office would not follow up on the request for further efficiency measures requested by a considerable number of donor countries. Third, the past practices referred to by the Director-General had been a source of frustration for her Government, which wanted its concerns to be reflected in the outcome of the budget discussion, not in the report.
208. The Director-General pointed out that it would not be practical to try to negotiate further adjustments within the time remaining during that session of the Governing Body. The requests made by a number of countries regarding the budget level, as well as for further examination between March and June, not supported by the large majority, would be reflected in the report.
209. The Chairperson noted that there was not full consensus, but that there was a large majority in favour of the Director-General's proposal and that current consultations could continue. He submitted to the Committee the following amended point for decision.

210. Subject to the positions taken and opposition expressed during the course of the discussion, as noted in the report, the Committee recommends to the Governing Body that:

- (a) *it recommend to the International Labour Conference at its 100th Session (June 2011) a provisional programme level of US\$744,447,748 estimated at the 2010–11 budget exchange rate of 1.07 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;*
- (b) *it propose to the Conference at the same session a resolution for the adoption of the programme and budget for the 73rd financial period (2012–13) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 73rd financial period, ending 31 December 2013, the budget of expenditure for the International Labour Organization amounting to US\$..... and the budget of income amounting to US\$....., which, at the budget rate of exchange of Swiss francs to the US dollar amounts to Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

211. After making sure that there were no objections in the Committee to adopting the point for decision, the Chairperson declared that it was approved as amended.

Geneva, 21 March 2011

Point for decision: Paragraph 210

Appendix I

Director-General's address to the Programme, Financial and Administrative Committee (Geneva, 7 March 2011)

Ambassador Matjila, Chairperson of the ILO Governing Body, thank you for stepping into this position at short notice,

Sir Roy Trotman, spokesperson of the Workers' group,

Mr Julien, spokesperson of the Employers' group,

Distinguished Government, Employers' and Workers' delegates,

Members of the ILO Governing Body,

Dear friends,

Your discussion today and in the coming days is about the role, responsibility and capacity of the ILO to carry out its mandate in 2012 and 2013 and the means you will put at its disposal for that purpose.

The programme and budget proposals before you reflect the vision and orientations I see for the ILO.

As indicated to you early on, I am submitting for your consideration and approval a budget level with zero real growth relative to the present biennium. In this, I follow the common practice of the last six biennia – the same in the years when fiscal circumstances were helpful and in the years when they have been tough.

I have applied a twofold rationale in preparing the budget proposals:

- to maintain the real value of ILO functions and programmes; and to redeploy resources to priority needs;
- to ensure a sharply focused ILO programme whilst sharing in the tight public expenditure discipline many governments are themselves applying.

I have detailed at some length in the preface and executive overview the context and content of these budget proposals.

Let me recall four aspects I have constantly kept in mind in preparing these proposals.

First our relevance. The global geopolitical scenery is rapidly changing before our very eyes – from the exponential growth of China, India, Brazil and other emerging countries, while others struggle to achieve minimal levels of job creating growth, to the massive popular movements in Tunisia, Egypt, the Libyan Arab Jamahiriya and other countries in the Arab world and Middle East.

We also see Europe and other advanced economies still affected by a worrying employment situation caused by the global crisis and its particular impacts on the European sovereign debt crisis.

Everywhere we have decent work deficits. And every poor person in the world knows that working out of poverty, a good job is their best chance at a life with dignity.

In this context, it is so clear that the Decent Work Agenda and a working ILO tripartism bring the possibility of better growth, of more peace, more equity, less poverty and more stable development to economies, enterprises, workplaces and, ultimately, to society. ILO policies contribute to a world with fewer tensions, greater fairness and strengthened security. These are compelling contemporary echoes of the most striking passages of the ILO's founding Constitutional texts. With our values and policies, we are on the right side of history.

Second, this is the time to strengthen the ILO. More and more countries, and our constituents in those countries, wish to embark upon balanced policies, combining economic growth and productivity with decent work and social advancement. They know jobs are at the heart of political and social life. They want to achieve results. They need to invest and innovate. They need to find solutions in a diversity of situations and in rapidly changing circumstances. They want to learn from each other.

The ILO is the place to turn to. Our collective knowledge and analysis are widely sought on good practices and policies to achieve their objectives. Enhancing our knowledge base and institutional capacities is essential to the ILO's continuing relevance and need to be consolidated and expanded.

Third, we must foster a new era of social justice. This is the vision of the 2008 Declaration on Social Justice for a Fair Globalization and also of the Global Jobs Pact. To move forward we need a new people-centred growth pattern, a vision where the quality of jobs define the quality of a society. This is a key issue raised by the ILO in the G20 process.

What we have today is inefficient growth which makes reaching decent work goals so difficult and for some impossible. This has created intolerable levels of inequality and real threats to our collective security.

The differentiated pace of recovery across countries and regions confirms the fallacy of one-size-fit-all policy prescriptions. Similar decent work challenges call for differentiated solutions. Effective tripartism and social dialogue are the best tools to tailor approaches to particular country contexts.

Societies, economies and labour markets do not operate in silos. They constitute a tightly knitted fabric. What happens in the economy affects markets and society, and vice versa, as is dramatically demonstrated through popular uprisings and food riots.

An essential ILO responsibility today is to continue advocating with sound analysis the benefits of greater coherence and convergence between macroeconomic, social and labour market policies, around people's demands, globally and in countries.

Fourth, continue strengthening management capacities. Since we introduced strategic budgeting, results-based management and enhanced oversight and evaluation functions, we have made much progress. But this is an unending process in which we must always find new ways of saving, of being more efficient and enhancing effectiveness.

I have heard your call for proposals that take into account the extraordinary budget challenges many of your governments are confronting. This has led us to redouble our efforts to focus the proposals on essential priorities, value for money and efficient methods of work. We know our responsibilities in this regard.

Equally, we also have heard many calls for greater assistance to our Constituents, and to expand our service to them. Answering these demands is also our responsibility, and as always your guidance on these issues is welcomed

Dear friends,

The proposals before you are shaped by the guidance you have given us over a period of more than six months. We know the value of an early engagement with the Governing Body. That is why I was determined to have extensive consultations on the programme and budget. My proposals have benefited from your rich inputs.

The proposals build on the lessons learned from the experience of the ILO programme in recent biennia, the impact of the financial crisis and the economic recession, and the responses in different regions to the global job crisis.

We must also consider the future implications for our mandate of rising food, oil, and commodity prices and the potential for widespread food insecurity, together with the emerging signs of higher global inflation as well as the continuing financial and monetary tensions and uncertainties.

All these elements together confirm the continuing relevance of our values, principles and standards. They also point to the continuing need for the Organization to adapt and respond to evolving contexts in a flexible and dynamic manner.

An integrated budget

My proposals are built on an integrated budget, from all sources of funding. Table 6 gives information on the 19 strategic outcomes.

However, it is the regular budget that provides the basic stability to deliver the core mission of the Organization. It covers about two-thirds of total resources available to the ILO over the biennium.

It has remained essentially at the same real level for six biennia now and is 14 per cent below the 1980 level. Since then the number of member States and the demand for our assistance have been growing rapidly.

In recent biennia many countries have also supported the ILO programme through their significant contributions in the form of extra-budgetary resources and the Regular Budget Supplementary Account (RBSA). We are extremely grateful to them for their support.

As you know, we have a conservative policy vis-à-vis extra-budgetary financing. Roughly we have kept a balance of two-thirds regular budget and one third extra-budgetary. This permits us to better weather periods of crisis.

Over the last months, uncertainties as to the predictability of voluntary contributions have grown due to the budgetary restrictions for many donors in the aftermath of the crisis. We have already been hit by the crisis.

Based on conservative estimates, we expect an overall decline in technical cooperation expenditure for the next biennium of approximately US\$80 million. This projected fall in extra-budgetary resources will shrink the ILO resource base by 6.7 per cent as compared to 2010–11. If we take into account the cost increases applicable to extra-budgetary resources, the reduction is even sharper.

It is unfortunate that these trends in extra-budgetary resources occur at a time when demand for our services is higher than ever. Maintaining service levels with

falling resources will be difficult. We will work decisively to return as soon as possible to previous levels of extra-budgetary funding.

We have also been careful to align ongoing costs built into these programme and budget proposals with additional investments necessary to strengthen services to constituents through the Special Programme Account.

The four proposals for one-time investments identified in the paper on the Special Programme Account before you – on international labour standards, Decent Work Country Programmes, the new knowledge system and modernizing information technology are an essential complement to the Programme and Budget proposals for 2012–13.

Regular budget proposals

Let me turn to the composition of my regular budget proposals.

Paragraph 28 of the executive overview details the priorities of the proposals. These can be summarized as follows:

The budget proposals before you again include a special effort for the regions, with an increase of US\$3.2 million, with a priority to Africa. The additional resources will strengthen technical capacity and improve Internet connectivity, in order to respond rapidly and effectively to demands arising from Decent Work Country Programmes and other requests from constituents.

Resources for Human Resource Development, Financial Services, Programming and Management, the Gender Bureau, the International Training Centre in Turin have been maintained at 100 per cent of their current levels. In line with the recommendations of the Independent Evaluation of the Evaluation Function, a real increase of 29 per cent has been proposed for the Evaluation Unit with other oversight provisions being maintained at their current levels.

Resources for technical sectors have been modestly decreased on average. A conscious effort has been made to redeploy resources to reinforce technical capacity in some areas.

These areas include: (i) the application of international labour standards in countries; (ii) labour administration and labour inspection; (iii) social protection, in particular to deepen the ILO's support to the Social Protection Floor initiative; (iv) working time and wages; (v) macroeconomic analysis of policies mixes for employment and social protection; and (vi) rural employment to further develop ILO action, policy views, and application of standards.

Additionally, in view of their active participation in the achievement of all decent work outcomes, a slightly higher level of resources is proposed for the Bureaux for Employers' and for Workers' Activities. Increases are also proposed for our statistical work; for the coordination and maintenance of a new knowledge management system dedicated to real time country policy information; for information technology functions, particularly in the regions and for the International Institute of Labour Studies.

A new budget line is proposed to intensify activities related to South–South and Triangular Cooperation. This is certainly not a new area for the ILO. But demand for expanding this dimension of our work is growing.

For this reason, cross-country and interregional cooperation are factored into most strategies for the 19 outcomes found in the programme and budget proposals. This mirrors recent developments in many member States that, increasingly, resort to South–South and Triangular Cooperation as a means of advancing the Decent Work Agenda.

Knowledge and methods of work

I have not referred thus far to my proposal for a major investment in a new knowledge system. This is unlike the items I have just outlined because it goes much more deeply and comprehensively into the methods of work of the Office. It is designed to improve our services to constituents and in addition it is a specific new product that can be used by the constituents themselves to set priorities and orient policies and programmes.

In our work for the G20 and the scans for the Global Jobs Pact, we saw how necessary and valuable real-time, comprehensive, country-specific policy knowledge was to the evolution of the crisis. The proposal is to put in place a real-time system to gather this knowledge, organize it and make it available for analysis.

By using modern technology to put together in one place what we know about statistics, laws and standards, and labour, economic and social policies for each country, we can make our analytic work and advisory services more cost-effective and more valuable to constituents.

The field structure will be at the core of the system, both to gather and to make direct use of knowledge in the provision of services to constituents.

The new knowledge system encourages and supports new methods of work, cutting across the technical sectors. In many ways it is an appropriate response to the seminal Declaration on Social Justice for a Fair Globalization. The Declaration emphasized the interrelated nature of our strategic objectives. It exhorted us to place greater emphasis on service to constituents. The knowledge system will give us the essential means to address both goals efficiently and effectively.

Cost increases

The provision for cost increases, required to maintain the real value of the budget, is calculated at 2.7 per cent for the biennium, with an overall average cost increase of 5.2 per cent for regional budgets and of 1.6 per cent for headquarters budgets. This represents an overall cost increase of US\$9.7 million annually, of which US\$6.7 million relate to staff costs determined through the United Nations common system which we have the obligation to apply.

Staff costs account for 69 per cent of the overall cost increases. Non-staff cost increases amount to approximately US\$3 million a year.

These projected cost increases were prepared based on the best information available over a month ago. Today they already appear too conservative as inflation is likely to exceed projections.

Suggestions to just keep the nominal level of the budget, and move away from zero real growth would imply real cuts in programmes and services to constituents already affected by extra-budgetary cuts.

Savings

I propose to finance large part of this additional expenditure through efficiency gains in policy-making organs; and in management services and procedures. However the space for major cuts is limited by strict discipline and previous cuts applied over the years.

My proposals include a total of US\$5.1 million of savings. These savings result primarily from tighter working methods in servicing the Governing Body and the Conference, from efficiency gains in support services and administrative procedures, and from the introduction of measures to reduce the cost of travel and to increase the use of videoconferences.

Additional savings are expected to occur within technical units due to efficiencies stemming from the centralization of secretariats and the streamlining of administrative structures in technical sectors at headquarters. These savings will be redeployed within the technical units to increase their substantive activities.

We have earmarked resources to ensure that there is adequate training associated with any cases of redeployment. For the first time, a specific provision of US\$1 million has been proposed as an element of staff costs to minimize disruption to programme delivery as a consequence of long-term medical leave.

I also wish to point out that the ILO budget has absorbed a rising level of additional expenditures decided by your Governing Body without any corresponding increase in the budget level. The details of close to US\$18 million expenditure in the proposed budget are found in paragraph 70.

This is also the case with our involvement with the G20. We have done work for the London, Pittsburgh, Toronto and Seoul Summits and are fully involved with the French Presidency for the Cannes Summit. We already have prepared and are preparing many studies and background material.

In the same manner, we have been active in the present situation in the Arab world and the Middle East. I felt it necessary, within our mandate, to express the opinion of the Office in relation to events in Tunisia, Egypt and the Libyan Arab Jamahiriya. A mission has already visited Tunisia and we are following up on immediate steps. In Egypt we are developing a set of initiatives and are working closely with the independent unions.

To start this work we are re-prioritizing staff time and redirecting RBTC and RBSA resources. This kind of re-prioritizing, which can only take place in real time, is another proof that we constantly seek the best use of resources within the flexibility that is available to us.

Dear members of the Governing Body,

In adopting the Declaration on Social Justice for a Fair Globalization, all Members of the Organization have requested us to strengthen the ILO. This has also been repeated in the context of the Global Jobs Pact. The weak recovery from the crisis in several regions, the popular uprisings in early 2011, the persistent decent work challenges, all confirm that a strong ILO is much needed.

The Decent Work Agenda is a coherent approach that can deliver towards more peace, better growth, greater equity, less poverty and more stable development for economies, enterprises, workplaces and, ultimately, for societies.

We acknowledge your respective fiscal situations. We acknowledge your responsibility to press for a transparent and efficient management of the resources you entrust to us.

We also do see the need for a proactive ILO, discharging fully its constitutional mandate when and where social, economic and political developments allow. It is sometimes easier, sometimes more difficult, but always necessary.

Now and all the more because of the continuing negative effects of the crisis, is the time for a qualitative leap in strengthening the social dimension of globalization; in advancing decent work policies and moving into a new era of social justice.

I ask for your support for my proposals for 2012–13.

I look forward to receiving your comments and guidance as to the role you want the ILO to play in the next programming cycle.

I thank you for your attention.

Appendix II

Director-General's response to the Programme, Financial and Administrative Committee (Geneva, 16 March 2011)

Chairperson of the Governing Body,

Spokespersons,

Dear friends,

I must begin this afternoon by conveying to our Japanese friends, members of this Governing Body, my profound sympathy for what they and their country have been experiencing these past few days. We see the images and are dumbfounded by the power of nature. We see lives, families, communities built up over years, shattered in minutes.

I have conveyed the ILO's sympathy and solidarity to Prime Minister Naoto Kan, to Mr Koga of RENGO and Mr Yonekura of Nippon Keidanren, and Ambassador Suganuma here in Geneva.

Japan has been a true friend of the ILO. We have worked together in a spirit of great respect. Today, I want to give you the wholehearted assurance of our solidarity and respect at this time, which is a time of mourning, a time of ongoing crisis response, and a time of rebuilding in so many ways.

My preface and the overview of the budget have given you the strategic perspectives within which this budget is placed; namely, the high level of relevance and acceptance of ILO policies and the high level of demand for ILO services in the very diversified contexts with in which we operate.

Today, I am responding to a very rich, insightful and practical discussion on the Programme and Budget proposals for 2012–13. I thank you for the quality of your comments and the clarity of the guidance you have provided to the Office.

Let me begin with some key management issues, an area you analysed in detail with many useful, practical suggestions to continually enhance our performance. I can assure you that they will all be seriously taken into account in the implementation of the programme and budget.

We all agree that we must continuously strive to ensure best management practices and ensure value for money in the use of our scarce resources and the expanding demand for our services. This is particularly necessary in the tight budgetary situation in which the ILO operates.

Let me concentrate on six areas.

First, efficiency savings

The Committee as a whole expressed the view that an additional savings and efficiency drive throughout the biennium was essential. All groups and all regions see value for money as a high priority and asked for concrete measures to continue to improve the Office's performance in this area.

This would be over and above what we have achieved during the last five biennia which is by no means insignificant. I might add that the ILO budget has

never, under my administration, overrun its expenditure limit, that is, we have not had a budgetary deficit.

But I am happy to examine additional measures in the implementation of the budget.

Sir Roy stated that his group fully recognized, and welcomed, savings and efficiency gains which have been systematically pursued by the Office, while keeping the real value of its programme. The Workers recognized that there was a limit to the amount of savings we can require from the Office without undermining its capacity to deliver quality service.

In order to move forward, I have decided to adopt the proposal from ASPAG to set up a high-level committee on internal expenditure review “comprising senior ILO officials from across the Office to thoroughly assess all programmes and expenditures on a value-for-money basis and on a continuing basis. Such a process should cover both headquarters and regional operations”.

I will immediately set this in motion. The mandate of this review committee should be broad. It will be charged with submitting appropriate measures to the Senior Management Team.

It will examine structures, procedures, methods of work, expenditure patterns and any other ways that we can identify to provide greater value for money. This would usefully complement the reviews carried out periodically by each senior manager, by the Financial Services Department and by the Senior Management Team.

Second, streamlining publications

IMEC, echoed by the United States and Canada called for an inventory of ILO publications, with a view to ensuring a focus on fewer and lower cost high-quality products under the new knowledge system. Again, I agree. I will request the Research and Publication Committee to prepare such inventory of headquarters and regions and review the criteria currently in force for publications.

For these two measures, we will submit a progress report to the Governing Body at its November 2011 session.

Third, evaluation and oversight

I agree with your recommendation that the Director of the Evaluation Unit report directly to the Director-General. We will also align the appointment procedure of the Director of Evaluation with UN practice in this regard.

I was pleased to see the strong support to the reinforcement of the evaluation function expressed in my proposal for a 29 per cent increase in the budget, as underscored by Sweden speaking on behalf of a group of like-minded donors.

Several speakers – the United States to mention one – underscored the importance of strengthening of the ILO’s oversight functions as an essential means of improving programme effectiveness and governance, consistent with the recommendations of the Independent Oversight Advisory Committee.

There was wide recognition of the efforts made by the Office towards greater transparency and accountability as reflected by the introduction of the risk register. We have heard your call and will continue with further improvements in this area.

Fourth, Governing Body reform

Several of you, for example the United Kingdom, expressed support to governance reform in the ILO and expressed the hope that the Working Party will be able to reach agreement on a reform agenda that will make your work more efficient and effective and – no small thing – less expensive.

For example, the Employers expected that this could lead to a more timely publication of documents. Mr de Robien emphasized the role of the Governing Body in reducing the costs of the functioning of the ILO governing organs, in particular those related to the sessions of the Governing Body and those of the Conference. The Office stands ready to support you in this process. As you know, this is a need I have shared with you repeatedly.

Canada also proposed a reform of Regional Conferences. I propose that your Working Party on the Functioning of the Governing Body and the International Labour Conference extend its task to include proposals on reform to our system of Regional Conferences, with the participation of ILO Regional Directors and especially GB members from the regions. I would welcome proposals in this sense.

Fifth, senior appointments

Several speakers expressed concerns for the delays in the appointment of senior officials, particularly in the case of information technology and communications. Let me assure you I fully share this concern. This situation is being addressed urgently, and I expect to resolve it shortly.

Sixth, knowledge management

Many of you have supported the knowledge system that I have proposed, and I thank you. Let me extend myself a bit on this.

As Mr Julien put it: “de la réussite de cette stratégie dépend, à notre sens, tout le reste de l’avenir de cette maison: la politique normative, la coopération technique, l’analyse des marchés du travail; notre relation avec les autres organisations internationales dépend de la capacité du Bureau à développer cette stratégie des connaissances”.

France spoke of knowledge strengthening as “LA priorité, «LA» en lettres capitales”.

The Republic of Korea added that “knowledge, creation and dissemination should be the core functions of the ILO”.

Several speakers, including Sir Roy, GRULAC and Japan, expressed support to the strengthening of the ILO’s knowledge as a means of delivering effective and efficient services to constituents.

I see this as the best way to respond to the demand that we do more with limited resources. It will require determination, sustained effort and difficult choices and decisions, but I am convinced that it is not only worthwhile, it is essential.

Some of you have commented that the Office’s work on knowledge is still fragmented and that we still need to make progress in rationalizing our work and in linking together our strategies on knowledge, human resources and information technology. You are perfectly correct.

I have laboured since my arrival here to break down silos and to instil policy coherence as a practical reality in all our work. This task has received enormous support through adoption of the Declaration on Social Justice for a Fair Globalization, which clarified the interrelated nature of our work and challenged us to change our work methods to provide better services to constituents. Still, the task is incomplete.

The knowledge strategy is a key component of the way forward. Many of you have recognized that we are making progress, for example through a unified approach to ILO statistics. We will build on and expand these efforts.

The vision underpinning the new knowledge management system is indeed aimed at ensuring greater focus on the quality and timeliness of our knowledge, through a strong, sustainable and coherent effort. This responds to the requests you have voiced on several occasions in Governing Body discussions. The greater emphasis I have mentioned on tighter standards for publications will be part and parcel of this drive.

The search for improved methods of work is driven by our determination to constantly enhance services to constituents. This presumes that we are fully informed about constituents' priorities globally, in regions and in countries and that we have open lines of communication with them. There is no doubt that ACT/EMP and ACTRAV and their regional specialists are playing an important and constructive role in this regard.

They are making good use of our outcome-based work planning process and tools to mainstream constituents' interests under all outcomes. These days I have seen this first hand with ACTRAV's reporting on the crisis in Arab and Middle Eastern countries.

South–South and Triangular Cooperation

Another area in which you supported a new initiatives concerns South–South and Triangular Cooperation.

A large number of speakers, including some speaking on behalf of groups such as the Africa group, GRULAC, ASEAN and Sir Roy, welcomed and supported the new emphasis on South–South and Triangular Cooperation as an important means of realizing the Decent Work Agenda.

I was pleased to hear Brazil, India and South Africa speak highly of the Declaration of Intent they signed last November as in important step in this direction.

The key point about our involvement in South–South and Triangular Cooperation is that it provides leverage to multiply the impact of our work. Building on the expertise and experience found in countries at various levels of development, we can exchange key policy practices around the Decent Work Agenda.

We can support the participation of our constituents from countries providing expertise and those where programmes are implemented. We can demonstrate the relevance of our standards and knowledge. I thank you for supporting this important area of our work.

Programme implementation priorities

Looking towards the future implementation of the programme and budget, several of you identified high priority areas of work or areas where work should be expanded.

One area that clearly attracted a lot of support was youth employment.

Mr Julien suggested that tripartite delegations be dispatched urgently to the countries in North Africa and Middle East and recommended youth employment as one of the two topics – the other one being social dialogue – on which to focus the exchange between the Office and national constituents in those countries.

South Africa, speaking on behalf of the Africa group, called for measures under outcome 2 on skills development including “well-designed active labour market policies, targeted measures to support vulnerable groups, especially the youth”.

Australia spoke of the need for work by the Office to ensure that young people have access to skills development, including to successfully transition from school to work.

China urged the Office to prioritize youth employment, including the employment of the graduates from universities and colleges.

The United Kingdom welcomed continued ILO technical cooperation assistance to constituents to help increase opportunities for youth employment and entrepreneurship, noting that young people’s access to decent jobs remained a concern in many countries.

But many other areas were mentioned as well.

Several speakers, including Sir Roy and South Africa speaking on behalf of the Africa group, spoke of the need to reinforce ILO work on the informal economy. China specifically called upon the Office to focus on the extension of social protection to the least protected workers, in particular those in the informal economy and in rural areas.

For instance, Sir Roy called for an ambitious research agenda on paid work and the care economy which should fit into the emerging new development paradigm and reflect the contribution of unpaid work to economic growth, as well as for more work on skills related to an industrial development strategy.

Mr Julien spoke to employment as the priority strategic objective for his group.

Australia and Germany made a plea to ensure appropriate follow-up to the first recurrent discussion on social security and social protection, which will be held at the Conference next June.

Canada spoke of the need to resource adequately the supervisory system in order to maintain its credibility and effectiveness in the face of increasing workloads.

The United Kingdom asked for continued Office work in assessing recovery policies, including those to strengthen decent work in the context of fiscal consolidation.

All these issues and those reflected in the minutes of the PFAC discussion will be addressed within the existing resources of the regular budget and extra-budgetary funding.

Cost increases

I would like to reiterate the approach that I have taken on zero real growth. I feel that it is in the interests of our Organization and of the contributors to its budget to maintain a steady course.

We have maintained a hard discipline of zero real growth for many biennia. It is not as if our budget had grown disproportionately during the good times and now had to be adjusted in the difficult times. In this sense, our budget is quite different from that of the United Nations.

A first question is whether we can find ways to compress the cost increase estimate of 2.7 per cent. We have thoroughly reviewed this estimate, and discussed specific calculations with members of the Committee. There was wide recognition in the Committee that 2.7 per cent was a very modest estimate.

As you know many of our costs are outside our direct control. Staff costs represent almost 70 per cent of the total and these are determined by the common system.

There are two components of the cost increase where we do have some control. One relates to compensation of units that lose staff to long-term sick leave. This is a recommendation of the Independent Oversight Advisory Committee and represents good practice. I note that some of you do not consider that this is the time to introduce this improvement, and I reluctantly propose to withdraw it. This reduces the cost increase by US\$1,014,786.

The second area where we have some control over costs relates to travel. In my term as Director-General, we have reduced the travel budget in real terms by 47 per cent. Some US\$800,000 in travel reductions are already built into the current proposals. Still, some of you feel that we can do more. I therefore commit us to an additional US\$750,000 of reductions in cost increases for travel. This further reduction goes beyond the total cost increases for all categories of travel contained in my proposals, and therefore represents a cost decrease. This will make control of travel costs a very high management priority.

This brings the total cost increase to just over US\$17 million or some 2.4 per cent. This is as far as we can go with cost increases. Any other reductions can only be achieved through cuts in the real level of the budget.

Distribution of cost increase by ILO member countries

Cost per year	Number of countries	Per cent of membership
Less than 1 000	86	47.0
1 001–10 000	47	25.7
10 001 – 50 000	24	13.1
50 001–200 000	15	8.2
over 200 000	11	6.0
Total	183	100.0

For 172 countries (94 per cent of total) = less than 200,000 per year.

Several of you, including South Africa speaking for the Africa group and Sir Roy, have expressed concern about the projected fall in extra-budgetary expenditure and its impact on the ILO's work. We will of course do all we can to reduce as much as possible the impact on ILO's priorities.

Reallocation of resources

There are a very few areas where you have identified items of the budget that have lower priority. One is eliminating a Regional Meeting for Asia and the Pacific in 2012–13, which will be held this year. This amounts to around US\$550,000.

Another area which you have suggested is of lower priority is the proposed increase in unforeseen expenditure, as highlighted by IMEC and Mexico, among others. Despite the fact that we consistently have more unforeseen expenditure than budgeted, I propose a reduction of US\$500,000 in this part of the budget to bring it to its 2010–11 level.

You challenged us to find some lower priorities that you may not have been able to find. Quite honestly, in the light of your discussions and the wide support for all programmes, the idea of cutting one programme to support others does not result from your comments.

Much as I also think that across-the-board cuts have been used too frequently, I propose one other item: to set the staff development resources in headquarters at 1.75 per cent equivalent to an increase of US\$484,000 relative to 2010–11. This permits savings of US\$830,000.

Finally, I propose a reduction of US\$500,000 in the budget of the ILC.

The International Labour Conference is a great success as a working meeting, as a contribution to global social dialogue and as platform to make the Organization better known. Registration has expanded from 5,000 to 8,000 over the last ten years, and we have benefited from the contributions of many distinguished guests, including Heads of State and Government. It has an ample multiplication effect on ILO issues

Of course such a large meeting has a significant cost. There are ways to reduce costs so long as delegates are disciplined in their requests for services.

For example, we are requested to support more than 700 meetings in the course of the Conference through the provision of rooms and interpretation. We will review the costs of all aspects of the Conference on the basis of experience this year, without eliminating any essential services, and report to you. As I said, I believe that in this way, we can reduce the Conference budget by US\$500,000.

The total of US\$2,340,000 million released by these measures I propose to redeploy to your highest priorities.

First, it is clear that we have to respond to the situation in the Arab States region and the Arab countries of North Africa. We are already taking action, but it must be continued. I therefore propose an additional increase in the resources for the Arab States and Africa regions of US\$450,000. This will be used to reinforce our capacity for rapid initial action and follow-up in ways that will depend on developments on the ground.

Second, there was a call for increased resources for Eastern Europe, which has been especially heavily hit by the crisis. I propose an additional US\$150,000, with emphasis on measures for youth employment.

Third, the need for strengthened action on youth employment affects all regions. I therefore propose an additional US\$900,000 for practical country-level work on skills development, hiring subsidies, apprenticeships and other measures. Of this amount 60 per cent will be placed in the regional budgets.

Fourth, there were a number of calls for action related to the informal economy. This included a number of related themes: moving from informality to formality, small enterprise development, productivity, working conditions, labour inspection, extension of social protection. I propose an allocation of US\$500,000 to help develop coherent and converging policies on the informal economy. Once again with 60 per cent of the resources in the regions.

Finally, you have often expressed disappointment at the rate of IRIS roll-out. With the Internet connectivity issue solved, I believe that additional support is necessary. I propose an allocation of some US\$375,000 for this purpose, which will be allocated to the unified IRIS team that I will set up in conformity with the recommendations of the IOAC.

The sum total of these changes is a zero real growth budget with a reduced cost increase of 2.4 per cent, accompanied by the reallocations I have mentioned.

Role and support to ILO

Dear friends,

Let me finish with what is for me a major outcome of our discussion.

There was very strong agreement among all speakers on the relevance of the Decent Work Agenda, the Declaration of Social Justice for a Fair Globalization, the Global Jobs Pact and its standard-setting and policy tools.

The central role of the ILO in helping to achieve sustainable, balanced and fair growth in the uncertain conditions of today's world was repeatedly highlighted.

Sir Roy Trotman stated that "the ILO was never as relevant as it is now" and encouraged the Office "to take a prominent role within the G20, or G8 process and the UN structures, in order to promote a development model that promotes equity, rights and decent jobs".

Mr Julien stated "Pour être entendu à l'extérieur le BIT doit être fort à l'intérieur. Ses axes de travail sont les bons, c'est ce que manifeste ce programme et budget. Le BIT n'est pas à côté du sujet. Sa place dans le concert international est devenue centrale et nous devons nous en féliciter. Les investissements que le BIT doit consentir pour renforcer son expertise sont la clé de sa réussite."

South Africa, speaking on behalf of the Africa group, alluded to the ILO as "an indispensable partner in that it brings the balance between States and markets, between society and individuals and today between economic, social and environmental policies for sustainable development".

The United States added that the ILO "has a unique and important role to play in addressing and promoting solutions to the global employment crisis".

Australia spoke of the role of the ILO in assisting member States to respond to the crisis and facilitating their crisis recovery.

Austria welcomed the fundamental thrust of the programme and budget proposals in trying to overcome the crisis and the follow-up to that.

So we have a strong consensus on the positioning of the ILO globally and in countries. And we have also wide acknowledgement that our work can make a difference.

Also, most importantly, many speakers praised the quality of ILO assistance to constituents and our contribution to shaping a fair and more balanced global architecture, or reacting in real time to their needs.

Argentina recalled that the ILO was the first UN organization that provided support to the country in the aftermath of the 2001 economic crisis, and the first country to implement a Decent Work Country Programme.

This is what is also happening today with our monitoring of the situation of Arab countries where we have been particularly active. A mission to Tunis took place on 2–4 February which identified concrete immediate action in support of dialogue and trade unions.

This weekend, I undertook a high-level mission to Egypt. On this occasion, the Minister of Labour announced the political decision to implement freedom of association in practice and law. The Finance Minister requested assistance on wages, unemployment insurance and youth employment.

We are already working on follow-up. These activities and the monitoring of the ongoing processes in the region show our capacity for rapid adaptability.

Ghana recalled the support received for the introduction of the national health insurance scheme and the expansion of social security to cover all persons, and asked that assistance in this area be extended to other countries in the regions as well.

Kenya expressed appreciation for the support received on social protection.

India spoke of the relevance of ILO support in drafting the national policy on HIV and AIDS and the world of work and the development of a national occupational safety and health policy.

Several speakers, including the United States, applauded the excellent work done in support of the G20.

Dear friends,

Thank you for your support. Thank you for the clarity with which you have expressed certain preoccupations. Thank you for the many who expressed backing for a zero real growth budget as originally presented.

As you consider these proposals, I wish to make a plea to the permanent members of the Governing Body.

The Organization has recognized your importance by ensuring your continued presence in the Governing Body, a visionary institutional decision that dates back to 1919. This is the only specialized agency of the United Nations where you have this right.

I thank you for the fact that in exercising this privilege you have also acted with a sense of particular responsibility for the overall interests of the Organization.

In these difficult times that all countries are going through in budgetary and fiscal matters, I hope that as permanent members, you will again reflect on the wider interest of the institution and the special position you hold in our governance system.

In closing, let me recall the gist of my proposals.

Our programme is technically strong. Our services are highly valued.

Our new knowledge management strategy should provide you with better value.

Our constant policy of fiscal prudence and conservative management will be pursued.

We are ready to do more.

I have further reduced the already modest cost increase in those areas where it is possible for me to do so.

I have redeployed some resources to some high priority areas you have identified.

I will immediately set in motion procedures that should enable us to identify additional efficiencies and savings.

You are to decide on reforms in the Governing Body organs that can have major effects on the costs of your meetings. Where a consensus can be reached, further reforms are possible. I suggest a new look at our Regional Meetings.

For a majority of constituents, the ILO needs to stick to its constant discipline of zero real growth.

This is what I ask you to uphold. In so doing to uphold the role of the ILO; its constitutional mandate; its voice; its presence among constituent in all your countries; its presence in the international scene, and with your guidance, the efficiency and effectiveness of all we do.

In anticipation, I thank you for your support.

Appendix II

**Director-General's proposals for
adjustments to the Programme and Budget
proposals for 2012–13
(GB.310/PFA/2/1(Rev.))**



Governing Body

310th Session, Geneva, March 2011

GB.310/PFA/2/1(Rev.)

Programme, Financial and Administrative Committee

PFA

FOR DECISION

SECOND ITEM ON THE AGENDA

Programme and Budget proposals for 2012–13

Director-General's proposals for adjustments to the Programme and Budget proposals for 2012–13

1. Attached are two appendices summarizing the proposed adjustments to the original proposals and the revised budget totals resulting from these adjustments.
2. Appendix I details the adjustments to the budget in constant dollars.
3. Appendix II summarizes the revised proposals taking account of the revisions to cost increases and the programme adjustments indicated in Appendix I. The net effect of these adjustments is to reduce the nominal level of the proposals by \$1,768,046 from \$746,215,794 to \$744,447,748.
4. The Director-General will present his explanation of these adjustments prior to their discussion by the Committee.
5. *The Committee may accordingly wish:*
 - (a) *to propose that the Governing Body recommend to the International Labour Conference at its 100th Session (June 2011) a provisional programme level of \$744,447,748 estimated at the 2010–11 budget exchange rate of 1.07 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;*
 - (b) *to submit to the Governing Body for proposal to the Conference at the same session a resolution for the adoption of the programme and budget for the 73rd financial period (2012–13) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 73rd financial period, ending 31 December 2013, the budget of expenditure for the International Labour Organization amounting to \$..... and the budget of income amounting to \$....., which, at the budget rate of exchange of Swiss francs to the US dollar amounts to Swiss francs, and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Geneva, 16 March 2011

Point for decision: Paragraph 5

Appendix I

Adjustments to the operational budget

	Revised budget 2010-11	Budget proposals 2012-13	Proposed adjustments	Revised budget proposals 2012-13
(in constant 2010-11 US\$)				
PART I				
Policy-making organs				
International Labour Conference	13 927 896	13 649 338	(500 000)	13 149 338
Governing Body	5 775 844	5 487 053	-	5 487 053
Major Regional Meetings	1 110 627	844 512	(547 325)	297 187
Legal Services	3 443 313	3 443 313	(8 389)	3 434 924
Relations, meetings and document services	54 919 998	53 101 723	(115 697)	52 986 026
	79 177 678	76 525 939	(1 171 411)	75 354 528
Strategic objectives				
Technical sectors				
Employment				
Economic and labour market analysis	8 045 097	8 597 930	(18 834)	8 579 096
Skills and employability	7 433 992	7 375 088	344 329	7 719 417
Employment policy	9 401 973	8 516 695	(18 495)	8 498 200
Job Creation and enterprise	15 219 523	15 033 849	168 689	15 202 538
Executive Director's Office and Central Support	6 420 076	6 039 071	(12 453)	6 026 618
Regular budget technical cooperation	2 436 552	2 436 552	-	2 436 552
	48 957 213	47 999 185	463 236	48 462 421
Social protection				
Social Security	9 228 386	9 333 959	(22 778)	9 311 181
Labour Protection	21 408 844	20 967 043	(44 706)	20 922 337
Executive Director's Office and Central Support	2 933 828	2 903 292	(6 518)	2 896 774
Regular budget technical cooperation	1 345 302	1 345 302	-	1 345 302
	34 916 360	34 549 596	(74 002)	34 475 594
Social dialogue				
Employers' Activities	5 674 202	5 924 201	(13 622)	5 910 579
Workers' Activities	13 988 771	14 238 778	(29 931)	14 208 847
Industrial and employment relations	6 562 517	6 233 748	(13 904)	6 219 844
Labour Administration and labour inspection	4 256 554	4 500 790	(10 313)	4 490 477
Sectoral Activities	13 714 137	13 164 740	(24 553)	13 140 187
Executive Director's Office and Central Support	2 868 084	2 724 377	(6 384)	2 717 993
Regular budget technical cooperation	8 670 207	8 670 207	-	8 670 207
	55 734 472	55 456 841	(98 707)	55 358 134
Standards and fundamental principles and rights at work				
Fundamental Principles and Rights at Work	7 024 223	7 754 148	(15 276)	7 738 872
International Labour Standards	24 971 747	24 461 412	(53 027)	24 408 385
Executive Director's Office and Central Support	4 361 623	3 913 087	(6 522)	3 906 565
Regular budget technical cooperation	1 493 459	1 493 459	-	1 493 459
	37 851 052	37 622 106	(74 825)	37 547 281
Cross-cutting programmes				
Communications and public information	26 038 709	26 739 417	(53 902)	26 685 515
Partnership and development cooperation	10 266 150	9 854 575	(15 248)	9 839 327
Gender equality	3 000 953	3 000 953	(5 828)	2 995 125
Support to UN reform and inter-agency programmes	1 557 882	-	-	0
International Institute for Labour Studies	5 776 699	5 944 683	(14 461)	5 930 222
International Training Centre of the ILO, Turin	7 609 877	7 609 877	-	7 609 877
Policy integration	7 803 369	7 647 346	(15 846)	7 631 500
Statistics	9 466 074	9 923 581	(20 840)	9 902 741
Technical Meetings Reserve	1 435 558	646 607	-	646 607
Support to South-South and Triangular Cooperation	-	1 457 507	(1 121)	1 456 386
	72 955 271	72 824 546	(127 246)	72 697 300
Total technical programmes	250 414 368	248 452 274	88 456	248 540 730

	Revised budget 2010-11	Budget proposals 2012-13	Proposed adjustments	Revised budget proposals 2012-13
(in constant 2010-11 US\$)				
Regions				
Field Programmes in Africa	68 455 998	70 038 696	486 442	70 525 138
Field Programmes in the Americas	54 504 521	55 457 008	208 160	55 665 168
Field Programmes in Arab States	14 308 547	14 500 622	279 647	14 780 269
Field Programmes in Asia and the Pacific	61 482 231	61 918 801	234 808	62 153 609
Field Programmes in Europe and Central Asia	21 193 998	21 212 542	230 943	21 443 485
	219 945 295	223 127 669	1 440 000	224 567 669
Support services				
Information Technology and Communications	27 713 990	29 575 257	341 606	29 916 863
Facilities Management	20 531 708	20 018 072	(11 754)	20 006 318
Central Services, Security and Protocol	26 547 120	26 061 549	(43 187)	26 018 362
Procurement	2 500 689	2 500 689	(5 871)	2 494 818
	77 293 507	78 155 567	280 794	78 436 361
Total strategic objectives	547 653 170	549 735 510	1 809 250	551 544 760
Management services				
General Management	9 066 536	8 609 847	(18 074)	8 591 773
Human Resources Development	22 294 652	22 294 652	(42 014)	22 252 638
Financial Services	15 331 141	15 331 141	(36 525)	15 294 616
Programming and Management	8 732 441	8 732 441	(20 297)	8 712 144
Executive Director's Office, management and administration	1 625 804	1 544 385	(3 384)	1 541 001
	57 050 574	56 512 466	(120 294)	56 392 172
Oversight and evaluation				
Internal audit and oversight	2 414 034	2 414 034	(5 604)	2 408 430
Independent Oversight Advisory committee	343 561	343 561	(364)	343 197
Ethics function	201 482	201 482	-	201 482
Evaluation	2 075 490	2 682 997	(5 474)	2 677 523
	5 034 567	5 642 074	(11 442)	5 630 632
Other budgetary provisions	40 113 417	40 113 417	(6 103)	40 107 314
Adjustment for staff turnover	-6 104 967	-6 104 967	-	-6 104 967
TOTAL PART I	722 924 439	722 424 439	500 000	722 924 439
PART II. UNFORESEEN EXPENDITURE				
Unforeseen expenditure	875 000	1 375 000	(500 000)	875 000
PART III. WORKING CAPITAL FUND				
Working Capital Fund	-	-	-	-
TOTAL (PARTS I-III)	723 799 439	723 799 439	-	723 799 439
PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS				
Accommodation	2 920 561	2 920 561	-	2 920 561
TOTAL PART IV	2 920 561	2 920 561	-	2 920 561
TOTAL (PARTS I-IV)	726 720 000	726 720 000	-	726 720 000

Appendix II

Provisional programme level for 2012–13
resulting from the adjustments proposed by the
Director-General (in constant US\$)

		2012-13 provisional level (US\$)	
Part I	Ordinary budget		
	Initial proposals	722 424 439	
	Net programme adjustments as per Appendix I	500 000	
	New proposal		722 924 439
Part II	Unforeseen expenditure		
	Initial proposals	1 375 000	
	Net programme adjustments as per Appendix I	-500 000	
	New proposal		875 000
Part III	Working capital fund		-
Part IV	Institutional investments and extraordinary items		2 920 561
Provisional programme level (in constant dollars)			726 720 000
Cost increases			
	Initial cost increases	19 495 794	
	Reduction in cost increase due to programme adjustments	-3 260	
	Reduction in provision for cost increases	-1 764 786	
	New proposal		17 727 748
	<i>Total adjustments</i>	-1 768 046	
Provisional programme level (Recosted)			744 447 748

Comparison with 2010-11 Programme and Budget

		2010-11 Budget	2012-13 Provisional level	Increase/ (Decrease) compared with 2010-11
		(in US dollars)		
Part I	Ordinary budget	722 924 439	722 924 439	-
	Cost increase		17 669 224	17 669 224
Part II	Unforeseen expenditure	875 000	875 000	-
Part III	Working capital fund	-	-	-
Part IV	Institutional investments and extraordinary items	2 920 561	2 920 561	-
	Cost increase		58 524	58 524
Total budget (Parts I - IV)		726 720 000	744 447 748	17 727 748

Appendix III

**Report of the Government members
of the Committee on Allocations Matters
(GB.310/10/4(Rev.))**



Governing Body

310th Session, Geneva, March 2011

GB.310/10/4(Rev.)

TENTH ITEM ON THE AGENDA

Reports of the Programme, Financial and Administrative Committee

Report of the Government members of the Committee on Allocations Matters

1. The Government members of the Programme, Financial and Administrative Committee of the Governing Body met on 18 March 2011. The meeting was chaired by Ambassador István Major, Chairperson of the Government group of the Governing Body, who also acted as Reporter.

Scale of assessments of contributions to the budget for 2012 (First item on the agenda)

2. The Government members considered a paper ¹ proposing a scale of assessments for ILO member States for 2012.
3. *The Government members recommend to the Governing Body that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, it base the ILO scale of assessments for 2012 on the UN scale for 2010–12, and that it accordingly propose to the Conference the adoption of the draft scale of assessments for 2012 as set out in column 3 of the appendix to this paper, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.*

Geneva, 18 March 2011

(Signed) István Major
Reporter

Point for decision: Paragraph 3

¹ GB.310/PFA/GMA/1.

Appendix

Scale of assessments

State	ILO assessments 2011 Col. 1 (%)	UN assessments 2010–12 Col. 2 (%)	Draft ILO scale of assessments 2012 Col. 3 (%)	Increase (Decrease) (Difference between cols 3 and 1) Col. 4 (%)
1 Afghanistan	0.004	0.004	0.004	-
2 Albania	0.010	0.010	0.010	-
3 Algeria	0.128	0.128	0.128	-
4 Angola	0.010	0.010	0.010	-
5 Antigua and Barbuda	0.002	0.002	0.002	-
6 Argentina	0.287	0.287	0.287	-
7 Armenia	0.005	0.005	0.005	-
8 Australia	1.934	1.933	1.934	-
9 Austria	0.852	0.851	0.852	-
10 Azerbaijan	0.015	0.015	0.015	-
11 Bahamas	0.018	0.018	0.018	-
12 Bahrain	0.039	0.039	0.039	-
13 Bangladesh	0.010	0.010	0.010	-
14 Barbados	0.008	0.008	0.008	-
15 Belarus	0.042	0.042	0.042	-
16 Belgium	1.076	1.075	1.076	-
17 Belize	0.001	0.001	0.001	-
18 Benin	0.003	0.003	0.003	-
19 Bolivia, Plurinational State of	0.007	0.007	0.007	-
20 Bosnia and Herzegovina	0.014	0.014	0.014	-
21 Botswana	0.018	0.018	0.018	-
22 Brazil	1.612	1.611	1.612	-
23 Brunei Darussalam	0.028	0.028	0.028	-
24 Bulgaria	0.038	0.038	0.038	-
25 Burkina Faso	0.003	0.003	0.003	-
26 Burundi	0.001	0.001	0.001	-
27 Cambodia	0.003	0.003	0.003	-
28 Cameroon	0.011	0.011	0.011	-
29 Canada	3.208	3.207	3.208	-
30 Cape Verde	0.001	0.001	0.001	-
31 Central African Republic	0.001	0.001	0.001	-
32 Chad	0.002	0.002	0.002	-
33 Chile	0.236	0.236	0.236	-
34 China	3.190	3.189	3.190	-
35 Colombia	0.144	0.144	0.144	-
36 Comoros	0.001	0.001	0.001	-
37 Congo	0.003	0.003	0.003	-
38 Costa Rica	0.034	0.034	0.034	-
39 Côte d'Ivoire	0.010	0.010	0.010	-
40 Croatia	0.097	0.097	0.097	-
41 Cuba	0.071	0.071	0.071	-
42 Cyprus	0.046	0.046	0.046	-
43 Czech Republic	0.349	0.349	0.349	-
44 Democratic Republic of the Congo	0.003	0.003	0.003	-
45 Denmark	0.736	0.736	0.736	-
46 Djibouti	0.001	0.001	0.001	-
47 Dominica	0.001	0.001	0.001	-
48 Dominican Republic	0.042	0.042	0.042	-
49 Ecuador	0.040	0.040	0.040	-

State	ILO assessments 2011 Col. 1 (%)	UN assessments 2010–12 Col. 2 (%)	Draft ILO scale of assessments 2012 Col. 3 (%)	Increase (Decrease) (Difference between cols 3 and 1) Col. 4 (%)	
50	Egypt	0.094	0.094	0.094	-
51	El Salvador	0.019	0.019	0.019	-
52	Equatorial Guinea	0.008	0.008	0.008	-
53	Eritrea	0.001	0.001	0.001	-
54	Estonia	0.040	0.040	0.040	-
55	Ethiopia	0.008	0.008	0.008	-
56	Fiji	0.004	0.004	0.004	-
57	Finland	0.566	0.566	0.566	-
58	France	6.126	6.123	6.126	-
59	Gabon	0.014	0.014	0.014	-
60	Gambia	0.001	0.001	0.001	-
61	Georgia	0.006	0.006	0.006	-
62	Germany	8.021	8.018	8.021	-
63	Ghana	0.006	0.006	0.006	-
64	Greece	0.691	0.691	0.691	-
65	Grenada	0.001	0.001	0.001	-
66	Guatemala	0.028	0.028	0.028	-
67	Guinea	0.002	0.002	0.002	-
68	Guinea-Bissau	0.001	0.001	0.001	-
69	Guyana	0.001	0.001	0.001	-
70	Haiti	0.003	0.003	0.003	-
71	Honduras	0.008	0.008	0.008	-
72	Hungary	0.291	0.291	0.291	-
73	Iceland	0.042	0.042	0.042	-
74	India	0.534	0.534	0.534	-
75	Indonesia	0.238	0.238	0.238	-
76	Iran, Islamic Republic of	0.233	0.233	0.233	-
77	Iraq	0.020	0.020	0.020	-
78	Ireland	0.498	0.498	0.498	-
79	Israel	0.384	0.384	0.384	-
80	Italy	5.001	4.999	5.001	-
81	Jamaica	0.014	0.014	0.014	-
82	Japan	12.535	12.530	12.535	-
83	Jordan	0.014	0.014	0.014	-
84	Kazakhstan	0.076	0.076	0.076	-
85	Kenya	0.012	0.012	0.012	-
86	Kiribati	0.001	0.001	0.001	-
87	Korea, Republic of	2.261	2.260	2.261	-
88	Kuwait	0.263	0.263	0.263	-
89	Kyrgyzstan	0.001	0.001	0.001	-
90	Lao People's Democratic Republic	0.001	0.001	0.001	-
91	Latvia	0.038	0.038	0.038	-
92	Lebanon	0.033	0.033	0.033	-
93	Lesotho	0.001	0.001	0.001	-
94	Liberia	0.001	0.001	0.001	-
95	Libyan Arab Jamahiriya	0.129	0.129	0.129	-
96	Lithuania	0.065	0.065	0.065	-
97	Luxembourg	0.090	0.090	0.090	-
98	Madagascar	0.003	0.003	0.003	-
99	Malawi	0.001	0.001	0.001	-
100	Malaysia	0.253	0.253	0.253	-
101	Maldives, Republic of	0.001	0.001	0.001	-
102	Mali	0.003	0.003	0.003	-
103	Malta	0.017	0.017	0.017	-
104	Marshall Islands	0.001	0.001	0.001	-
105	Mauritania	0.001	0.001	0.001	-
106	Mauritius	0.011	0.011	0.011	-

State	ILO assessments 2011 Col. 1 (%)	UN assessments 2010–12 Col. 2 (%)	Draft ILO scale of assessments 2012 Col. 3 (%)	Increase (Decrease) (Difference between cols 3 and 1) Col. 4 (%)
107 Mexico	2.357	2.356	2.357	-
108 Moldova, Republic of	0.002	0.002	0.002	-
109 Mongolia	0.002	0.002	0.002	-
110 Montenegro	0.004	0.004	0.004	-
111 Morocco	0.058	0.058	0.058	-
112 Mozambique	0.003	0.003	0.003	-
113 Myanmar	0.006	0.006	0.006	-
114 Namibia	0.008	0.008	0.008	-
115 Nepal	0.006	0.006	0.006	-
116 Netherlands	1.856	1.855	1.856	-
117 New Zealand	0.273	0.273	0.273	-
118 Nicaragua	0.003	0.003	0.003	-
119 Niger	0.002	0.002	0.002	-
120 Nigeria	0.078	0.078	0.078	-
121 Norway	0.872	0.871	0.872	-
122 Oman	0.086	0.086	0.086	-
123 Pakistan	0.082	0.082	0.082	-
124 Panama	0.022	0.022	0.022	-
125 Papua New Guinea	0.002	0.002	0.002	-
126 Paraguay	0.007	0.007	0.007	-
127 Peru	0.090	0.090	0.090	-
128 Philippines	0.090	0.090	0.090	-
129 Poland	0.828	0.828	0.828	-
130 Portugal	0.511	0.511	0.511	-
131 Qatar	0.135	0.135	0.135	-
132 Romania	0.177	0.177	0.177	-
133 Russian Federation	1.603	1.602	1.603	-
134 Rwanda	0.001	0.001	0.001	-
135 Saint Kitts and Nevis	0.001	0.001	0.001	-
136 Saint Lucia	0.001	0.001	0.001	-
137 Saint Vincent and the Grenadines	0.001	0.001	0.001	-
138 Samoa	0.001	0.001	0.001	-
139 San Marino	0.003	0.003	0.003	-
140 Sao Tome and Principe	0.001	0.001	0.001	-
141 Saudi Arabia	0.831	0.830	0.831	-
142 Senegal	0.006	0.006	0.006	-
143 Serbia	0.037	0.037	0.037	-
144 Seychelles	0.002	0.002	0.002	-
145 Sierra Leone	0.001	0.001	0.001	-
146 Singapore	0.335	0.335	0.335	-
147 Slovakia	0.142	0.142	0.142	-
148 Slovenia	0.103	0.103	0.103	-
149 Solomon Islands	0.001	0.001	0.001	-
150 Somalia	0.001	0.001	0.001	-
151 South Africa	0.385	0.385	0.385	-
152 Spain	3.178	3.177	3.178	-
153 Sri Lanka	0.019	0.019	0.019	-
154 Sudan	0.010	0.010	0.010	-
155 Suriname	0.003	0.003	0.003	-
156 Swaziland	0.003	0.003	0.003	-
157 Sweden	1.065	1.064	1.065	-
158 Switzerland	1.131	1.130	1.131	-
159 Syrian Arab Republic	0.025	0.025	0.025	-
160 Tajikistan	0.002	0.002	0.002	-
161 Tanzania, United Republic of	0.008	0.008	0.008	-
162 Thailand	0.209	0.209	0.209	-
163 The former Yugoslav Republic of Macedonia	0.007	0.007	0.007	-

Draft Programme and Budget for 2012–13 and other questions

State	ILO assessments 2011 Col. 1 (%)	UN assessments 2010–12 Col. 2 (%)	Draft ILO scale of assessments 2012 Col. 3 (%)	Increase (Decrease) (Difference between cols 3 and 1) Col. 4 (%)
164 Timor-Leste	0.001	0.001	0.001	-
165 Togo	0.001	0.001	0.001	-
166 Trinidad and Tobago	0.044	0.044	0.044	-
167 Tunisia	0.030	0.030	0.030	-
168 Turkey	0.617	0.617	0.617	-
169 Turkmenistan	0.026	0.026	0.026	-
170 Tuvalu	0.001	0.001	0.001	-
171 Uganda	0.006	0.006	0.006	-
172 Ukraine	0.087	0.087	0.087	-
173 United Arab Emirates	0.391	0.391	0.391	-
174 United Kingdom	6.607	6.604	6.607	-
175 United States	22.000	22.000	22.000	-
176 Uruguay	0.027	0.027	0.027	-
177 Uzbekistan	0.010	0.010	0.010	-
178 Vanuatu	0.001	0.001	0.001	-
179 Venezuela, Bolivarian Republic of	0.314	0.314	0.314	-
180 Viet Nam	0.033	0.033	0.033	-
181 Yemen	0.010	0.010	0.010	-
182 Zambia	0.004	0.004	0.004	-
183 Zimbabwe	0.003	0.003	0.003	-
TOTAL	100.000	99.969	100.000	0.000

Appendix IV

Composition of the Administrative Tribunal of the ILO (GB.310/PFA/14/1)



Governing Body

310th Session, Geneva, March 2011

GB.310/PFA/14/1

Programme, Financial and Administrative Committee

PFA

FOR DECISION

FOURTEENTH ITEM ON THE AGENDA

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal

Overview

Issues covered

This paper contains proposals concerning the renewal and appointment of judges of the Administrative Tribunal of the ILO.

Policy implications

None.

Legal implications

Proposed submission of a draft resolution to the Conference for renewal of the term of office of one judge for three years and appointment of a new judge for a term of office of three years.

Financial implications

None.

Decision required

Paragraph 5.

References to other Governing Body documents and ILO instruments

None.

1. Pursuant to article III of its Statute, the Administrative Tribunal consists of seven judges appointed for three years by the Conference of the International Labour Organization. The present composition of the Tribunal as confirmed by the Conference is the following:
 - Ms Mary G. Gaudron (Australia), President: term of office expires in July 2011;
 - Mr Seydou Ba (Senegal), Vice-President: term of office expires in July 2012;
 - Mr Agustín Gordillo (Argentina): term of office expires in July 2013;
 - Mr Claude Rouiller (Switzerland): term of office expires in July 2013;
 - Mr Giuseppe Barbagallo (Italy): term of office expires in July 2012;
 - Ms Dolores M. Hansen (Canada): term of office expires in July 2012;
 - Mr Patrick Frydman (France): term of office expires in July 2013.
2. The term of office of Ms Gaudron is due to expire in July 2011. Ms Gaudron has expressed her willingness and availability to accept a new three-year term. In addition, Mr Gordillo, whose term of office was due to expire in July 2013, has communicated his resignation due to ill health. There is therefore a vacancy to be filled.
3. In keeping with long-standing practice, the Director-General, after consultation with the Officers of the Governing Body, examines potential candidatures for the position of Judge of the Administrative Tribunal on the basis of several criteria: candidates must have experience as judges of a high national jurisdiction or equivalent status at the international level and must be representative of different systems of law. An overall balance at the linguistic and geographical levels must also be ensured. The Director-General then recommends to the Governing Body, through its Programme, Financial and Administrative Committee, the names of persons that the Conference will be invited to nominate as judges in order to fill the vacant posts in the Tribunal.
4. The Director-General, after consultation with the Officers of the Governing Body, therefore wishes to propose the following appointment for a period of three years:
 - Ms Suzie d’Auvergne (Saint Lucia)

Born in Saint Lucia in 1942, Judge on the Administrative Tribunal of the Organization of American States. Bachelor of Law LL.B (Hons) (External) from London University, England (1972). Admitted to the Bar at Middle Temple, London (1974), Saint Lucia Bar (1975). Magistrate of the First District Court of Saint Lucia and Additional Magistrate to the Second District Court of Saint Lucia (1979–82). Director of Public Prosecutions (1982–88); Solicitor General of Saint Lucia (1988–90). Puisne Judge of the Eastern Caribbean States (1990–2004). Judge on the Court of Appeal of the Organization of the Eastern Caribbean States (2004). Chairperson, Constitutional Reform Commission, Saint Lucia (2005–10). Linguistic skills: English (mother tongue) and French (read and spoken).
5. *The Committee may accordingly wish, through the draft resolution below:*
 - (a) *to recommend to the Governing Body, and through it to the Conference, that they convey their appreciation to Mr Gordillo for the services he has rendered as judge of the Tribunal;*

(b) to recommend to the Governing Body that it propose to the 100th Session of the International Labour Conference:

- (i) the renewal of the term of office of Ms Gaudron for three years;**
- (ii) the appointment of Ms d’Auvergne for a term of office of three years.**

The General Conference of the International Labour Organization,

Decides, in accordance with article III of the Statute of the Administrative Tribunal of the International Labour Organization,

- (a) to express to Mr Agustín Gordillo its appreciation for the services he has rendered to the work of the Administrative Tribunal as judge;
- (b) to renew the appointment of Ms Mary G. Gaudron (Australia) for a term of three years;
- (c) to appoint Ms Suzie d’Auvergne (Saint Lucia) for a term of three years.

Geneva, 22 March 2011

Point for decision: Paragraph 5