



Governing Body

313th Session, Geneva, 15–30 March 2012

GB.313/PFA/PV/Draft

Programme, Financial and Administrative Section

PFA

Warning: this document is a draft and may contain omissions or errors. It is made available solely for the purpose of verification and correction. Persons referred to in this document are not to be regarded as bound by statements attributed to them. The ILO declines all responsibility for any errors or omissions which this document may contain, or for any use which may be made of it by third parties.

DRAFT MINUTES

Programme, Financial and Administrative Section

Contents

	<i>Page</i>
Programme, Financial and Administrative Segment.....	1
First item on the agenda	
ILO programme implementation 2010–11 (GB.313/PFA/1 and GB.313/PFA/1(Add.)).....	1
Second item on the agenda	
Delegation of authority under article 18 of the Standing Orders of the International Labour Conference (GB.313/PFA/2)	11
Third item on the agenda	
Other financial questions	11
Scale of assessment of contributions to the budget for 2013 (GB.313/PFA/3/1)	11
Building questions (GB.313/PFA/INF/2(Add.) and GB.313/PFA/3/2).....	12
Audit and Oversight Segment	18
Fourth item on the agenda	
Follow-up to the report of the Chief Internal Auditor for the year ended 31 December 2010 (GB.313/PFA/4)	18
Fifth item on the agenda	
Report of the Chief Internal Auditor for the year ended 31 December 2011 (GB.313/PFA/5).....	19
Sixth item on the agenda	
Independent Oversight Advisory Committee (IOAC): Annual report (GB.313/PFA/6/1(Rev.)).....	20
Independent Oversight Advisory Committee (IOAC): Proposed membership and selection process (GB.313/PFA/6/2(Rev.)).....	23

Seventh item on the agenda	
Other questions.....	24
Office response to the suggestions and recommendations of the annual evaluation report 2010–11 (GB.313/PFA/7/1).....	24
Personnel Segment	25
Eighth item on the agenda	
Statement by the staff representative	25
Ninth item on the agenda	
Matters relating to the Administrative Tribunal of the ILO	26
Composition of the Tribunal (GB.313/PFA/9)	26
Tenth item on the agenda	
Other personnel questions (GB.313/PFA/10/1 and GB.313/INF/7)	27
<i>Appendices</i>	
I. Statement by the Director-General to the Programme, Financial and Administrative Section of the Governing Body (313th Session – March 2012)	29
II. Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (313th Session – March 2012)	37
III. Update of member States' contributions received between 29 February 2012 and 23 March 2012	40
IV. Draft scale of assessments of contributions to the budget for 2013	41
V. Independent Oversight Advisory Committee (IOAC)	46

1. The Programme, Financial and Administrative Section of the Governing Body met on 22, 23 and 29 March 2012. It was chaired by the Chairperson of the Governing Body. Mr Julien and Ms Sundnes were the Employer and Worker spokespersons.
2. The order of discussion proposed in document GB.313/PFA/TOB was agreed.

Programme, Financial and Administrative Segment

First item on the agenda

ILO programme implementation 2010–11 (GB.313/PFA/1 and GB.313/PFA/1(Add.))

3. *The Director-General*, in his introductory remarks, provided an overview of the ILO's performance in 2010–11 on the basis of the documents before the Governing Body, and recalled the programme, finance and administrative reforms introduced by the Office over the past decade (Appendix I).
4. *The Worker spokesperson* welcomed the new format of the implementation report. It was shorter and more user-friendly and had a structure that facilitated comparisons of results across outcomes. The large number of results reported on could also be of interest to other United Nations (UN) agencies and development partners. The sections headed "Linkages to other outcomes", "Building the capacity of constituents" and "Lessons learned and the way forward" were particularly welcome. She drew attention to four interrelated points. Firstly, results should reflect needs. Work had to take into account real needs, even when results might be difficult to achieve or might be achieved only in the long term. Secondly, extra-budgetary resources needed to be allocated to country programme outcomes and global products in a manner that reflected needs, and not merely in support of activities leading to short-term results. Thirdly, more efforts were needed to capture the qualitative dimensions of the results, including those of the measurement criteria. Fourthly, future implementation reports should better reflect information-matching synergies established to address needs arising out of Decent Work Country Programmes (DWCPs) and the follow-up on decisions made by the governing organs at the global level and in ILO regional meetings. Those reports should also include a final chapter on regional trends across outcomes in order to better assess where more efforts were needed or should be refocused, as well as a section on challenges encountered and the strategies used to tackle them. Those dimensions had not been systematically highlighted in the current report.
5. *The Employer spokesperson* had four observations to make. Firstly, he expressed satisfaction at the constantly increasing quality of the document. Indeed, the report before the Governing Body was concise and well drafted, it contained more data and figures, and it was specific. The linkages of each of the 19 outcomes to the other outcomes had been established and the coverage of the issue of capacity building was among the aspects that contributed to enhancing the quality of the report. Secondly, the qualitative aspect of the design of the document needed improvement. A clearer linkage was needed between the outcomes indicated in the document and ILO action. In other words, the value added by the ILO should be defined in each of the outcomes and secondary outcomes mentioned. The action and effectiveness of the ILO would thus become more visible. Furthermore, a number of inaccuracies in the document showed that progress also needed to be made in

the area of data feedback and checking, and possibly also in the coordination between the various departments of the Office.

6. The third observation related to the involvement of social partners, whose points of view should be taken into consideration to a greater extent not only in the implementation of policies but also in data feedback and the drafting of the report. Social partners needed more room to manoeuvre in the field in order to implement their actions; the Bureau for Employers' Activities (ACT/EMP) too often found that the conditions placed on its actions did not take into account its political priorities.
7. The fourth and final observation related to indicators: employers had approved the list of indicators and the idea of keeping it relatively unchanged so that progress achieved over time could be measured, but some indicators appeared to have become irrelevant and the time was ripe to reconsider them in the context of the midterm review of the policy framework.
8. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the United Kingdom said that the report reflected progress in the assessment of the results achieved by ILO programmes using results-based management and was an essential step towards improving performance in the field. It endeavoured to address all requests for detailed information on particular countries. Also it systematically presented gender equality and the involvement of constituents under each outcome. However, a clearer picture of the Organization's progress towards its strategic objectives was needed, as was information in a more accessible format. A short introduction summarizing the main achievements, overall results, priorities and resources per objective and region, in the form of a qualitative assessment followed by the relevant quantitative information, could improve clarity. The group agreed that measurement criteria that better reflected the quality, cost and scale of interventions would be preferable, that the document did not capture the qualitative dimensions of results and that reporting on the 19 outcomes as they stood represented a major challenge. It therefore welcomed Office plans to pilot selected qualitative indicators. The approach adopted in document GB.312/POL/10 was useful and could be explored; the type of information therein and the way it was communicated through informative figures and tables were a good basis for discussing priorities, results and resources. It would also be helpful to understand how the ILO was achieving its objectives over time in relation to milestones, targets and objectives. Moreover, member States would be better able to provide guidance to the Office on the implementation of the programme for 2012–13 and the preparation of the programme for 2014–15 if the report contained the following elements: a clear summary of contents and the main options for guidance on key issues; indications of tangible improvements and solutions to identified problems, including a time frame for implementation; analysis of the current results framework organized in 19 outcomes for effective programme implementation and performance reporting; an absence of redundant information; and links between improvements in results-based management and performance in the field. The group presented a proposal for a draft decision orally.
9. *Speaking on behalf of the Group of Latin American and Caribbean Countries (GRULAC)*, a Government representative of Brazil said that the report was more concise, analytical and reader-friendly than previous reports. While the group recognized the difficulties of presenting such highly detailed information, it considered that the outcomes in paragraph 15 placed undue emphasis on processes initiated rather than on specific results obtained. Moreover, the group noted a discrepancy between paragraph 7 of the report, which indicated that the ILO provided services to all member States to promote policies for decent work, and conflicting information communicated by the Office that no activities had been recorded in 23 countries in 2010–11. The Office should explain such

discrepancies or gaps in ILO activities. Each of the outcomes in the report was accompanied by a brief description of the main related challenges or obstacles. However, the description accompanying outcome 3 did not reflect the fundamental question, namely, the main challenges facing the creation of sustainable enterprises. The section entitled “Lessons learned and the way forward” in the Executive overview did not refer specifically either to lessons learned or to the way forward. Three out of the five issues presented in that section appeared to indicate that current practice should be continued and intensified and that change would be too complicated. GRULAC therefore proposed that such an important section should be subject to more careful and detailed analysis in future.

10. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of China said that the group acknowledged overall improvements and appreciated the results achieved by the ILO in the Asia–Pacific region during the 2010–11 biennium. The ILO needed to be able to respond promptly and effectively to events such as natural disasters and conflicts that had an impact on social partners and governments. The group recognized the steps taken by the ILO to enhance the quality, transparency and relevance of its programme evaluation. Further improvements could include the inclusion of qualitative criteria for each indicator across the 19 outcomes in order to better assess the effectiveness of ILO action. Detailed information on the impact of ILO programmes on the advancement of its strategic objectives would be useful, as would detailed descriptions of successful DWCPs, which would improve understanding of the tangible results of ILO activities. Member States would benefit from more information on the specific activities undertaken by individual units and programmes and from improved access to the contact information of ILO staff. Such information could be made available through the ILO website. The group encouraged the Office to continually review its measurement and reporting procedures as doing so would increase its opportunities to attract additional resources for its vital projects.
11. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe noted that while the report provided a starting point for review and proposals, issues of concern to Africa, such as training, social protection and labour inspection, had not been sufficiently taken into account. The group appreciated the contribution made by the ILO to the fight against HIV and AIDS in Africa and anticipated that such an area would continue to be given priority. It also acknowledged the Office’s efforts with regard to employment promotion and drew the attention of the Governing Body to the need to increase support in Africa in the areas of youth employment and skills development. The group commended the support, ranging from policy advice to advocacy, extended by the Office to 17 African countries in connection with action to eliminate child labour. It further noted with appreciation the positive changes that had taken place during the biennium, including the reform of the Governing Body, the involvement of constituents in the preparation of DWCPs and Office-wide measures to limit and cut costs. Members of the group had expressed concern that little support had been given to labour inspection, even though it was central to the Decent Work Agenda. Significant support should be given to constituents in that area, with specific attention to capacity building. Support for strengthening social dialogue during the period under review and activities aimed at improving ratification of up-to-date Conventions had also been scant. Those elements were important and needed to be properly resourced. The group proposed that the impact and effectiveness of ILO programmes, projects and activities should be subject to evaluation in future. Such evaluations should involve constituents, as the responsibility to improve situations lay with them. While linking programmes or activities to outcomes as had been done in the report was welcome, the positive changes that resulted from ILO-assisted interventions needed to be identified. In addition, information on challenges faced in the implementation of activities should be highlighted. The fact that some resources allocated for the biennium 2010–11 had not been fully utilized while some programmes had

insufficient funding and others could not be implemented because of a lack of resources had given cause for concern.

12. *A Government representative of France* endorsed the IMEC statement. He underscored the improvements in the report, notably the wealth of information provided, the underlying methodology using results-based management, and the linkages established across outcomes. The value added by ILO activities warranted further highlighting, however. The performance evaluation was still too abstract. An operational summary accompanied by tangible options at the beginning of the document would help constituents to draw lessons from the 2010–11 period. The presentation could be improved by drawing on examples from other agencies. For example, a summary report could be published on the ILO website to help explain the work of the Organization.
13. *A Government representative of Switzerland* subscribed to the IMEC's statement. She questioned the methodology of the report: the mix of tables and analysis did not help comprehension. The report was still too long to enable the Governing Body to make future strategic choices. Emphasis should only be on the most relevant items related to the implementation of the programme, such as the main priorities for action, the lessons learned and the way forward. Concerning the content, the country lists disaggregated by indicator were unclear; the Office needed to clarify its choices. Many results were linked back to a single cooperation programme, yet that programme might affect several results. Similarly, results were recorded only in a few countries of the many covered by the same cooperation programme. The implementation of the ILO programme should not replace or measure the impact of cooperation programmes since other instruments already served that purpose. A more integrated approach would facilitate a better understanding of priority results.
14. *A Government representative of Sri Lanka* noted that although the report lacked some qualitative information, it did provide good quantitative information on the different areas of the ILO's work. His Government called for a greater focus on developing countries and on priority areas in the implementation of future programmes.
15. *A Government representative of India* commented on the improvements in the document in comparison with previous reports. He emphasized three points. Firstly, there was scope for improvement in the distribution of programmes across the different regions, particularly in the Asia-Pacific region. Secondly, greater priority should be given to the informal sector and a direct approach should be taken to that sector. Thirdly, a review of staffing patterns might be desirable to ensure that programmes were appropriately backed by staff in field offices.
16. *The Employer spokesperson* questioned the definition of indicators under outcome 1. For example, indicator 1.1 was easy to satisfy. The report should show the effectiveness of policy advice in bringing about concrete outcomes for individuals.
17. In view of the importance of efforts to combat the informal economy, the target for indicator 1.6 (regarding initiatives that facilitate the transition from informal activities to formal ones) was already not ambitious enough. It was even more disappointing that the target had not been met. The Employers' group recognized that by supporting suitable frameworks for sustainable enterprises and the promotion of productive employment the ILO was already helping to move people into formal employment. However, those efforts had to be accompanied by measures targeting the informal sector directly. The speaker applauded the ILO's efforts to create green jobs but stressed that it was important to keep the focus on creating employment in general, not just green jobs. Under outcome 2, the enhancement of skills and the employability of women were under-represented among the

results achieved and not enough activities directly addressed women. It was important for the Office to develop more practical initiatives providing accessible, relevant and high-quality support to constituents, for example, by the establishment of the Global Business and Disability Network. Outcome 3 was the closest to job creation, which for the Employers' group was one of the ILO's most fundamental strategic objectives. That should be reflected in the resources, the strategic positioning and the operational focus of the outcome. In that context, he welcomed the development and use of the Enabling Environment for Sustainable Enterprises (ESEE) assessment tool. Paragraph 151 specified that ILO advocacy and policy dialogue work had resulted in an invitation addressed by the European Commission to all European-based multinational enterprises inviting them to comply with the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) by 2014. The Employers' group considered the Commission's plan to monitor such commitments to be questionable since it risked compromising the nature of the Tripartite Declaration. The non-involvement of the Office's Bureaux for Employers' and Workers' Activities (ACT/EMP and ACTRAV) in that advocacy and policy dialogue work was also regrettable.

18. *The Worker spokesperson* made four general comments on the chapter on organizational results as a whole. Firstly, the linkages between outcomes were weak, particularly in the case of outcomes 9 and 10, which raised doubts over resource sharing across outcomes. Secondly, the specific section on capacity building for constituents under each outcome was welcome. However, support for tripartite constituents should also have been highlighted throughout the other sections. Outcome 8 was a good example in that respect. Thirdly, information on participants at the training courses provided by the Turin Centre was appreciated. A breakdown of constituents for each outcome would have been useful. The imbalance in relative levels of participation across the strategic objectives was noteworthy, with the majority of participants attending courses related to employment. Fourthly, the section on lessons learned provided valuable information on priorities and activities in 2012–13 and future biennia. The revision of some measurement criteria would be necessary and would need to take qualitative aspects into consideration. The increased focus on the ILO knowledge base and assistance to countries in the area of data collection were welcome, as was cooperation with other UN organizations with a view to mainstreaming the Decent Work Agenda into their policies and programmes. Regarding proposed action on crisis responses, the challenge was to ensure support for the strategic commitments made by member States.
19. Turning to the strategic objective on employment, the speaker requested clarifications regarding the absence of any reference to the Global Employment Agenda and on how support to member States on employment policy had led to results in terms of better employment outcomes. The poor linkage between outcome 1 and other outcomes required that in the future the quality dimension of employment should be addressed through greater collaboration between the Employment Policy Department and other ILO departments. The findings of the independent evaluation of the ILO's strategy on social finance mentioned in paragraph 134 should be shared with the Governing Body for guidance. The implementation of outcome 3 had been the most problematic. The discussion in the Employment and Social Protection Segment of the Governing Body session in November 2011 had shown that the Office had failed to meet both workers' and employers' expectations in its work on sustainable enterprises. Concerning the strategic objective on social protection, the speaker praised the ILO's work on the social protection floor and wages. Welcoming the adoption of the HIV and AIDS Recommendation, 2010 (No. 200), and the Domestic Workers Convention, 2011 (No. 189), she called for greater promotion of occupational safety and health standards. The ILO should also promote a comprehensive rights-based approach to migration and take an active role in the preparation of the 2013 High-level Dialogue and in the Global Migration Group. With regard to the strategic objective on social dialogue, the speaker expressed appreciation for

the work done to follow up on the resolution on labour administration adopted by the International Labour Conference in 2011, as well as to promote the Employment Relationship Recommendation, 2006 (No. 198). The Workers' group also welcomed work under outcome 13, including on the promotion of sectoral standards, as well as work under outcome 12 on collective bargaining and the expansion of the knowledge base on industrial relations, including the useful survey of trade union density. Concerning the strategic objective on standards, the speaker noted the 115 new ratifications occurred during the biennium and welcomed progress made in the implementation of ILO instruments. Results for indicator 18.4 showed that DWCPs in 23 member States included normative components – a figure that remained very low given that standards should be mainstreamed in all DWCPs. The ILO should also step up advocacy work and support constituents to ensure that measures taken in response to the economic crisis would not encroach on workers' rights. The work, strategy and lessons learned in outcome 14 had the support of the Workers' group, although more resources were needed in that area including in all regions. The speaker requested a clarification on how progress had been measured in Bangladesh, given that the overall situation in the area of freedom of association remained serious, with hardly any union existing in the textile industry despite it being the largest industry in the country. In outcome 15, more emphasis should be placed on the right to organize as a means of freeing those in forced labour. In outcome 16, the Workers' group supported the strengthening of work in supply chains where child labour was present. Another priority was for the International Programme on the Elimination of Child Labour to work closely with ACT/EMP and ACTRAV to fully involve the social partners in its operations, strategies and funding priorities. Finally, as indicated in paragraph 348, more work was needed to address discrimination on multiple grounds and beyond gender equality only. In that respect, discrimination on grounds of maternity should be added to the list in paragraph 348.

20. Resuming the discussion on the strategic objective on social protection, the Employer spokesperson noted the positive results achieved in terms of access to social security benefits. However, it was not clear whether those benefits were more gender equitable. Paragraph 171 was too general to elicit conclusions on the progress of outcome 4. The feedback in paragraph 177 on cooperation with international organizations such as the World Bank and the International Monetary Fund was appreciated. Such cooperation was necessary and could be of great benefit to the ILO in developing its own organizational culture. Most efforts under outcome 5 concentrated on the areas of domestic work, maternity protection and minimum wages. The Employers' group regretted that the Work Improvement in Small Enterprises (WISE) methodology had almost disappeared from that outcome. Outcome 6 provided no explanations as to why almost no activity took place in the Arab States and the Americas. Better data collection was needed to assess ILO activities in that area. In outcome 7 the role of employers' organizations in the activities in question was not given much prominence. In outcome 8 the Employers' group was satisfied with ILO assistance to constituents for the development of national tripartite HIV and AIDS policies and mobilization of resources from the Global Fund. The ILO needed to take a practical approach at the country level, including by supporting HIV and AIDS interventions using national resources, public-private partnerships and employers' expertise in resource mobilization. The Office should clarify the reasons why no activities had been conducted in the Arab States. Concerning the strategic objective on social dialogue, the spokesperson expressed his group's satisfaction with the results in outcome 9, which reflected a concentration of efforts and resources on priorities. Other factors behind the strong performance included: the fact that targets had been set relatively low at the outset in response to PROGRAM's request and before extra-budgetary funding levels were confirmed; the fact that the application of specific tools such as EESE had helped achieved targets; and the inclusion in the results tables also of results achieved by means of the programme of the ACT/EMP at the Turin Centre. Going forward, indicators

and measurements should be further refined to better reflect actual results. Furthermore, it was essential that work to strengthen employers' organizations should continue to be managed centrally, with field specialists from the ACT/EMP reporting on the technical components of the programmes to the Director of ACT/EMP. Referring to the strategic objective on standards, the spokesperson noted that paragraph 303 could be misleading. The issue there was that the minimum conditions, not previous gains, set by international labour standards should not be undermined by the crisis. The focus on ratification in paragraph 305 was too narrow. Proper implementation of ratified Conventions and Protocols was even more important. His group supported the finding in paragraph 360 that the combination of technical cooperation, capacity building and legal implementation was essential for the application of labour standards.

21. *The Worker spokesperson* noted that the Decent Work Agenda and Global Jobs Pact had been referred to in high-level meetings such as the G20, and that a new requirement to consult workers' and employers' organizations during the preparation of United Nations Development Assistance Framework (UNDAF) documents had recently been introduced. In that connection, her group asked for clarifications regarding which specific elements of the Decent Work Agenda had been incorporated into policies by international organizations and into the UNDAFs. Some trade union reports suggested that the Decent Work Agenda was applied in word but not in deed and that in some cases not all of the most important elements, such as trade union rights and collective bargaining, had been incorporated into UNDAFs. The Asian Development Bank still did not include freedom of association in its policies on loans to countries. The ILO should increase support to constituents wishing to develop alternative policies based on the Decent Work Agenda, while resisting attempts by organizations such as the European Central Bank, the International Monetary Fund and the European Commission to undermine collective bargaining, weaken labour legislation and cut wages. Finally, the Workers' group welcomed efforts to mainstream gender equality into DWCPs and work on participatory gender audits. Further work was necessary to promote the ratification and implementation of Conventions Nos 100, 111, 156 and 183 and to strengthen trade union capacity to promote the use of collective bargaining and social dialogue in addressing discrimination in employment and occupation.
22. *Speaking on behalf of GRULAC*, a Government representative of Brazil regretted that the 17th American Regional Meeting, held in Chile in 2010, was not included in the list of high-level meetings mentioned in paragraph 116. Paragraph 134 noted among the lessons learned that the ILO was effective in achieving more influence on microfinance at the global level. That seemed to contradict results reported under indicator 1.2, which showed that only one country had received assistance in social finance and microinsurance. The Office's work on crisis response to natural disasters and other risks deserved recognition, including in terms of extra-budgetary resources mobilized. The low level of targets achieved under outcome 2 was a concern. The two indicators related to the training of people with disabilities and of rural communities showed that no activities had been carried out in the Americas. Results under outcome 3 were uneven across the four indicators, which suggested that either the targets were not correctly prioritized or that the Office should improve the balance in the activities developed for each indicator. Results for the strategic objective on social protection by indicator and by region were in general satisfactory. The speaker expressed regret that the ILO had struggled to develop joint initiatives with other international agencies at the national level, as noted in paragraph 177. That contradicted steps taken at the global level, as shown by a resolution adopted by the United Nations Economic and Social Council (ECOSOC) on the Global Jobs Pact. Concerning lessons learned in outcome 5, the report should identify the challenges for the future and ways to improve rather than the successes of the past. The targets set and results achieved for outcomes 6, 7 and 8 looked fairly modest and their scope could be extended. With regard to ILO activities to reinforce tripartism and social dialogue, it was noteworthy

that employers' and workers' organizations in 56 member States had strengthened their institutional capacity following ILO assistance. Under outcomes 9 and 10, the Office should continue to pursue activities in step with priority areas identified by the social partners. The lessons learned listed under outcome 11 provided a good example of identifying challenges and seeking solutions. Given the importance of outcome 12, it was regrettable that its targets could not be achieved. The lessons learned in that outcome simply described the merits of the Office's work, failing to present a critical view of the work undertaken. Concerning the strategic objective on standards, the text of outcome 14 did not provide a regional breakdown of the number of cases analysed by the Committee on Freedom of Association (CFA), despite GRULAC's request to that effect. An analysis undertaken by GRULAC showed that more than 60 per cent of the cases analysed by the CFA concerned countries in Latin America and the Caribbean. The fact that the social partners were more active in the region had resulted in a higher number of cases there. The cases before the CFA were a consequence of an enabling environment for freedom of association, more than a methodology to promote outcome 14. Overall, the low results achieved under the two indicators for the aforementioned outcome pointed to the need to strengthen activities in that area. Outcomes 15 and 16, which were particularly important for the region, displayed considerable differences in terms of results achieved. The Office should foster more synergies across the two outcomes, as there were policies and practices that could serve both, for example, in the area of labour inspection.

23. *The Worker spokesperson* regretted that the Regular Budget Supplementary Account (RBSA) failed to address the structural imbalances of extra-budgetary funding. In 2010–11 allocations to outcomes 9 and 10 had been sporadic and limited. The Office needed to coordinate the management procedures of RBSA with ACT/EMP and ACTRAV and involve them in the decision-making process. She emphasized the importance of enhancing the ILO's knowledge base and appreciated ongoing efforts in that regard. The creation of a repository of national micro-databases would be important to strengthen statistical evidence-based research. At present, clear gaps persisted in ILO knowledge: for instance, the Office did not possess Eurostat's micro-data for the European labour force survey. Concerning governance, the Workers' group regretted that the report did not address the issue of how useful the existing structure of the Office had been in delivering its programme. Under the new field structure, some countries in the Asia region were technically supported directly by the regional office rather than by a Decent Work Team. It raised the question of how country priorities were determined – an issue on which the Office should provide more information. In that context, the Workers' group considered that an evaluation of the new field structure might be timely.
24. *The Employer spokesperson* was pleased to note that the Office was able to reduce the time taken in filling vacancies and to promote internal mobility through the Recruitment and Placement System (RAPS). The Office should provide more information in that regard, as well as on plans to address the low rates of compliance with the Performance Management Framework and low staff satisfaction in the areas of career development and performance recognition. On technical cooperation, additional information was necessary to ascertain how extra-budgetary resources had contributed to the achievement of results. The Office should address those issues in order to assess the effectiveness of the technical cooperation strategy and to attract the interest of other member States in technical cooperation. ACT/EMP and ACTRAV should be fully involved in the appraisal procedure for technical cooperation projects referred to in paragraph 402. Public–private partnerships, as referred to in paragraph 419, should not be managed by individual departments concerned with a particular topic but through a consistent and coherent Office-wide approach. Regarding knowledge, the Employers' group regretted that the report did not include the criticisms from constituents on the quality and scientific basis of some ILO publications. The group supported the establishment of the Global Research and Publications Task Force, with

which it offered to collaborate. Finally, the Employers' group also supported outcome-based workplanning (OBW) but regretted that the way it was being implemented was creating confusion. The underpinning vision and processes required further improvements in order for OBW to become an effective tool.

25. *Speaking on behalf of GRULAC*, a Government representative of Brazil, noted the progress made in the field roll-out of IRIS and enquired when IRIS would reach other field offices. He welcomed the creation of a Project Management Office and requested more information on its mandate, its staffing and its location within the Office. Underscoring the importance of technical cooperation for his region, he expressed satisfaction that 350 ILO officials had undergone training on project cycle management. Strengthening the role of constituents in developing, monitoring and assessing national development policies and programmes and strengthening tripartism needed to continue as priorities of the Office. The inclusion of decent work in UNDAFs was welcomed, although further progress was required in that area. The speaker noted that the focus of the OBW approach was on processes rather than on what was being achieved in the field. Concerning the lessons learned in the chapter, the Office should present a critical vision of the challenges faced rather than being descriptive about the merits of the policies implemented.
26. *A Government representative of the United States* welcomed the improvements in human resources practices and requested more information on the time taken in filling vacancies and on the Office's plans to redress the low rates of compliance with the Performance Management Framework. Current efforts to strengthen the ILO knowledge base were commendable, including the implementation of a peer review mechanism, the establishment of the Global Research and Publications Task Force and the wider use of social media options. She noted the creation of a high-profile multidisciplinary working paper series proposed by the Expenditure Review Committee and enquired if there were any other recommendations made by the Committee and follow-up actions taken by the Office. She welcomed the new procedures to follow up on internal audit recommendations and evaluation results, and the introduction of a risk management policy and a risk register for 2012–13. The Office should report on these areas in future, including on the success of efforts to improve performance and accountability.
27. *A representative of the Director-General* (Director, Bureau of Programming and Management (PROGRAM)) thanked the Governing Body for the fruitful discussion and valuable comments provided during the debate. The implementation report was not only an accountability instrument to report on past performance; it was also a valuable tool to give visibility to the value of ILO work, not only among constituents but also for the larger public. As many speakers had pointed out, the Office needed to provide stronger evidence of the link between an observed result and the ILO contribution to its achievement. Similarly, further work was required to improve the qualitative dimensions of performance indicators and measurement criteria. Comments on necessary improvements to the format of future implementation reports were noted; they spanned the inclusion of an introductory summary and a concluding section, balancing overall achievements across outcomes and identifying challenges ahead as well as ways to address them. Pending the preparation by the Office of a consolidated response to the questions and clarifications raised on specific issues, the speaker elaborated on seven general points. First, concerning the distribution of staff between headquarters and field offices, a document made available to the present section of the Governing Body specified that 60 per cent of overall staff were located in offices and projects outside ILO headquarters and 40 per cent at headquarters. Second, the Office acknowledged the need for improved reporting on results that could be attributable to more than one outcome. Third, the Turin Centre had progressively aligned its training delivery with the ILO's results framework, whereby a programme was now offered by the Centre in each of the 19 outcome areas. Fourth, the uneven distribution of results and activities across regions had to be considered within the framework of the budget level

adopted for the biennium and the performance indicators adopted to report on performance. The implementation report did not attempt to be exhaustive. For example, for 2010–11 it included results achieved in 160 countries, although activities had also taken place in the other 23 member States. Fifth, regarding the comment made on freedom of association in Bangladesh, the reported result was retained as it met the measurement criteria under indicator 14.2. It did not pretend to pass a general judgement on the situation of freedom of association in that country. Sixth, while efforts to include all pillars of the Decent Work Agenda in UNDAFs would continue, it had to be recognized that the competition between UN agencies and programmes was often intense. The ILO had been able to make a significant contribution to the processes concerned, for example in the Asia-Pacific region, where a paper on the social protection floor prepared by the ILO within the framework of the regional coordination network had been adopted by the regional coordination mechanism of the UN and was now pursued in all UNDAFs in that region. Seventh, concerning issues related to governance, support and management, additional information and statistics were available online on the ILO website. In conclusion, the speaker underscored the importance that an ILO contribution to date could have in the longer run in terms of far-reaching developments for countries. Current work on the extension of social protection coverage in a number of countries was a case in point, as was progress made in other countries under the Better Work Programme.

28. *The Chairperson* called for comments on the draft decision as proposed by the IMEC group.
29. *A Government representative of the United Kingdom* explained that the proposed draft decision was not intended to request a new report but rather to guide the Office with regard to the information that governments needed in order make decisions on future priorities, including for future programme and budget documents.
30. *The Employer spokesperson* indicated that he shared the concerns expressed by the Government representative of the United Kingdom.
31. *The Worker spokesperson* expressed the objections of her group concerning the procedure followed in submitting the draft decision. The document had been presented for debate and guidance. In future, the IMEC group should respect the tripartite nature of the Governing Body and share the draft proposal in advance. Regarding the proposal itself, the Workers' group considered that it was unnecessary to have a report on the report. Therefore, point (a), which read "To continue reviewing its measurement and reporting procedures and report to the November 2012 meeting on how it addresses the concerns raised in this discussion", should end after the words "reporting procedures". Point (b) was acceptable for her group. Point (c), which read "To provide reports that better identify important issues for informing Governing Body decisions on future programme and budgets, and advise on the timescale for implemented proposed improvements", was not necessary.
32. *A Government representative of the United Kingdom* explained that in proposing the draft decision, the IMEC group was seeking to secure relevant information for decision-making, and therefore to have a better understanding of the impact of ILO activities, their value added and challenges. Such information was essential for governments to justify their support to the ILO. The speaker agreed to the draft decision as amended by the Workers' group.
33. *A Government representative of France* indicated that the point "follow-up action required" as formulated on the first page of document GB.313/PFA/1 had created some misunderstanding in the discussion as to what was expected of the Governing Body.

34. *The Chairperson* recalled the two points for follow-up agreed by the Governing Body, namely the draft decision and the consolidated response to the specific questions raised in the debate, to be prepared by the Office and reported back to the Governing Body.

Decision

35. *The Governing Body requested the Office:*

- (a) *to continue reviewing its measurement and reporting procedures;*
- (b) *to ensure that future reports on programme implementation made clearer recommendations on how performance monitoring and evaluation could be improved, formulated and presented so as to enable Governing Body members to focus on progress against meaningful key performance measures, including outcomes and qualitative measures.*

Second item on the agenda

Delegation of authority under article 18 of the Standing Orders of the International Labour Conference (GB.313/PFA/2)

36. *The Employer and Worker spokespersons* supported the draft decision.

Decision

37. *The Governing Body delegated to its Officers, for the period of the 101st Session (June 2012) of the Conference, the authority to carry out its responsibilities under article 18 of the Conference Standing Orders in relation to proposals involving expenditure in the 73rd financial period ending 31 December 2013.*

(GB.313/PFA/2, paragraph 4.)

Third item on the agenda

Other financial questions

Scale of assessment of contributions to the budget for 2013 (GB.313/PFA/3/1)

Decision

38. *The Governing Body decided, 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, to base the ILO scale of assessment for 2013 on the UN scale for 2012, and it accordingly decided to propose to the*

International Labour Conference the adoption of the draft scale of assessment for 2013 as set out in the appendix to document GB.313/PFA/3/1, 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.

(GB.313/PFA/3/1, paragraph 3.)

Building questions

(GB.313/PFA/INF/2(Add.) and GB.313/PFA/3/2)

39. The Governing Body decided to discuss an Office paper, submitted for information, as an update on the headquarters renovation project.
40. *The Employer spokesperson* pointed out that the paper was for information even though it reported on a change made by the Office to a Governing Body decision. Apart from the fact that the paper had been communicated very late, such practice was not acceptable with regard to a matter of principle. On 18 November 2010, the Governing Body had approved a comprehensive plan for the renovation of the building and instructed the Director-General to commence the renovation project. The speaker recalled that any change to the plan had to be the subject of a new decision of the Governing Body, the need being that much greater when the change was substantial, and he considered the situation to be a source of concern. Indeed, it was not the first time that the Office had exceeded the mandate given to it by the Governing Body. Moreover, the reason cited in the information note was insufficient to explain a change of scenario: the Office had been aware that time would be needed to obtain a building permit. Whether the application was submitted late or the Office had believed that it could dispense with it, there had been some dysfunction. Finally, the Employers, through Mr Barde, had called for the appointment of a project pilot who would be responsible for the whole renovation and favoured a scenario enabling staff to stay put during the work, two proposals whose relevance was receiving fresh recognition.
41. The Employers wondered why the Office had abandoned the plan to build an annex and why it had not seen fit to consult the Governing Body. They also wished to obtain a complete breakdown of all costs already incurred, an evaluation of any costs that would result from the abandonment of the project and the choice of a new option, information on the consequences for the staff and constituents, and also further details of the time frames for the performance of the work. The Employers once again requested the appointment of a qualified project pilot with sole responsibility for the renovation, appointed by the Director-General for the duration of the work and reporting every three months to the Governing Body. The speaker expressed the wish that the Office submit a full report to the Governing Body as soon as possible, while making recommendations on the governance of the project – which was clearly inadequate – and submitting all the necessary figures. Finally, the Employers expressed the wish that a decision be submitted to the Governing Body to enable it to discuss the situation. They were prepared to discuss the renovation project during the session due to take place after the Conference in June.
42. *The Worker spokesperson* supported the statement made by the Employers' group.
43. *A Government representative of Brazil* agreed that it would be more convenient for the staff to stay in the current building during the renovation works. However, he expressed concern regarding the danger of taking quick decisions and reminded the Office that it was

the role of the Governing Body to decide any change of strategy. He invited other stakeholders and the Staff Union to share their opinions on the subject.

44. *A Government representative of France* supported the statements by the Employers' and Workers' groups and, although supporting the proposal in the document, expressed concern that the Office had not consulted the Governing Body about a decision not to build the temporary building. Surprised at the Office's delay in applying for a building permit, he wondered whether informal contacts had been made with the Swiss authorities about the plans. He described the construction of the temporary building as a key element in the renovation project and reminded the Office that that option had been decided by the Governing Body. By having staff remain in the building during the renovation, the Office could face major problems such as the presence of asbestos or a lack of flexibility in terms of space allocation. In order for the Governing Body to take a decision, he requested the Office to provide detailed information justifying the new proposal.
45. *A Government representative of the United Kingdom* supported the statements made and believed the Governing Body should not delay in making a decision on the proposal. The Governing Body needed information on costs associated with a decision since it was essential that the project remain within budget. He expressed concern about the financial implications resulting from a delay in making a decision.
46. He suggested the creation of a group, like the Building Subcommittee, that could meet and share information about the progress of the renovation project.
47. *A representative of the Director-General* (Director, Department of Facilities Management (FACILITIES)) suggested that a tripartite consultative mechanism could be set up to ensure a regular information exchange between the Office and Governing Body members concerning the project and to decide which matters should be discussed by the Governing Body and which should not.
48. To avoid delays and the consequent cost increases that could result from requesting a building permit for the temporary annex, as had been suggested informally by the host country, the Office had asked two independent consultants to study the technical feasibility and possible consequences in terms of delay and cost of undertaking the refurbishment of floors 1 to 11, one third at a time, which would make it possible to keep practically all staff in the building during the renovation. The consultants had both concluded that that was technically feasible and should not cause major delays or cost increases. It would also eliminate the logistical and security problems resulting from operating in two locations and avoid the negative environmental impact of a new construction.
49. In response to the questions raised, he explained that some CHF200,000 had been spent on the preliminary studies related to the annex. The Office had determined that by strictly applying the existing space allocation rules for staff up to P4 level and slightly reducing space for senior staff, it would be possible to accommodate most staff within the existing building during the refurbishment.
50. *The Employer spokesperson* considered Mr Hofmeijer's reply well argued but insufficient and regarded the submission of the issue for information only as an error of judgment by the Office, which signified a problem of governance.
51. The Employers could not endorse the change of decision on the basis of the information that had just been presented. The Governing Body could not take a decision under those circumstances, since time for analysis was needed in view of the importance of the information and the financial amounts at stake. Discussion of the issue should resume in June in the light of the detailed information previously requested by the speaker. The

Employers therefore accepted Mr Hofmeijer's suggestions for now while awaiting more comprehensive proposals on the management of the building renovation, although only the Governing Body could modify its own decisions.

52. *The Worker spokesperson* expected that the Governing Body would receive a detailed document for decision at its following session in May.
53. *The representative of the Director-General* (Director, FACILITIES) confirmed that a three-month delay in reaching a decision would inevitably have negative cost implications for the project.
54. *A Government representative of Germany* supported the statements by the social partners and suggested that the Office provide detailed information so that a decision could be taken before the end of the current Governing Body session.
55. The discussion continued with the introduction of a new Office paper.
56. *The representative of the Director-General* (Director, FACILITIES) introduced the paper. He apologized for the failure to submit a paper for decision. The Office would ensure that in future the Governing Body remained fully informed and involved in all aspects of the project.
57. The Office had three main goals in managing the project: (a) to guarantee the safety of staff and of the workers undertaking the renovation works; (b) to complete the project on time and within budget; and (c) to minimize the environmental footprint of the project. Not constructing the temporary building would make it more likely that those goals could be achieved, while constructing the building would have a negative environmental impact and would likely delay project implementation and increase the overall cost of the project.
58. The Office hoped to sign the contract with the project pilot in the very near future. The pilot's contribution would be essential to the success of the project, since it would bring the necessary technical expertise through a team of architects, engineers and other construction specialists. The pilot team was an integral part of project management, working with the ILO team under the guidance of the project steering committee, the Director-General and the Governing Body.
59. The speaker reminded the Governing Body that in response to the Employers' suggestions regarding project management in the years leading up to the approval of the project, in 2010 the Director-General had created the Department of Facilities Management specifically to manage the project. During the last meeting of the Building Subcommittee in March 2011, the Employers had in fact expressed their satisfaction with that arrangement.
60. He noted that the Director-General had informed the President of the International Social Security Association (ISSA) in February 2011 that the ISSA secretariat would need to move out of the building during the renovation, and the Office had confirmed that in writing to the ISSA secretariat in May 2011. The Office would continue its usual constructive dialogue with ISSA to arrive at a mutually satisfactory solution.
61. *The Employer spokesperson* thanked the Office for the figures it had provided and emphasized that it was essential to submit a document for decision. Summing up the situation, he recalled that three studies had been carried out since 2006, which had all led to contradictory conclusions, since it had been recommended first to keep staff in the building, then to build an annexe, only to go back to the first option. A total of

CHF200,000 had thus been wasted. Those prevarications undermined the Employers' confidence in the Office's management capacity, all the more so given that the financing plan for the renovation project had yet to be finalized. That raised questions with respect to decision-making, the cost of the consultancies conducted in February 2012 and guarantees with regard to transparency and professionalism. At the current stage, the speaker wondered how it would be possible to move the whole staff in the absence of a project manager in charge of the renovation.

62. Recalling that his group had not been in favour of the plan to build an annex from the outset, the speaker explained that the Employers were nonetheless unable to endorse the draft decision. Firstly, there was not enough information on costs. Secondly, the proposed tripartite mechanism was superfluous, as the Governing Body already fulfilled that function. Thirdly, the matter was urgent and had to be decided by June at the latest, not November. Fourthly, the Office should undertake to recruit a professional from the private sector who would be accountable to the Director-General for the entire duration of the renovation. Only on those conditions would the Employers be able to endorse the first part of the draft decision.
63. *The Worker spokesperson* remarked that the proposed changes in approach for the refurbishment of floors 1 to 11 were due to the Office not taking into account the fact that a building permit was necessary for the construction of the annex. As to the draft decision, she agreed that a decision should be taken as soon as possible in order to avoid further delaying the renovation.
64. She expected that the Office would provide a report with a complete overview of the building renovation project budget and expenditure to date, independently of the sources of funds, including a comprehensive overview of savings and costs for the new proposal. The overview should include any additional costs not already provided for in the document, such as the cost of the independent consultants hired to re-examine the options, the cost of having work done outside office hours, the cost of renting swing space, and the cost of operating a shuttle service.
65. She was concerned about the impact of the building renovation project on staff and expected the Office also to provide more information to the Governing Body on how it would tackle noise and disruption to the working environment, including the Office's plans on occupational safety and health, evacuation plans in case of fire and other emergencies, plans on teleworking should a higher number of staff wish to telework owing to noise and disruptions, and any negotiations with the Staff Union related to issues having an impact on staff.
66. Concerning the establishment of a tripartite mechanism for the November 2012 session of the Governing Body as proposed in the draft decision, that was not needed, as the tripartite mechanism already existed in the Governing Body itself. She recalled that the Building Subcommittee had been abolished to allow the Governing Body to receive information directly and take decisions.
67. The Workers' group supported the draft decision, with a request to modify point (b) of the decision by adding a full stop after "... progress report on the project".
68. *A Government representative of France* did not concur with the analysis of the reasons behind the current situation, and did not agree with the way arguments previously used had been reinterpreted to reach a different conclusion. Lessons would need to be learned from mistakes made regarding risk mitigation, in the implementation of the preliminary phase of the project, and in the way the Governing Body was kept involved.

69. He acknowledged that in the current situation and on the basis of the additional information provided in the document, the proposed approach seemed appropriate, but added that that appreciation was largely dependent on the information communicated by the Office. Although the financial, human, and operational risks were seen as significantly higher with the new approach despite the theoretical financial leeway resulting from the abandonment of the temporary building solution he supported the draft decision.
70. He stressed, however, that that support was contingent on the Office more clearly identifying the mistakes that had been made and demonstrating its realization of what the project's financial and human issues represented for the constituents. He added that the Office's efforts in relation to results-based management and governance should clearly apply in practice to such significant projects.
71. He acknowledged the Employers' group proposal to hire an expert to lead the project, and concurred that, notwithstanding some additional constraints, it was justified in light of the outcome of the past few years.
72. He requested the Office to provide, before the June session of the Governing Body, a detailed report, and reserved the right to request that the matter be added to the PFA Section agenda should the report fail to meet expectations.
73. *A Government representative of Switzerland* explained that the ILO had first asked to meet with the Swiss authorities in November 2011 to discuss the building renovation project, and in particular the construction of a temporary building. She added that legislation and procedures had substantially changed since the construction of the headquarters building; in particular, new cantonal legislation had been introduced 20 years earlier to support international organizations when submitting requests for construction permits. That assisted the international organizations by ensuring that no appeals were allowed after the permit was approved.
74. The Swiss authorities had informed the ILO of the relevant steps to follow to submit construction permits without unduly delaying the renovation, and had offered to set up a pilot team to assist the Office with the required administrative procedures to obtain the necessary construction permits.
75. The speaker took note of the new approach proposed in the document, and reported that the Swiss authorities were still ready to set up a task team composed of members of the ILO, the Property Foundation for International Organizations (FIPOI) and the host country to help the Office with the administrative steps required by the local authorities.
76. *A Government representative of the Netherlands* recalled the 1961 agreement between the ILO and ISSA. The latter would be required to leave the building if the ILO left. While a Memorandum of Understanding had been signed one week previously to promote further collaboration between ISSA and the ILO, he expressed concern that ISSA might not be participating in the planning of the newly proposed approach. He suggested that the Office consult with ISSA to determine how it would participate in the planning process.
77. *A Government representative of Germany* stated that the decision to ask ISSA to rent commercial space outside the ILO building was not appropriate, and had a direct impact on ISSA staff. He asked the Office to explain why that decision had been taken.
78. *The Chairperson* stated, with regard to the question of the appointment of a project manager, that he had been informed by the Office that the estimated cost over the seven-year life of the project was some US\$1.84 million.

79. *The Employer spokesperson* stated that, in the light of the costs incurred and the mistakes made, there was an urgent need to recruit a professional. It was not a question of costs, firstly because such recruitment was dictated by the circumstances, and secondly because dropping the plan to build an annex meant that there would be substantial savings. The speaker wished to have a full report submitted in June.
80. *The representative of the Director-General* (Director, FACILITIES) indicated that the only cost related to the project that had not been mentioned in the paper was some CHF25,000 for the two most recent studies. Regarding the possible recruitment of an engineer as project manager, he pointed out that such expertise would be available through the project pilot and added that the Office might have difficulty finding a qualified candidate, since recent experience had shown that the salary and benefits that the ILO could offer were not competitive in the local construction market. He reassured the Governing Body that that all necessary measures would be taken to ensure the safety of ILO staff and the workers undertaking the renovation works. He clarified that the cost related to logistics under the new approach would be modest, since the units that would move out were relatively independent from the rest of the Office and the number of officials involved would be limited. He confirmed that in future the Office would submit regular, more detailed project progress reports. Lastly, he thanked the Government of Switzerland for its offer to assist the Office in the implementation of the project and was sure that the Office would reply positively to that offer.
81. *Another representative of the Director-General* (Officer-in-Charge, Office of the Executive Director, Management and Administration Sector (ED/MAS)) confirmed that negotiations were under way between the ILO and ISSA. The current agreement with ISSA dated back to 1961, when there were four or five staff, as compared with the 50 ISSA staff members currently housed on ILO premises. The speaker had discussed the issue of space with the ISSA Secretary-General and was convinced that a solution would be found. ISSA had sent a letter to the Director-General that proposed that ISSA staff join other ILO officials who would be housed outside the headquarters building during the renovation. The speaker welcomed the proposal and suggested further discussions. He pointed out that the Office faced a practical problem of limited space and further work was required to identify available space and who would be required to move to outside premises. The Office was committed to reinforced collaboration with ISSA under the recently signed Memorandum of Understanding.

Decision

82. The Governing Body:

- (a) approved the proposal not to construct a temporary prefabricated building for use as “swing space” during the renovation of the headquarters building, provided the project remains within the original budget and schedule;*
- (b) requested the Office to submit to the 315th Session (June 2012) of the Governing Body a further progress report on the project; and*
- (c) requested the Director-General to commence action to appoint a full-time professional project manager for the duration of the project, and to report on this to the Governing Body at its 315th Session (June 2012).*

(GB.313/PFA/3/2, paragraph 18, as amended.)

Audit and Oversight Segment

Fourth item on the agenda

Follow-up to the report of the Chief Internal Auditor for the year ended 31 December 2010 (GB.313/PFA/4)

83. *The Worker spokesperson* expressed appreciation of the fact that many of the Chief Internal Auditor's recommendations had already been implemented or that implementation was in progress. The e-learning programme on risk management should be mandatory for all Office managers, while the one on governance should be mandatory for all staff.
84. She noted that some progress had been made in the negotiations with the Staff Union concerning recruitment policies and procedures.
85. *The Employer spokesperson* supported efforts to develop a risk management governance framework. That work should be a priority for the Office. His group believed that risk management should be included in training programmes across all functional areas, and it should be made a mandatory training subject for all managers. There was merit in the Chief Internal Auditor's proposal that a lead sector or department be formally designated to coordinate the adoption and implementation of risk management in the ILO. The Office was encouraged to respond quickly to the proposal.
86. The speaker was concerned that audit recommendations had not been responded to on a timely basis. According to the report of the Chief Internal Auditor for the year ended 31 December 2011, none of the auditees had responded within the six-month deadline. The Chief Internal Auditor's recommendation that a focal point be established for each sector and regional office was supported, as the focal points would help to ensure that responses were made in due time.
87. He said that the Office's time frame for completing procedures manuals, by the end of 2013, was too long. The manuals should be accessible to ILO officials with stewardship roles as soon as possible. Similarly, procedural training for staff should be implemented in a coordinated manner immediately, since high risks were associated with staff who did not know the proper procedures.
88. *Speaking on behalf of GRULAC*, a Government representative of Brazil noted that implementation of five of the recommendations had been completed, while four were still in progress. Requesting clarifications concerning recommendation 2, he wondered what the expected review time frame was and when the results would be implemented.
89. With regard to recommendation 3, he asked whether the English version of the internal governance and accountability e-learning programme was available. He wondered why the publication of the IGDS manuals was only expected to be completed by the end of 2013, and asked to what extent the Office had learned from the experiences of other organizations in that area.
90. He requested more detailed information on the negotiations in progress with the Staff Union regarding recruitment policies and procedures.

91. He supported the use of software to gather information on recurrent audit findings as a useful instrument for the future. The Office was encouraged to meet a target date of 30 June 2012 for the implementation of such a system.
92. Speaking on behalf of the Africa group, a Government representative of Egypt noted that the Office had made progress regarding a risk management framework. While endorsing the benefits of a separate administrative structure, he emphasized that in order to be efficient, a risk management framework should be integrated into all processes.
93. *A representative of the Director-General* (Officer-in-Charge, Office of the Executive Director, Management and Administration Sector (ED/MAS)) responded to questions regarding risk management. The Office was in the process of establishing central support for risk management and was planning training sessions for senior management. The required IGDS documents would be issued by the end of 2012.
94. *Another representative of the Director-General* (Director, Human Resources Development Department (HRD)) announced that accountability training, which would become mandatory for all staff, was in the testing phase and that the English version would be rolled out in April 2012, with the French and Spanish versions planned for June 2012. He noted that interim adjustments to the recruitment and selection procedures had been agreed upon with the Staff Union and that after completing the required work to adjust procedures, proposals would be submitted to the Governing Body in March 2013.

Outcome

95. *The Governing Body took note of the paper and invited the Office to take into account the observations and guidance provided during the discussion.*

Fifth item on the agenda

Report of the Chief Internal Auditor for the year ended 31 December 2011 (GB.313/PFA/5)

96. *The Employer spokesperson* praised the report and inquired as to whether the Office had a whistle-blower policy in place. The speaker supported the proposal for a lead department to support the implementation of risk management across the ILO and for a regional or sectoral focal point to be nominated to liaise directly with the Office of the Treasurer and Financial Comptroller on the implementation of audit recommendations. The speaker agreed that business continuity planning was essential but requested that the Office clarify why it was considered separate from risk management. A concern was raised as to the delay in the Office's response to some of the audit recommendations, and the speaker stated that all staff should undergo training on procedures.
97. *The Worker spokesperson* requested the Office's view on the proposed lead department for risk management and business continuity planning implementation, and questioned whether there were not already existing resources which could provide those functions. The speaker remarked on the need for a procedure in field offices for delegation of authority when directors were on leave. The speaker declared that an evaluation of the new performance management framework was required in order to determine why there were delays in the completion of appraisals.

98. *Speaking on behalf of the Africa group*, a Government representative of Egypt advised the Office to look to other UN organizations and to benefit from their experiences with risk management. The speaker stated that there was no need for a heavy, separate structure and that all staff should be involved in the risk management framework. The nomination of regional or sectoral focal points was supported, and the need for focused procedural training for senior management in the field was stressed. The speaker encouraged the Office to respond to specific recommendations relating to field offices.
99. *A Government representative of France* noted that a risk management framework would lead to better coordination and identification of risk, and emphasized that that should be part of the ILO culture. He highlighted the importance of business continuity plans and stressed the key role of the Internal Auditors and their contribution to positive reform.
100. *A representative of the Director-General* (Chief Internal Auditor) explained the Office's whistle-blower policies and procedures and stressed the confidentiality and protection that those provided for whistle-blowers. The speaker noted that while business continuity plans were indeed part of risk management, they merited special attention and were thus presented separately in the recommendations.
101. *Another representative of the Director-General* (Officer-in-Charge, Office of the Executive Director, Management and Administration Sector (ED/MAS)) confirmed that his sector was responsible for implementing Office-wide risk management. The resources involved in risk management were currently not all located in a single department. As part of the enterprise risk management plan, the Office would centralize those resources to improve coordination and efficiency in their use.

Outcome

102. *The Governing Body took note of the paper and invited the Office to take into account the observations and guidance provided during the discussion.*

Sixth item on the agenda

Independent Oversight Advisory Committee (IOAC): Annual report (GB.313/PFA/6/1(Rev.))

103. *The Chairperson of the Independent Oversight Advisory Committee (IOAC)* explained that during the past four years, the IOAC had strongly supported the internal audit function and contributed to its effectiveness. Major contributions from the IOAC had included support for a more effective system of follow-up to audit recommendations, encouragement for the development of a sustainable training programme for managers, emphasis on the need for a formal accountability framework and an improved decision-making process at the Senior Management Team level.
104. The IOAC had recommended that information technology projects should be approved on the basis of total cost of ownership, that the Office should better assess availability of key staff to fill existing gaps and that self-declared skills and professional records of achievements should be independently validated. The speaker was not convinced that the existing system of results-based management based on outcomes was well understood and accepted by all users.

105. The speaker reminded the Governing Body that the Committee's mission was to alert the Office and the Governing Body to critical problems and to help ensure that effective solutions were found and implemented. He confirmed that over the past four years, the Committee had received strong support from the Office. The Committee's independence had not been at risk.
106. He believed that the continuing success of the Committee would be based on the professional skills of its members. He stated that personal commitment should be given special consideration during the selection of members of the Committee.
107. *The Worker spokesperson* noted that there was a large degree of consistency between the Committee's report and other evaluations undertaken by the internal and external auditors in many areas, such as training and business continuity planning. She commended the Office's responsiveness to the recommendations made by the Committee.
108. *The Employer spokesperson* shared the concern of the IOAC regarding the slow response to and implementation of audit recommendations, an issue that was raised in both the 2010 and 2011 reports of the Chief Internal Auditor. The Committee was right to propose that the Office should not only focus on compliance, but that the time frame for implementation of recommendations should be reduced once a higher level of reporting compliance had been achieved.
109. He was pleased that the report had addressed the comments made by the External Auditor on performance management, and encouraged the Committee to follow up on that topic. He supported the recommendation that approval of information technology (IT) projects should include adequate consideration of the total cost of ownership, including staff costs of involvement of the user community and business units in the implementation and support of those projects. He stated that that was part of sound management and should apply to the approval of all projects.
110. The speaker shared the Committee's view that the skills mapping data collection should be done more quickly, and that maintenance of the skills data needed to be ongoing to keep the data up to date. The time frame between training needs identification and training delivery was not acceptable. Skills mapping, if integrated in a proper human resources strategy, was necessary, but the low level of ownership by the staff had to be addressed.
111. He recommended that the incumbent members of the Committee should continue for one more mandate in order to ensure continuity.
112. *Speaking on behalf of GRULAC*, a Government representative of Brazil considered that the recommendations made by the IOAC were important for the efficiency of the future work of the Office. He asked what type of review was made by the Office regarding the total direct management cost of IT projects, and what measures would be taken to refine those types of studies.
113. Regarding human resources, the speaker noted that the Committee had expressed dissatisfaction with the extended implementation date concerning skills mapping. He agreed with the Committee's statement that there was a critical need for readily accessible information on the skills of existing ILO staff. He encouraged the Office to follow up on recommendations 2 and 3.
114. The speaker considered that the formal sign-off of the audit follow-up implementation reports would contribute to increased timeliness in the implementation of audit recommendations. He stressed that that formality would not guarantee the effective implementation of the recommendations.

115. His group endorsed recommendation 6. He considered the Committee's recommendations to be adequate and pertinent. The speaker called for implementation of the recommendations and for follow up of the recommendations by the Governing Body.
116. *Speaking on behalf of ASPAG*, a Government representative of Australia supported all the recommendations and encouraged the Office to implement them and report on progress.
117. *Speaking on behalf of IMEC*, a Government representative of Japan welcomed the IOAC report, and remarked that management of the Office had notably improved as a result of its activities. The speaker supported all the recommendations.
118. On the topic of financial and administrative systems, he shared the Committee's concerns on the implementation of the field roll-out of IRIS. He endorsed the recommendation that the approval process for IT projects should consider wider aspects and implications. It was also important that the Office explain to constituents what kind of computer system would be deployed to smaller offices and projects following the implementation of IRIS in the regional offices.
119. The speaker supported the recommendations for a quicker skills mapping exercise and implementation of an integrated IT solution for that work.
120. He noted that while the Office's response to internal audit recommendations had improved, the response rate for certain recommendations was still unsatisfactory. He was pleased that the Committee was satisfied with the work of the External Auditor and the progress made by the Office in implementing external audit recommendations. He looked forward to the Committee's report on Office follow-up to its recommendations.
121. *A Government representative of France* supported the IMEC statement and expressed appreciation for the independence and competence of the Committee, and the constructive recommendations made. He favoured having the IOAC meet three times a year, given the positive benefits that had been achieved through those meetings and the reports received. He expressed his support for the recommendations on IRIS and skills mapping as they were both important to the Office.
122. *A Government representative of India* noted the Committee's concerns and supported its recommendations. To ensure sound management, particular attention and follow-up should be given to taking an inventory of the skills of ILO staff, training for the roll-out of IRIS, and addressing the risks associated with vacant key posts.
123. *A representative of the Director-General* (Officer-in-Charge, ED/MAS) expressed his appreciation for the important support given by the Committee in IRIS-related matters. He noted that the Office had established a Project Management Office, and that a total cost approach was being used. He explained different factors which affected the timeline for the roll-out of IRIS. First priority had to be given to implementing IRIS in the regional offices, and the Office recognized that a different arrangement would have to be made for smaller field and project offices.

Outcome

124. *The Governing Body took note of the paper and invited the Office to take into account the observations and guidance provided during the discussion.*

Independent Oversight Advisory Committee (IOAC): Proposed membership and selection process (GB.313/PFA/6/2(Rev.))

125. *The Employer spokesperson* said that while he supported the draft decision, the proposed text on the selection process gave mixed messages with regard to regional representation and independence, and should have been clearer in that respect.
126. A key success factor of the Committee was the independence of its members – independence not only from the Office, but also from national or regional considerations. The idea of regional representation among Committee members was, in his view, in contradiction to the independent character of the IOAC. Similarly, a social partner background should not be taken into account when selecting Committee members. Only the independence and professional qualifications of candidates should be considered.
127. The speaker was satisfied with the proposal for an independent consultant to screen candidates based on experience and qualifications.
128. *The Worker spokesperson* supported the draft decision and noted that extensive consultations had taken place.
129. *Speaking on behalf of IMEC*, a Government representative of Japan expressed his thanks for the extensive informal consultations that had been held concerning the proposed membership and selection process. It was important to ensure that the Governing Body appointed new Committee members at the November 2012 session, and in that regard he urged the Office to initiate the selection process according to the document presented. While he supported the draft decision, he requested the Office to begin informal consultations on revision of the terms of reference as soon as possible.
130. *Speaking on behalf of ASPAG*, a Government representative of Australia supported the proposal on the composition and selection procedures for membership of the Committee. The proposal was the result of a long and complex consultation among tripartite constituents. She considered the work of the Committee to be critical for the governance of the Office, and looked forward to continued cooperation in further developing the terms of reference of the Committee. The speaker supported the draft decision.
131. *Speaking on behalf of the Africa group*, a Government representative of Egypt stated that his group would have preferred that the Committee be comprised of seven instead of the five experts indicated in the document, as that would better allow for geographical distribution as well as balance between developed and developing countries, and also widen the professional capacity of the Committee. The selection process should be based on transparency, professionalism, competitiveness and equitable geographic distribution.
132. Members of the IOAC should be subject to financial disclosure requirements and should declare any potential or apparent conflict of interest that could impair their independence or ability to perform objectively. In line with best practices as reflected in a 2010 report of the Joint Inspection Unit (JIU), members should not be selected from the host country of an organization's headquarters, or from the same country as an organization's executive head.
133. The Africa group believed that paragraph 6 of the appendix to the document was not required, as it was not clear how those criteria would be defined and measured. The references to the specific nature of the ILO in paragraphs 2 and 5 were sufficient. The

speaker held the view that the restriction in paragraph 8(e) should be limited to executive positions rather than applying to any employment with the Organization.

134. He highlighted the challenges that might arise in a situation where temporary appointments to the Committee might be necessary. He believed that proper handover procedures would be required to ensure audit continuity, and requested that relevant provisions be included to address handover arrangements.

Decision

135. *The Governing Body approved the extract of the terms of reference of the IOAC relating to the composition and selection procedures for membership, as proposed in the appendix to document GB.313/PFA/6/2(Rev.), and requested the Director-General to initiate the selection process in order that appointments to the Committee may be made at the 316th Session (November 2012) of the Governing Body.*

(GB.313/PFA/6/2(Rev.), paragraph 4.)

Seventh item on the agenda

Other questions

Office response to the suggestions and recommendations of the annual evaluation report 2010–11

(GB.313/PFA/7/1)

136. *The Worker spokesperson* endorsed the planned assessment of the effectiveness of the ILO's strategic framework, noting that lessons learned from evaluations should be included in the recurrent discussion reports to the ILC. She emphasized the need to evaluate links between outcomes and provide a comparative overview of how the ILO results had been achieved. Referring to implementation reporting, she asked the Office to consider the means by which to report on the quality of achievements and cases where results were achieved over a longer term. She pointed to the need for DWCP evaluations to involve constituents and better integrate outcomes, with attention to mainstreaming international labour standards, across the four strategic objectives. She asked that the planned evaluation of the field structure reform look at how decisions were being made at the governance level and subsequently reflected in DWCPs. She closed by asking how the additional costs associated with the planned activities would be financed.
137. *The Employer spokesperson* welcomed the intention of having two high-level evaluations each year to provide impact information to support recurrent discussions at the ILC. With regard to the plan to review indicators as of 2013, he asked that the assessment be done sooner to be of use during the current biennium. He also requested that findings of evaluations be well integrated in the programme implementation report for 2012–13.
138. *Speaking on behalf of IMEC*, a Government representative of the Netherlands welcomed the plans laid out, including the proposal to strengthen managerial accountability and review assumptions and risks linked to outcomes within the current Strategic Policy

Framework. He welcomed systematic reviews to synthesize information on impact to feed into ILC recurrent discussions. However, he stressed the need to generate new impact evaluations as well and asked the Office to include suggestions to that effect in the budget proposals for the 2014–15 biennium. He commended EVAL for reprioritizing to find the necessary resources to carry out the additional work, but questioned why the document expressed doubt as to the timing of the evaluation of the field structure review and the adequacy of performance information on country programme outcomes.

- 139.** *Speaking on behalf of the Africa group*, a Government representative of Egypt drew attention to the valuable contribution of the Africa region within the 17 ambitious targets set for the Decent Work Agenda for Africa 2007–15, which was fully aligned with those in the Strategic Policy Framework. He called on the Office to reinforce national leadership and ownership of DWCPs and reminded the Office that monitoring and evaluation were to be shared responsibilities with constituents, ideally linking into national systems. To that end, he emphasized the Office's intended role in building constituent capacities and strengthening national systems for cooperative monitoring and evaluation.
- 140.** *A representative of the Director-General (Director, Evaluation Unit (EVAL))* reported that the planned evaluability review of the Programme and Budget for 2012–13 would follow on to work done in 2011 and would look for advances made. He explained that systematic reviews would look at a wide range of information resources, including impact evaluations. In addition, EVAL was working with various technical programmes that were investing in impact evaluations, and had set up an internal network of resource persons on impact evaluation. He assured those present that evaluations would look at interdependence between outcomes. He expressed confidence that the performance data on country programme outcomes would be available for the 2013 analysis, and that evaluation results would be covered in the following implementation report, and confirmed his intention to proceed with the evaluation of field structure reform. He concluded by recalling the 25 per cent budget increase of EVAL for the current biennium, which, together with savings on high-level evaluations, would ensure that the programme of work of the Evaluation Unit would not be compromised.

Decision

- 141.** *The Governing Body adopted the plan of action for the implementation of the recommendations and suggestions contained in the annual evaluation report 2010–11, as proposed in the appendix to document GB.313/PFA/7/1.*

(GB.313/PFA/7/1, paragraph 2.)

Personnel Segment

Eighth item on the agenda

Statement by the staff representative

- 142.** The statement by the Staff Union representative is reproduced in an appendix to the present report.

Ninth item on the agenda

Matters relating to the Administrative Tribunal of the ILO

Composition of the Tribunal (GB.313/PFA/9)

143. The Employer and Worker spokespersons supported the draft decision.

Decision

144. *The Governing Body:*

- (a) *recommended to the International Labour Conference that it convey its deep appreciation to Ms Gaudron for the valuable services she has rendered as judge and as President of the Tribunal and express regret at the resignation of Ms d’Auvergne;*
- (b) *decided to propose to the Conference:*
 - (i) *the renewal of the terms of office of Mr Ba (Senegal), Mr Barbagallo (Italy) and Ms Hansen (Canada) for three years each;*
 - (ii) *the appointment of Hon. Michael Francis Moore (Australia) for a term of office of three years;*
- (c) *delegated to its Officers, on a one-time basis, the authority to propose directly to the Conference the appointment of a further candidate from the Latin America and the Caribbean region following consultation with the Director-General before June 2012; and*
- (d) *thus decided to propose the following draft resolution for possible adoption by the Conference:*

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 convey its deep appreciation to Ms Gaudron for the valuable services she has rendered as judge and as President of the Tribunal and express regret at the resignation of Ms d’Auvergne;
- (b) to renew the appointments of Mr Ba (Senegal), Mr Barbagallo (Italy) and Ms Hansen (Canada) for a term of three years; and
- (c) to appoint Hon. Michael Francis Moore (Australia) for a term of three years.

(GB.313/PFA/9, paragraph 7.)

Tenth item on the agenda

Other personnel questions

(GB.313/PFA/10/1 and GB.313/INF/7)

145. *The Chairperson* of the Governing Body explained that GB.313/PFA/INF/7 had been presented by the Director-General to the Officers of the Governing Body, who had considered it appropriate to submit it to the Governing Body for decision; hence the late availability of the documents.
146. *The Worker spokesperson* indicated that her group was satisfied that the matters contained in GB.313/PFA/INF/7 fell within the delegated authority of the Director-General as defined in article 14.7 of the Staff Regulations, as amended by the Governing Body in November 2011. Therefore, she supported the first option proposed for decision in GB.313/PFA/10/1.
147. *The Employer spokesperson* indicated that owing to the lateness of the documents, his group had not had an opportunity to discuss the matter. The Employers' group requested clarification of the role and added value of Staff Union observers as described in paragraph 5 of GB.313/PFA/INF/7. As that was a point that had policy implications, it should be submitted in due course to the Governing Body in November 2012.
148. *A Government representative of Switzerland* shared concerns about the very late availability of the documents and considered that some elements required more detailed consideration. She was also in favour of postponing a decision on the matter to the November session.
149. These views were echoed by Government representatives of the Islamic Republic of Iran, the United Kingdom, France and China, all of whom endorsed the proposal to refer the matter to the November session.
150. *A Government representative of Germany* found it encouraging that the text reflected the positive outcome of the mediation process. Accordingly, he proposed that approval on a temporary basis, as suggested in the second option proposed for decision in GB.313/PFA/10/1, might provide an appropriate compromise.
151. *The Worker spokesperson* urged the Governing Body to reconsider the course of the discussion. She referred to discussions in previous sessions in which the Director-General had been asked to take a flexible approach to finding a solution to the matters at issue between the administration and the Staff Union. The Governing Body was now intervening in a matter which had been agreed through collective bargaining and was micromanaging the Office. The Governing Body should be pleased with the agreed outcome of the mediation.
152. *A representative of the Director-General* (Director, HRD) recalled the historical aspect of the papers before the Governing Body. The Director-General had been asked to enter mediation and to find a solution. The agreement reflected in GB.313/PFA/INF/7 was provisional and was to be reviewed at the end of 2012 with a view to presenting a final proposal to the Governing Body for statutory reform in March 2013. With regard to the substance, the observer role in the recruitment process had always existed but had taken place in the form of a post facto review of the panel reports. Instead, the observer would now be present during the process but would have an entirely passive role. Noting several comments to the effect that the matter was not urgent, he explained that failure to address the matter in the current session would effectively paralyse the ongoing round of the

Recruitment, Assignment and Placement System (RAPS) in which almost 50 vacancies were involved. The agreement should be given the opportunity of a trial period and reviewed after one year on the basis of informed experience.

- 153.** *The Employer spokesperson* reiterated that he was not comfortable with the process; the issue required proper reflection and discussion and should be referred to the November 2012 session.
- 154.** *The Director-General* noted that while further discussion and the decision of the Governing Body would be deferred to a later meeting, his understanding was that, in the absence of a decision at the current session of the Governing Body, the Office had the authority to implement in the interim the agreement reached with the Staff Union through the mediation process.

Outcome

- 155.** *The Governing Body postponed a decision on the matter until its 316th Session (November 2012) and took note without objection of the Director-General's understanding that the Office had the authority to implement in the interim the agreement reached with the Staff Union Committee.*

Appendix I

Statement by the Director-General to the Programme, Financial and Administrative Section of the Governing Body (313th Session – March 2012)

Greg Vines, Chairperson of the Governing Body,
Emmanuel Julien, spokesperson of the Employers' group,
Trine Lise Sundnes, spokesperson of the Workers' group,
Government, Employer and Worker delegates to the ILO Governing Body,
Dear friends and colleagues,

I will address the implementation report of the ILO programme for 2010–11, which is the first report under the Strategic Policy Framework set for 2010–15, and also to make a number of comments on how our programme, finance and administrative policies have evolved over the years.

Allow me to beg your indulgence; as you know, this is my last address as Director-General to the Programme, Financial and Administrative Section of the Governing Body. Consequently, I would like to take some time to review progress and to highlight some key issues that may not fall within the strict confines of the programme implementation report 2010–11.

I. Context

First of all, a word about context.

The global crisis has increased the demand for ILO services in countries, regions and globally. The Decent Work Agenda, crystallized in the Declaration on Social Justice for a Fair Globalization, has demonstrated its relevance to the crisis, especially as expressed in the Global Jobs Pact.

Many countries applied emergency employment and social protection measures, and those that have broadly followed the Global Jobs Pact approach are recovering better and more quickly from the crisis, as is the case in many emerging and developing countries.

And yet, the social impact of the crisis in terms of unemployment – particularly on youth – the reduction of wages and pension rights, the loss of social protection and the growth of poverty continue to be high in many countries, both developed and developing.

Why am I saying all of this? Because the crisis – its management, consequences and responses – has been and will continue to be a major factor in the way the ILO implements the Programme and Budget for 2012–13 and defines its future policies and activities. When looking to the future, it is difficult to draw conclusions from the implementation report without seeing it in the context of the crisis.

II. Results for 2010–11

The report before you details results achieved by outcome, country and region. It constitutes further improvement in our results-based management strategy.

Of the 50 targets set, 34 have been fully achieved, including 14 which have been significantly overachieved. A further 12 have been near full achievement; and four were significantly under-achieved. The end result is that, in total, 46 out of 50 targets have been broadly met.

For each outcome we explain:

- the linkages to other outcomes;
- the gender dimensions;
- the capacity-building elements; and
- lessons learned.

More detailed reports on results in individual countries are available on our website.

Also, we look for a good balance between the need to respond to large-scale programmes with economies of scale, as in the case of the International Programme on the Elimination of Child Labour or Better Work, and the necessary response to tailor-made services for individual constituents, like helping to draft a labour law or promoting stronger employer organizations or trade unions.

We report on results with a clear link between ILO support and the observed consequence.

As this report shows, the ILO technical cooperation strategy and resource mobilization are aligned with the Strategic Policy Framework and Decent Work Country Programmes.

Through your regular budget and extra-budgetary contributions, the ILO expended some US\$1.2 billion in 2010–11 to respond to your collective or individual demands in your countries.

Working in close collaboration with some 20 donors who contribute the bulk of the ILO voluntary contributions, we have maintained a volume of some US\$225 million per year.

Your support to the Regular Budget Supplementary Account has permitted us to work in more countries and areas than allowed by the regular budget and project-funded voluntary contributions.

We have continued to strengthen the role of constituents in national development frameworks, particularly the United Nations Development Assistance Frameworks, beyond our own activities.

Measures taken to enhance quality control of technical cooperation projects and staff training have contributed to the higher delivery rates.

Each programme and budget has strengthened our results framework. Last year, the Chief External Auditor acknowledged the progress made in putting together all the pieces of strategic programming, budgeting, implementing and reporting.

In 51 countries with an active Decent Work Country Programme we are working on all four strategic objectives, with an important role for social dialogue.

Cross-sectoral cooperation is increasing.

We show progress on international policy coherence through our tangible cooperation with the United Nations, the IMF, the WTO, the World Bank, and with regional development banks and economic commissions and the United Nations Development Assistance Framework.

What is the reach of our programme?

Let me point to some aggregate figures for the biennium:

- 53 countries have taken action on child labour in cooperation with the ILO;
- 42 countries on HIV and AIDS;

- 20 countries on social security;
- 67 countries on international labour standards.

The global database on trade union membership further developed, with data available for 61 countries, data on trade union density available for 77 countries and data on collective bargaining coverage available for 62 countries. We estimate some 50,000 policy-makers participate every year in discussions and action on ILO policies, initiatives and values, from the International Labour Conference to the Turin Centre activities and technical meetings in the regions. Practice shows that for participants, this experience has significant policy-making influence and a long-term identification effect with the Decent Work Agenda and the ILO's values, as well as facilitating social dialogue at home.

Among the direct beneficiaries of ILO programmes in 2010–11, some:

- half a million new students took the Know About Business course;
- 600,000 workers (85 per cent of them women) were reached by the Better Work Programme;
- 60,000 women entrepreneurs were reached by ILO programmes;
- 100,000 direct jobs generated by ILO assisted infrastructure investment programmes;
- 800 cases of progress were identified by the Committee of Experts in 2010–11.

Yet, on a global scale, progress in decent work for working women and men has been far too slow, relative to what would be possible if countries took the political decision to make policy convergence around this objective a greater national and multilateral priority, and international organizations acted accordingly.

And ironically, I think the crisis has helped to focus on this and the role of the Decent Work Agenda in moving forward.

With all the difficulties and limitations, I am proud of what we have achieved together with the commitment of our staff cooperating with you, Government, Employer, and Worker constituents in your countries.

There is so much more to do. But progress there is, and small streams converge to make larger ones.

III. Challenges ahead

Dear friends, progress always demands more and better.

Further improvements are certainly warranted to strengthen our strategic framework, the formulation of indicators and measurement criteria, and the definition of strategies. Reporting on results in regions also requires better attention.

I want to share a reflection with you. In thinking about our results-based methodology, we must address the fact that there are many worthwhile activities carried out by the ILO in member States, at headquarters and globally, that are not recorded in the implementation report as a measurable result, as defined by our present approach.

I have raised this issue with you before.

It is certainly necessary to put emphasis on quantitative measurements but we also need a basic foundation of qualitative criteria.

Our present indicators do not reflect some key dimensions of how the ILO actually works.

The ILO is much, much more than the sum of what we presently measure. This is a very fundamental issue.

So how do we value the rest? I leave this to you because I think it is an essential component of what you will need to address.

Some examples:

At a very practical level, the political significance of our capacity for rapid response to the revolution and changes in the Arab world, which has produced valuable identification in many countries like Egypt and Tunisia with the ILO agenda, or has demanded our continued vigilance like in Bahrain, where, by the way, the “ILO method” has recently yielded good tripartite results that will be addressed next week. What about this immediate capacity to react, which was never in the programme and budget?

Or the institutional significance of the Office’s work in supporting trade union and employer leaders in distress, some of whom have been or are currently members of our Governing Body.

Or the multilateral recognition of and support for our agenda, from the United Nations and the G20, or the now regular presence of Presidents and Prime Ministers at our Conference. What is the value that we give to that? How do you value it? How do you measure it?

Or the day to day work of our technical staff in that essential trust-building exercise in our relations with our constituents that is a precondition for our policies to move forward.

In this sense, the return on the investments of staff, time and resources is also long term. How do we take that into account?

If all of this cannot be seen as a result, and you are judged on results now, it means that the evaluation system tends to downgrade the fundamental promotional function of the ILO system, which is the foundation for later results.

As you know, I have raised this issue before. We have decided to implement results-based management in cooperation with the Governing Body, and we have come to the conclusion that this is what the Governing Body would like to see. But I do need to say that I believe that there are other areas which are indispensable for the Governing Body to think about.

I urge you to address these issues in the preparation of the next programme and budget. Let’s put our collective knowledge together because many of you have dealt these issues in your own national contexts, so there’s nothing new about them. I think we have to bring more of these things that I have mentioned into the manner in which we value the work that we do.

IV. *Longer term results*

While this report is about results achieved in 2010–11, I would like to address our longer term evolution up to now.

For each of our four strategic objectives, comparing today with 13 years back when I initially proposed them as a foundation of the Decent Work concept, we can point to significant changes in the acceptability, feasibility and application of our approaches, based on ILO values.

The 2008 Declaration made them an institutional objective of the ILO and through the global acceptance of Decent Work, they also became part of a wider multilateral agenda.

Something similar has happened with other proposals originating in the ILO, from those of the World Commission on the Social Dimension of Globalization, the notion of working out of poverty, and the promotion of sustainable enterprises to the global acceptance more recently of the Global Jobs Pact and the need for social protection floors.

These advances shape and strengthen our institutional potential today and looking towards the future.

V. Governance, oversight and management

Dear delegates, I turn now to the programme, financial and administrative issues of the Governing Body.

As you and your predecessors know, these are issues on which I felt many changes were needed in the ILO, from the day I arrived.

Early on, I expressed my conviction that it is the way we work and deliver on the basis of our values that ultimately shape our relevance.

In the Executive Introduction to my budget proposals for 2000-2001, discussed in the Governing Body in March 1999, I stated the following:

- “This budget presentation sets in motion a process of strategic budgeting [...]. It moves away from the previous structure based on 39 major programmes to a new one centred on four strategic objectives and their corresponding operational objectives.” They later became the foundation of the Decent Work Agenda.
- I added “together with [that Agenda], a thorough analysis of present methods of monitoring and evaluation will be undertaken in order to ensure that programmes are formulated, funding allocated, and expenditures approved on the basis of targets, clear outputs and measurable performance indicators”.
- At that time, I made the point that “... in a world of competition for limited public resources, cost-effectiveness, impact and image are crucial to the challenge of explaining why the ILO should be funded [...]. In the long term, only relevance and effectiveness ensure success and only success ensures adequate funding.” Although, when a crisis comes around, you know, it affects everybody.

And I linked this to institutional vision and commitment:

- “Any successful endeavour depends on people, their commitment, sense of team play and dedication to the task. But for ILO staff to be motivated, they need a motivating mandate. They need to know from the decision-making bodies and the Director-General where the Organization is heading, what the overall vision is and the way in which their work contributes to a larger picture.” That was the whole sense of the Decent Work concept.

I think you can well understand that, if I am looking back, it is because this is my last address to you – my last presentation to the Governing Body on programme, financial and administrative responsibilities.

So please bear with me a little moment.

Since then, we have progressively established a solid internal governance and oversight system, the product of a creative and, for me, very stimulating interaction between the governance responsibilities of the Governing Body and the management responsibilities of the Office and that has been a permanent dimension and richness of the governing system of the ILO.

Beyond strategic budgeting and results-based management, let me also highlight some key achievements:

- a robust and independent evaluation function;
- a strengthened internal audit with expanded investigation capacity;
- an Independent Oversight Advisory Committee;
- an established accountability framework;

- strong and transparent procurement procedures;
- annual disclosures of financial interests and of potential conflicts of interests of senior staff;
- an ethics officer;
- a risk register and related management responsibilities being developed;
- we are on track to be fully compliant with the International Public Sector Accounting Standards (IPSAS) for the year ending 31 December 2012; and
- recently, an annual external audit cycle.

As to the ILO headquarters building renovation, we have endeavoured to complete the various phases within budget and on schedule in accordance with the objectives approved by the Governing Body. Concrete options have been assessed, taking also into consideration the involvement of staff, security concerns and working conditions.

We have invested heavily in information technology. What started out as a special project for an integrated resource information system is now a full-fledged system processing all our accounts; this is being extended to regional offices according to the agreed timetable. We have proceeded cautiously and wisely. It was not possible to simply deliver everything in a parallel manner.

Let me also highlight a few key advances on human resources development:

- an effective assessment and selection procedure to fill vacancies;
- dedicated staff development funds;
- a strengthened performance management framework;
- a leadership and management training programme;
- a full-fledged staff induction training programme;
- an internal conflict resolution system;
- a full-time mediator position; and
- I'm very proud that I took the initiative to set in motion a process of collective bargaining with the Staff Union which simply had not been possible before in the 80-year history of the ILO – quite a contradiction with the fundamental values of this Organization, but collective bargaining did not exist in this House.

On gender equality, I am especially proud of our results.

For Professional staff under 45 years old, gender parity is already a reality – 52 per cent are women. As you can imagine, each time we had high-level appointments, you had three men, and no women, or three men and maybe one woman.

And the glass ceiling has been broken for women in higher grades.

In Executive Director, Regional Director and Director positions, the share of women increased from 18 per cent to 44 per cent between 1999 and 2011. Four of our five Regional Directors are women. Why do I say this? Because it can be done, if you, the Governing Body and the Office show the leadership necessary to make these things happen. This places the ILO well on the way to overall gender parity in the near future. And our gender audit has acquired general acceptance.

As you know, we have established the Expenditure Review Committee, as you suggested. The Committee is examining in detail areas of document printing, information technology support functions and a number of other areas.

This session bears testimony to the reform of the Governing Body. Early signs are very encouraging. Comparing November 2011 and 2010, interpretation costs have decreased by 15 per cent and staff overtime by 10 per cent. This is because the length of agendas has been trimmed – 70 in November 2010, 55 in November 2011 and 43 in March 2012. Consequently, the number of printed documents has also decreased: 90 in November 2010, 67 in November 2011, and 43 printed documents in March 2012. Let me also say, I know that some of you are annoyed that some documents have been distributed late. As you have heard me say for 13 years, I take full responsibility for that. I understand that they should have been on time, they were not, and you want to act on that fact. I will certainly tell my successor to be very careful about the timing of the reception of the reports, because I feel that you're perfectly right to say that if we establish rules, we have to stick to them and make sure the reports are there. Given the timing of Governing Body meetings and the time it takes to translate and produce the documents, most reports have to be ready by the beginning of January. This is not an excuse, but there is an objective timing problem – we have about 31 weeks between the Conference meeting in March and November and 18 weeks between November and March. Please bear that in mind when dealing with that problem.

VI. Financial management

Conservative stewardship of the resources made available to the Office has been one of my key priorities and there has been no overspending of budgets. I underline the word “conservative”, because it has been that way from day one. In the ILO, there are no deficits.

The 2010–11 biennium has once again recorded a high rate of delivery – around 99 per cent of the approved expenditure level. In these difficult times, I can report to you a favourable budgetary surplus for the biennium of some US\$10 million which result from, inter alia:

- not drawing down on the contingency reserve for unforeseen expenditure;
- reduced needs in relation to ILO Pension Fund beneficiaries;
- budgetary savings on health insurance premiums;
- savings on travel related to technical meetings beyond that which had been budgeted; and
- a more cautious and prudent use of resources as uncertainty settled in over income levels from the middle of the biennium.

This budgetary surplus mitigated a shortfall in contributions received from member States of some CHF60.5 million.

The combination of the budgetary surplus and the income shortfall resulted in a net deficit for 2010–11 of US\$52.6 million, which was temporarily financed from the Working Capital Fund and other internal borrowings. This temporary “internal” financing has now been completely reimbursed from arrears of contributions received in 2012 from member States.

As you know, I have been particularly vigilant about the need to maintain a healthy ratio of extra-budgetary resources to regular budget resources at approximately one-third of our resources.

This has ensured greater outreach for ILO programmes without resulting in over-dependence on voluntary and volatile funding sources. In the present crisis situation, such dependence has created problems for many international organizations, which went far beyond what would have been reasonable in terms of extra-budgetary funding and are now feeling the impact of that policy.

However, in the case of the ILO, we need to be vigilant to ensure that areas of our work where we do need to rely on extra-budgetary funding sources, such as child labour, forced labour and HIV and AIDS, are sustained, because of the volume of those activities.

The ILO financial position is currently sound, and well positioned for the future.

Let me mention in closing one development which I find symbolic. Since the adoption of the Domestic Workers Convention last June, governments in Chile, Singapore, Spain, the Philippines and the United States, among others, have already taken or announced actions to improve employment and working conditions of domestic workers. We have approved many conventions and recommendations in the time I have been here, but this has been incredibly quick, similar to the child labour issue. Such quick reaction is a further illustration of the ILO's standard setting relevance in the world of today.

Dear friends,

Thank you again for what has been an extremely enriching personal and institutional experience with PFA issues engaging with you and your predecessors – an experience that has reinforced my belief in the key responsibilities and role of the ILO, this unique, tripartite organization.

Some of you may not believe it, but I will miss our exchanges, our reciprocal frankness, the space you gave me to place my convictions and my vision before you, and your ability to find the common institutional interest.

You are a fundamental backbone of the governance system of the ILO and I want to thank you and congratulate you and urge you to confront the major challenges ahead, because in this part of the Governing Body, it is the activities that you carry out that give the fundamental foundation to the governance system of the ILO. If the PFA Segment does not work, I can assure you that the rest of the institution is affected. I have seen it work, over and over again, for 13 years.

Thank you so much.

Appendix II

Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (313th Session – March 2012)

Good afternoon, Mr Chairperson,

Director-General,

Members of the Governing Body,

Dear colleagues still here with us so close to the weekend, and those following via the Intranet.

In November 2010, late in the evening, following one of only eight work stoppages in the history of our Organization, I addressed this assembly (now I was tempted to say this Committee, but was advised not to do that so I do not have to put a franc in the jar for calling it “Committee” instead of “Section”). So, I addressed this assembly on behalf of the staff, and I did so, seeking a way out, for what had become a total impasse in the industrial relations system in the ILO.

Through the commitment of our Director-General, the Administration and the Union, and under the guidance of this Governing Body, we agreed on a series of immediate measures, as well as to a mediation process, which we had hoped would put things back on the right track. As we stated on more than one occasion, if we cannot make collective bargaining work within the ILO – within the house of social dialogue – something is very wrong.

We approached the mediation with optimism, cautious optimism, but optimism. It must be said that the process was not an easy one. Discussions were difficult and the entire process up to the end of last year was extremely frustrating. Our statement to the November Governing Body made reference to this.

However, today, just over one year after the mediation began, there has been a tangible change in the climate, and a deliberate move away from a culture of conflict to one of partnership and genuine good-faith bargaining. For this we truly thank the Government of Belgium, the *Division de Conciliation Sociale* of the *Direction Générale des Relations Collectives de Travail*, and the mediators themselves, whose expertise, impartiality and commitment were all instrumental to getting us to where we are now.

And where exactly are we now? Well, today we have reached tentative agreements on policies, procedures and practices which had been subject to dispute for years. We come before you during this session with embryonic agreements which, with any hope, and given the momentum that has been gained, can be turned into formal collective agreements in the very near future.

Without going into too much detail:

- we have agreed on interim adjustments on recruitment and selection procedures, which are being piloted with a view to ensuring the best possible system for the years to come;
- we have made efforts to close the gap between staff who have spent many years on technical cooperation (TC) contracts and those on the regular budget;
- we will soon be reviewing the generic job descriptions with a view to reflecting the evolution of work in the ILO over the past decade, in the framework of a global review of job classification, which is urgent for staff in the field;

- we are seeking a common understanding of and agreed approach to classification of TC positions;
- negotiations on contracts policy are being restarted, with particular attention being paid – from the union side – to diminishing precarious work in the house; and
- proper industrial relations procedures have been, and are being, developed, with a view to preventing and resolving such disputes in the future.

Given the difficulties which punctuated industrial relations in the recent past, these are great strides. We hope that the Governing Body, which was instrumental in steering us in this direction, recognizes them as such.

Let me pass to another item, which was not formally on your agenda, but which weighs heavily on the minds of the staff: that of the building renovation. As we have mentioned in the past, the staff union has been following this question with great interest, as there is little which will impact our lives more than the environment in which we come to work. We welcome the fact that the Staff Union is now represented not only in the project team, but also as an observer in the Steering Committee, when that Committee is considering questions which will have an impact on the staff. I believe that the experience of the first few months under this new arrangement has been positive for both sides, with the union representative – selected based on her expertise in occupational safety and health questions – representing the interests of the staff, wherever appropriate.

Unfortunately, we were not consulted on the decision to abandon the annex in favour of moving staff around within the building during the renovation. However, we have raised this with the administration, and we have since been informed – not consulted but informed – on the space allocation issues. We are now seeking more information and further consultation on the implications of this decision for the staff, including in relation to what space will be allocated within and outside of the negotiated rules.

One final point on the renovation: and this is to stress the need for immediate information and regular updates to the staff. We have mentioned this, again, directly to the administration, including through both the Steering Committee and the project team. We are pleased with the commitment to communicate, and we look forward to another information session in the very near future. We also look forward to contributing to the communication strategy for the medium to long term.

Having just returned from a two-week mission to Bangkok, where I represented our international federation during the 74th Session of the International Civil Service Commission (ICSC), I wanted to share one or two thoughts on what has become quite a common term, that of, and I quote, “doing more with less”. The latest ICSC session considered a proposal to use the post-adjustment system to effectively freeze pay for Professional staff. We also witnessed the fallout of an extremely negative result of the local salary survey while in Bangkok, which could have been even worse had it been implemented under the newly adopted methodology.

While we are fully aware of the limitations imposed by the member States on their national civil services, and the responses of the public in light of these measures, we must also urge caution when using a technical methodology or changing a methodology which has stood the test of time, in order to achieve short-term financial or political objectives. These actions erode the confidence of the staff and the impartiality and objectiveness of the ICSC as an independent body for establishing fair terms and conditions of work.

By no means am I the first Chairperson of the Staff Union Committee to come before the Governing Body and question whether the ICSC or the common system is the best mechanism for establishing terms and conditions for ILO staff, or the wisdom of a “one-size-fits-all” approach, but what is clear is that a push towards “One UN” or “delivering as one” at a time when the methodologies for establishing and adjusting our

wages, our pensions and our working conditions cannot necessarily be trusted as independent and objective, makes little sense. And in these circumstances the logic of harmonization becomes questionable.

And harmonization at all costs overlooks one important factor. Far from being “One UN”, we are far from being ourselves “One ILO”. We have vastly different terms and conditions applying to staff, whether you look at the differences between technical cooperation and regular budget staff, whether you would look at differences between headquarters-based officials and those in the field, Professional versus General Services and national officers, not to mention the Turin Centre, which we have long sought to integrate without much success.

Coming back to the question of “doing more with less”, this idea can be looked at in two ways. On the one hand, undertaking more work with fewer resources resulting in overwork, burnout and stress, or doing more work for less pay, linked to the erosion of conditions of employment in work, as I mentioned previously.

More work with fewer resources means something has to give, either the staff members themselves, or expectations of just how much can be squeezed out of people, many of whom are already working 50 or 60-hour weeks. The Staff Union recently carried out a stress survey, whose results have shown that 75 per cent of respondents are already finding their job stressful, with 60 per cent stating that their stress levels have increased over the past two years. These results are also confirmed by the Human Resources Development Department’s staff satisfaction survey, in particular in relation to staff reporting that they are overworked.

Our survey shows that 23 per cent of staff report that their quality of work has declined because of stress and half say that job satisfaction has declined. This is evidence of a demotivated workforce. While we can continue to try squeezing more out of the staff, it is our responsibility to sound the alarm and to note that such efforts will inevitably result in burnout of even more staff, as is happening in the outside world where work-related stress is fast becoming the number one cause of invalidity in many countries.

Finally, and as this is the last time I will address the PFA in front of our Director-General, let me take this opportunity to congratulate you, Mr Director-General, for the work that you have done to place the ILO on the multilateral map and Decent Work into the public conscience. What the staff has been able to achieve for the working men and women of the world, under your leadership, is nothing short of remarkable.

As you noted yesterday, one of our crowning achievements within the House was the introduction of collective bargaining. And while it has not always been easy, we really appreciate the commitment that you have shown over the past year to make collective bargaining work.

We wish you all the best for the future, Mr Director-General.

Thank you.

Appendix III

Update of member States' contributions received between 29 February 2012 and 23 March 2012

Since 29 February 2012, contributions for 2012 and prior years amounting to 89,757,436 Swiss francs (CHF) have been received from 19 member States as follows:

Member States	Contribution received for 2012	Contribution received for arrears	Total contributions received in CHF
Austria	3 083 211		3 083 211
Botswana	64 952		64 952
Costa Rica		47 563	47 563
Eritrea	3 617		3 617
Ethiopia	28 945		28 945
Germany	21 763 206		21 763 206
Guatemala	101 277		101 277
Guinea		6 064	6 064
Haiti	10 829	19 403	30 232
Italy	14 702 587		14 702 587
Korea, Rep. of		5 467 978	5 467 978
Panama	22 587		22 587
San Marino	10 851		10 851
Saudi Arabia	3 006 074		3 006 074
Thailand	507 684		507 684
Togo ¹	3 595	56 658	60 253
United Kingdom	18 030 735		18 030 735
United States		22 808 764	22 808 764
Zimbabwe	10 856		10 856
Total	61 351 006	28 406 430	89 757 436

¹ Togo has regained its right to vote.

Including contributions received between 29 February 2012 and 23 March 2012, the total contributions received in 2012 amounts to CHF206,031,612. Of this amount, CHF127,417,130 represents contributions for 2012 and CHF78,614,482 represents contributions for arrears.

The balance due as of 23 March 2012 is CHF288,283,692.

Appendix IV

Draft scale of assessments of contributions to the budget for 2013

State	Draft scale of ILO assessments 2013 (%)
1 Afghanistan	0.004
2 Albania	0.010
3 Algeria	0.128
4 Angola	0.010
5 Antigua and Barbuda	0.002
6 Argentina	0.287
7 Armenia	0.005
8 Australia	1.934
9 Austria	0.852
10 Azerbaijan	0.015
11 Bahamas	0.018
12 Bahrain	0.039
13 Bangladesh	0.010
14 Barbados	0.008
15 Belarus	0.042
16 Belgium	1.076
17 Belize	0.001
18 Benin	0.003
19 Bolivia, Plurinational State of	0.007
20 Bosnia and Herzegovina	0.014
21 Botswana	0.018
22 Brazil	1.612
23 Brunei Darussalam	0.028
24 Bulgaria	0.038
25 Burkina Faso	0.003
26 Burundi	0.001
27 Cambodia	0.003
28 Cameroon	0.011
29 Canada	3.208
30 Cape Verde	0.001
31 Central African Republic	0.001
32 Chad	0.002
33 Chile	0.236
34 China	3.190
35 Colombia	0.144
36 Comoros	0.001
37 Congo	0.003

State		Draft scale of ILO assessments 2013 (%)
38	Costa Rica	0.034
39	Côte d'Ivoire	0.010
40	Croatia	0.097
41	Cuba	0.071
42	Cyprus	0.046
43	Czech Republic	0.349
44	Democratic Republic of the Congo	0.003
45	Denmark	0.736
46	Djibouti	0.001
47	Dominica	0.001
48	Dominican Republic	0.042
49	Ecuador	0.040
50	Egypt	0.094
51	El Salvador	0.019
52	Equatorial Guinea	0.008
53	Eritrea	0.001
54	Estonia	0.040
55	Ethiopia	0.008
56	Fiji	0.004
57	Finland	0.566
58	France	6.126
59	Gabon	0.014
60	Gambia	0.001
61	Georgia	0.006
62	Germany	8.021
63	Ghana	0.006
64	Greece	0.691
65	Grenada	0.001
66	Guatemala	0.028
67	Guinea	0.002
68	Guinea-Bissau	0.001
69	Guyana	0.001
70	Haiti	0.003
71	Honduras	0.008
72	Hungary	0.291
73	Iceland	0.042
74	India	0.534
75	Indonesia	0.238
76	Iran, Islamic Republic of	0.233
77	Iraq	0.020
78	Ireland	0.498
79	Israel	0.384

State		Draft scale of ILO assessments 2013 (%)
80	Italy	5.001
81	Jamaica	0.014
82	Japan	12.535
83	Jordan	0.014
84	Kazakhstan	0.076
85	Kenya	0.012
86	Kiribati	0.001
87	Korea, Republic of	2.261
88	Kuwait	0.263
89	Kyrgyzstan	0.001
90	Lao People's Democratic Republic	0.001
91	Latvia	0.038
92	Lebanon	0.033
93	Lesotho	0.001
94	Liberia	0.001
95	Libya	0.129
96	Lithuania	0.065
97	Luxembourg	0.090
98	Madagascar	0.003
99	Malawi	0.001
100	Malaysia	0.253
101	Maldives, Republic of	0.001
102	Mali	0.003
103	Malta	0.017
104	Marshall Islands	0.001
105	Mauritania	0.001
106	Mauritius	0.011
107	Mexico	2.357
108	Moldova, Republic of	0.002
109	Mongolia	0.002
110	Montenegro	0.004
111	Morocco	0.058
112	Mozambique	0.003
113	Myanmar	0.006
114	Namibia	0.008
115	Nepal	0.006
116	Netherlands	1.856
117	New Zealand	0.273
118	Nicaragua	0.003
119	Niger	0.002
120	Nigeria	0.078
121	Norway	0.872

State		Draft scale of ILO assessments 2013 (%)
122	Oman	0.086
123	Pakistan	0.082
124	Panama	0.022
125	Papua New Guinea	0.002
126	Paraguay	0.007
127	Peru	0.090
128	Philippines	0.090
129	Poland	0.828
130	Portugal	0.511
131	Qatar	0.135
132	Romania	0.177
133	Russian Federation	1.603
134	Rwanda	0.001
135	Saint Kitts and Nevis	0.001
136	Saint Lucia	0.001
137	Saint Vincent and the Grenadines	0.001
138	Samoa	0.001
139	San Marino	0.003
140	Sao Tome and Principe	0.001
141	Saudi Arabia	0.831
142	Senegal	0.006
143	Serbia	0.037
144	Seychelles	0.002
145	Sierra Leone	0.001
146	Singapore	0.335
147	Slovakia	0.142
148	Slovenia	0.103
149	Solomon Islands	0.001
150	Somalia	0.001
151	South Africa	0.385
152	Spain	3.178
153	Sri Lanka	0.019
154	Sudan	0.010
155	Suriname	0.003
156	Swaziland	0.003
157	Sweden	1.065
158	Switzerland	1.131
159	Syrian Arab Republic	0.025
160	Tajikistan	0.002
161	Tanzania, United Republic of	0.008
162	Thailand	0.209
163	The former Yugoslav Republic of Macedonia	0.007

State		Draft scale of ILO assessments 2013 (%)
164	Timor-Leste	0.001
165	Togo	0.001
166	Trinidad and Tobago	0.044
167	Tunisia	0.030
168	Turkey	0.617
169	Turkmenistan	0.026
170	Tuvalu	0.001
171	Uganda	0.006
172	Ukraine	0.087
173	United Arab Emirates	0.391
174	United Kingdom	6.607
175	United States	22.000
176	Uruguay	0.027
177	Uzbekistan	0.010
178	Vanuatu	0.001
179	Venezuela, Bolivarian Republic of	0.314
180	Viet Nam	0.033
181	Yemen	0.010
182	Zambia	0.004
183	Zimbabwe	0.003
TOTAL		100.000

Appendix V

Independent Oversight Advisory Committee (IOAC)

International Labour Office

Composition

1. The IOAC shall comprise five independent expert members serving in their personal capacity.
2. Professional competence, experience and integrity shall be of paramount consideration in the selection of members. Membership shall reflect the tripartite and international nature of the International Labour Organization and have due regard to:
 - (a) geographical distribution;
 - (b) gender balance;
 - (c) public- and private-sector experience; and
 - (d) developed and developing countries.
3. All IOAC members should have experience and appropriate qualifications as a senior oversight professional, auditor or senior financial manager.
4. All IOAC members shall be proficient in at least one of the three working languages of the ILO.
5. To undertake their role effectively, members of the IOAC should possess knowledge, skills and senior-level experience in at least one of the following areas:
 - (a) finance and audit;
 - (b) organization governance and accountability structure, including risk management;
 - (c) senior-level management;
 - (d) the organization, structure and functioning of the United Nations system and/or other intergovernmental organizations; and
 - (e) a general understanding of the ILO's mandate, values and objectives.

Collectively, the Committee should possess knowledge, skills and senior-level experience in all of the above areas.
6. Members should have, or acquire rapidly, an understanding of the mandate, values and objectives of the Organization, its tripartite governance and accountability structure and the relevant rules governing it, and its organizational culture and control environment.

Independence

7. Since the role of the IOAC is to provide objective advice, members shall remain independent of the International Labour Office, the Governing Body and the International Labour Conference, and shall be free of any real or perceived conflict of interest.
8. Members of the IOAC shall:
 - (a) not hold a position or engage in any activity that could impair their independence from the ILO;

- (b) not currently be, or have been within the three years prior to appointment to the IOAC, employed or engaged in any capacity by the ILO, or have an immediate family member (as defined by the ILO Staff Regulations) working for, or having a contractual relationship with, the ILO;
 - (c) not currently be, or have been within the three years prior to appointment to the IOAC, a member of the ILO Governing Body nor have an immediate family member (as defined by the ILO Staff Regulations) serving as a member of the ILO Governing Body;
 - (d) not currently be, or have been within the three years prior to appointment to the IOAC, an employee of a member of the United Nations Panel of External Auditors or a member of the Joint Inspection Unit; and
 - (e) not be eligible for any senior employment with the ILO for at least three years immediately following the last day of their tenure on the IOAC.
9. IOAC members shall serve in their personal capacity and shall not seek or accept instructions in regard to their work on the IOAC from any government, constituent or other authority internal or external to the ILO.
10. Members of the IOAC shall sign an annual declaration of independence and statement of financial interests (Appendix I).

Selection, appointment and term

11. Members of the Committee shall be appointed by the Governing Body following a triennial tripartite selection process as set out in the following paragraphs.
12. The Director-General shall:
- (a) invite ILO Governing Body members and other member States to nominate individuals who are deemed to possess appropriate qualifications and experience as specified in this document;
 - (b) place in reputable international magazines and/or newspapers, and on the Internet, a call for expressions of interest from suitably qualified and experienced individuals.
- Member States nominating individuals under subparagraph 12(a) above and applicants responding to the expression of interest under subparagraph 12(b), shall be requested to provide the same information, including a detailed curriculum vitae in English, French or Spanish, and within the same time frame.
13. The Director-General shall, in consultation with the Officers of the Governing Body, engage an external consultant, specialized in the recruitment for senior positions, to screen all applications, interview candidates deemed suitable, and prepare a shortlist of the most suitable candidates (not exceeding 15) based on the criteria contained in paragraphs 3 and 5 above. In finalizing the short list, the consultant shall have regard to the diversity referred to in paragraph 2. The consultant shall also provide a report containing a brief assessment of the unsuccessful candidates. The consultant will be engaged following a competitive procurement process in accordance with the ILO's Financial Rules and related procedures, the results of which shall be reported to the Governing Body.
14. A selection panel (comprising a representative of the Government group Chair, representatives of regional groups, the Employers' group and Workers' group) shall receive the consultant's report, review the shortlisted candidates, taking into account the criteria contained in this document, and propose a list of candidates, equal to the number of current vacancies on the IOAC, to the Officers of the Governing Body. The information to be provided to the Officers shall include each candidate's name, gender, nationality, qualifications and professional experience. The decisions of the selection panel will be

- made to the extent possible by consensus. If there is no consensus the issue will be referred to the Officers.
15. The Officers shall review the proposal and, if in agreement, refer it to the Governing Body for final consideration and approval.
 16. The selection panel shall also create and retain a list of suitably qualified candidates for consideration by the Officers and the Governing Body, in order to propose alternative candidates should any candidate of the first list not be approved by the Officers or the Governing Body, or to fill a vacancy arising for any unforeseen reason (for example resignation or incapacity) during the term of the Committee.
 17. Members of the IOAC are appointed to serve for a term of three years, renewable for a second and final term of three years, which need not be consecutive. To ensure continuity of membership for future mandates, two of its five members shall be appointed in November 2012, for a single non-renewable term of three years to be decided, if necessary, by the drawing of lots. Members of the inaugural Committee whose mandate ends in November 2012 may present their candidature for one further non-renewable term of three years.
 18. The Chairperson shall be selected by the IOAC members from among their number and shall serve in this capacity for a maximum of one three-year term.
 19. A member of the IOAC may resign his/her membership by giving notice in writing to the Chairperson of the Governing Body. A special temporary appointment for the remainder of the outgoing member's term shall be made in accordance with the provisions set out in Appendix I to cater for such a vacancy.
 20. A member appointed by the Governing Body during the term of the Committee shall serve the remainder of the term of the outgoing member and shall be eligible for reappointment to the IOAC for a second and final term.
 21. An appointment to the IOAC may only be revoked by the Governing Body.

***Declaration of independence of members of the
Independent Oversight Advisory Committee***

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

I also declare that I have no personal, financial or other interests that could or could be seen to influence the decisions or actions I am taking or the advice I am giving in the course of my duties as a member of the IOAC.

To the best of my knowledge, no member of my immediate family has personal, financial or other interests that could or could be seen to influence the decisions or actions I am taking or the advice I am giving in the course of my duties as a member of the IOAC.

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

Signed: _____

Date: _____

DRAFT