



Governing Body

319th Session, Geneva, 16–31 October 2013

GB.319/PFA/PV/Draft

Programme, Financial and Administrative Section

PFA

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DRAFT MINUTES

Programme, Financial and Administrative Section

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1. The Programme, Financial and Administrative Section of the Governing Body met on 21–22 October 2013. It was chaired by the Chairperson of the Governing Body, Ms Velásquez de Avilés (Government, El Salvador). Mr Mdwaba and Mr Gurney were the Employer and Worker spokespersons.

Programme, Financial and Administrative Segment

First item on the agenda

Programme and Budget for 2012–13

Regular budget account and Working Capital Fund (GB.319/PFA/1)

2. *A representative of the Director-General* (Treasurer and Financial Comptroller) indicated that, since the publication of the document, 34.2 million Swiss francs (CHF) had been received from 18 member States. Further details are reported in Appendix I.
3. *The Worker spokesperson* noted the year-on-year increase in the number of governments that had not paid their contributions reported in the document. He thanked the governments that had subsequently made payments and hoped that others would follow suit before the end of the financial year. The Workers agreed with the draft decision.
4. *The Employer spokesperson* indicated that his group was in agreement with the draft decision.
5. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe commended the member States that had already paid their contributions for 2013. Despite the financial challenges affecting the global economy, the group encouraged the timely payment of contributions, which allowed the Office to remain viable and meet constituents' needs, especially at a time of financial uncertainty and restrictions. The Africa group supported the draft decision.
6. *A Government representative of Algeria* indicated that his country had paid its contributions in September 2013.

Decision

7. *The Governing Body delegated its authority under article 16 of the Financial Regulations by requesting the Director-General to submit proposals for any necessary transfers within the 2012–13 expenditure budget to the Chairperson for approval, prior to the closing of the biennial accounts, subject to confirmation of such approval by the Governing Body at its 320th Session (March 2014).*

(GB.319/PFA/1, paragraph 11.)

Second item on the agenda

Steps towards a new Strategic Policy Framework

(GB.319/PFA/2)

8. *The Employer spokesperson* welcomed the paper, recalling that his group had consistently asked for work on the new Strategic Policy Framework (SPF) to start early and to involve constituents closely. The discussion on the SPF was a key priority for his group as it would determine ILO policy approaches over a period of six years. The debate on the areas of critical importance (ACIs) in the context of the Programme and Budget for 2014–15 had indicated that the space for reform was limited by the existing SPF. The new SPF would enable a better prioritization of the work of the Organization. Among the weaknesses identified in the current SPF, the 19 outcomes did not provide any focus. Also, measurement criteria did not provide an adequate reflection of the quality, cost and scale of interventions. External advice should be sought to improve ways of measuring ILO action, both in qualitative and quantitative terms. The new SPF should reflect findings and recommendations of recent high-level evaluations, lessons learned through ILO work in the field and experience from the ACIs. Regarding the option in paragraph 14(c) to postpone a new SPF to 2018, he inquired as to what ILO planning document would cover the period 2016–17 and requested the Office to outline the implications of a stand-alone programme and budget document. The question of the length of the SPF could only be settled once issues of focus and content had been resolved. A four-year cycle had merit as it would allow the Organization to adopt the new strategic planning on new priorities and improve the current SPF. He supported the timeline proposed for the preparation of the new SPF and the holding of consultations to that end, provided that travel costs for the team members were covered to enable wide and adequate participation.
9. *The Worker spokesperson* stated that a new SPF should provide a clear and strategic vision of the ILO's direction in view of current challenges in the world of work. The new SPF should reflect the Organization's added value: the ratification, implementation and development of international labour standards, social dialogue and tripartism. Capacity building for constituents was an important related element. The ILO Declaration on Social Justice for a Fair Globalization continued to provide the key framework for the next SPF. Its full potential was yet to be realized but the next SPF offered an opportunity for progress by focusing on the four strategic objectives and on policy coherence. The Declaration reaffirmed the ILO's constitutional mandate "to examine and consider all international economic and financial policies in the light of the fundamental objective of social justice", requiring the Office not only to communicate with other parties in the multilateral system but to comment more actively on their policies, as a means of incorporating the Decent Work Agenda in their strategies and practices. That was particularly important in the context of the crisis and of the development of a post-2015 development agenda. A new SPF provided a focus for ILO action and the key challenge would be to find a balance between the need to prioritize and a "pick-and-choose" exercise with the components of the Decent Work Agenda. In that light, he asked for clarification regarding paragraph 10 concerning the statement "achieving a limited number of Organization-wide outcomes rather than a longer list of specific dimensions of the Decent Work Agenda". While the 19 outcomes might not be retained, it was not possible to do away with key elements of the Decent Work Agenda. Work on the four strategic objectives was needed to transform what was still perceived as a concept on paper into reality. The impact of the ACIs should be assessed to see if they had met their intended purpose and that should, in turn, inform the next SPF. Another related question was the linkage between the SPF and the seven centenary initiatives.

10. The Workers saw the potential value of a four-year cycle for 2016–19, given that the current six-year cycle might have limited flexibility to accommodate evolving needs. The Office needed to adapt better its priorities to the guidance provided by the Governing Body and the International Labour Conference, notably regarding follow-up to recurrent item discussions. While welcoming the Office’s commitment to consultations, he asked for clarification regarding the reference to consultation with ILO donors. Although it was important to ensure adequate financing, priorities should first be set democratically by the Governing Body. The Workers also expected the ILO field review to provide many more linkages between priorities identified in the SPF and the programme and budget and regional priorities, and they wished to see qualitative as well as quantitative analysis. The Workers also wished to know which technical experts the Office had in mind in paragraph 16. Furthermore, given the importance of the consultation exercise, they asked that the item be included in the agenda of the March 2014 Governing Body to provide guidance to the Office on progress.
11. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe regretted that limited flexibility had “straightjacketed” the ILO’s interventions and reaction to emerging needs. The contents of a future strategic plan should address the ACIs prioritized by the Governing Body and should avoid focusing on too many areas. The Africa group supported the UN General Assembly’s recommendation to align budgeting cycles with the Quadrennial Comprehensive Policy Reviews (QCPRs), which would enhance “One UN” action and delivery across agencies. The group was in agreement with the methodology proposed for collecting information. While informal consultations with tripartite constituents and the donor community were important, the Office should also draw on monitoring and evaluation documents on the implementation of Decent Work Country Programmes (DWCPs), as well as on lessons learned. Regarding the point for guidance, his group considered that it was the right time to begin consultations on the new SPF; it supported a four-year cycle and agreed with the proposed timeline for preparing the new SPF and with the proposed consultations.
12. *Speaking on behalf of the member States of the Association of Southeast Asian Nations (ASEAN)*, a Government representative of Viet Nam underscored the reasons why the ILO should proceed to the preparation of a new SPF, notably: to address a number of weaknesses; to align itself with the common goals of the UN system; and to achieve the Millennium Development Goals (MDGs) relating to its mandate and align itself with the UN post-2015 objectives. The new SPF should focus on key results, bearing in mind the limitations in financial and human resources. There was a need to focus on decent work, productive employment, social protection floors and poverty elimination. ASEAN noted the Office’s initiative to strengthen work on research and statistics by establishing a Central Research Department. However, uncertainties and changes in the global economy and labour market posed significant challenges for long-term forecasts. The group favoured the option of a four-year cycle. The ILO should organize informal and formal consultations with all stakeholders, in particular regional and country offices and tripartite constituents. ASEAN member States would welcome any opportunity to contribute to that process.
13. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of the Netherlands noted that, irrespective of its merits, the current SPF was the product of a different phase of the Organization. A new SPF should focus on a more limited set of Organization-wide outcomes, and should provide a clear and concise framework assisting the ILO to better deliver on decent work, by focusing on outcomes rather than activities. While the new SPF should be simpler, it should still focus on the ILO’s added value and should provide for a basis for implementation and monitoring, serving as a document from which other ILO strategies and plans logically flowed. Relevant governance instruments needed to be taken into account in the

development process. IMEC wished to know how the biennial programme and budget, the four pillars of decent work, the seven century initiatives and the eight ACIs would be linked to the next SPF. The Office should provide a clear overview of the ILO's "chain of governance" at the following Governing Body session. Such an overview should also include how the Office saw the role of DWCPs in the SPF and any possible changes to the ILO field structure which would impact the SPF. Furthermore, the International Training Centre in Turin should be involved in the elaboration of the new SPF.

14. The ILO was encouraged to align its planning and budgeting cycle with the QCPR cycle as soon as practically possible. The speaker elaborated on the options presented in paragraph 14: option (a) was not preferable as it would put the ILO out-of-sync with other UN agencies and would not allow for incorporating the recommendations of the current QCPR. Option (b) might be considered, provided that it was followed by four-year cycles to align the SPF with the QCPRs in the medium term. However, a six-year SPF might be too long and inflexible, and would not allow the recommendations of the current QCPR and post-2015 agenda developments to be taken into account. Option (c) would allow for rapid harmonization with other UN agencies but would introduce a 2016–17 programme and budget falling outside a strategic umbrella. He asked the Office to indicate how a sui generis set of indicators would be developed, including the costs attached to that process, and how they would work in practice. He also asked the Office to comment on the planning and cost implications of two further options. The first was to extend the current SPF to the end of 2017, which would require additional work to adjust specific targets. The second option would be to develop a skeleton SPF for 2016–17 that would form the basis of the fully-fledged SPF for 2018–21. That would allow the results of the current QCPR and the post-2015 development agenda to be taken into account and would enable the ILO to align its cycle with other UN agencies by 2018. However, it would require the negotiation of a new SPF in the near future, as well as follow-up negotiations in 2016 and 2017. The Office's views were sought on the planning and cost implications of these two additional options. Regarding the point for guidance, before starting preparations on the new SPF, more information was needed on the advantages and disadvantages of the different options available. IMEC requested the Office to provide a follow-up paper for discussion at the March 2014 Governing Body session.
15. *A Government representative of Indonesia* supported the ASEAN statement. In view of the QCPR adopted by the UN General Assembly, the ILO should consider adopting a four-year cycle for its SPF to align itself with other UN agencies, thereby enhancing the coherence, effectiveness and accountability of the UN system.
16. *A Government representative of China* said that the end of the current SPF and the Director-General's reforms created ideal conditions to begin the development of a new SPF. A four-year cycle would allow the ILO to meet the needs of member States and align itself with the UN system. China supported the adoption of the new SPF in March 2015. The ILO's limited resources should be focused on a limited number of outcomes. Promoting full consultation was a key element in developing the new SPF.
17. *A Government representative of Mexico* said that, in accordance with UN General Assembly Resolution 63/232 and the recommendations of the Joint Inspection Unit (JIU), the ILO should align itself with the QCPR cycle. Her Government was in favour of a four-year cycle starting in 2016. The new SPF should be a flexible document that could be adapted to the direction established by the QCPR and the changing needs of the world of work. Mexico could support the provisional time frame for the preparation of the new SPF, which should however include clear provisions for consultations in the context of the next regional meetings.

18. *A Government representative of India* pointed out that the ILO's strategic mandate on labour standards had been overtaken by a number of organizations including the Organisation for Economic Co-operation and Development (OECD), the International Organization for Standardization (ISO) and the Economic and Social Council (ECOSOC). The ILO needed to be more flexible, dynamic and research-oriented to meet new challenges. It was a good time to develop a new SPF, given the limited flexibility of the current results-based framework. A shorter and more flexible SPF cycle, with a more research-oriented action plan, would enable the ILO to retain its eminent role in the world of work. He objected to the reference to consultation with donors, indicating that the strategic plan should reflect the needs of ILO constituents, rather than the capacity of donors. His country supported adopting a four-year cycle and the proposed timeline for preparing the new SPF.
19. *A Government representative of Brazil* supported the point made by the previous speaker concerning consultation with donors.
20. *A representative of the Director-General* (Director, Strategic Programming and Management Department) confirmed that the ILO was taking the advice of external experts in the preparation of the new strategic plan, especially with a view to drawing lessons from current experience in the UN system and to improving the current ILO measurement framework. With regard to the planning document that would cover the period 2016–17 in the event that option (c) in paragraph 14 was retained, two alternatives could be considered: either to extend the timeline of the current SPF by two years, or to complement the Programme and Budget for 2016–17 with a sui generis measurement framework in anticipation of the development of a complete measurement framework in 2018. Although constituents had indicated a preference for a four-year cycle, as opposed to a six-year one, views were divided about the start date of the new strategic plan. A number of delegations had advocated support for alignment with the QCPR review cycle and at the same time a start date of 2016, yet it was not possible to have both options. As for the role of donors, they contributed one third of the ILO's total resources and, as important partners of the ILO, could express views on what the ILO might best be doing in the future. When drafting strategic plans, broad consultations tended to be useful, but they would not reduce the Governing Body's prerogative to make decisions on the Organization's strategic priorities.
21. *The Worker spokesperson* requested confirmation that the current item would be revisited at the March 2014 session of the Governing Body. Although it might be useful to align ILO planning and budgeting with the QCPR cycle, more information was required on the benefits and implications of doing so. He acknowledged that donors were vital to the process but stressed the importance of the correct sequencing of processes involving donors: the strategy should be agreed through a democratic and tripartite process and then presented to donors, not vice versa.
22. *The representative of the Director-General* (Director, Strategic Programming and Management Department) confirmed that, should the Governing Body so decide, a follow-up paper would be presented to its next session in March 2014.

Outcome

23. *The Governing Body wished to give further consideration to the question of a new SPF at its 320th Session (March 2014) on the basis of a paper from the Office that would provide additional information on the implications of shifting to a four-year strategic plan and alignment with the UN recommended cycle.*

(GB.319/PFA/2.)

Third item on the agenda

Proposed 2014–15 budgets for extra-budgetary accounts

International Occupational Safety and Health Information Centre (CIS)

(GB.319/PFA/3/1)

24. *The Worker spokesperson expressed appreciation for the work of the CIS in disseminating knowledge on occupational safety and health (OSH) issues and its establishment of the global database on legislation relevant to that topic. Noting the significant reduction in extra-budgetary income as a proportion of the CIS budget, his group supported the draft decision in paragraph 6 of the document, authorizing the Director-General to manage the CIS extra-budgetary account, but recommended that a rights-based approach be given priority in the funding and that information on the CIS be regularly included in the implementation report as part of reporting on outcome 6.*
25. *The Employer spokesperson expressed support for the draft decision.*
26. *Speaking on behalf of the Africa group, a Government representative of Zimbabwe expressed concern that transferring the CIS's functions and responsibilities to the new Governance and Tripartism Department (Governance) could lead to some of the Centre's more critical issues being overlooked. Further explanations would also be welcome as to why the biennial budget for the CIS extra-budgetary account would no longer be submitted to the Governing Body but would instead be placed at the discretion of the Director-General.*
27. *A representative of the Director-General (Director, Governance and Tripartism Department) said that the Director-General had emphasized the need to ensure more consistency and greater impact for the Organization's actions. The reforms would allow the CIS to operate in a broader framework, including the collection and dissemination of information on OSH, without losing its effectiveness. The reason for placing the CIS budget at the discretion of the Director-General was that almost all of its funds came from the Office, and not from external budget donations.*

Decision

28. The Governing Body:

- (a) *noted the decision of the Director-General to integrate the former activities of the CIS into the reformed structure of the ILO;*

- (b) *decided to no longer require the submission of biennial budgets of the CIS extra-budgetary account; and*
- (c) *authorized the Director-General to use at his discretion the remaining funds available in the CIS extra-budgetary account and any future extra-budgetary income received to promote and enhance the OSH activities of the ILO.*

(GB.319/PFA/3/1, paragraph 6.)

Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR)

(GB.319/PFA/3/2)

29. *An Employer member from Ecuador* underscored the role of the network of vocational training institutions, coordinated by CINTERFOR, which enabled hundreds of vocational training professionals to share their experience and knowledge with the ILO and its Members. A clear example of the practical and rapid return for the Organization was the transfer of the National Industrial Apprenticeship Service (SENAI) model for forecasting labour requirements in the medium term – a model first transferred in Central America in 2012. The Centre’s knowledge management platform had also been crucial in incorporating the dissemination, interaction and collective building of knowledge, including through its tools and teaching materials, but he wished to know whether the Regional Office planned to enhance the platform and facilitate access for other continents. With regard to micro-, small and medium-sized enterprises, CINTERFOR had created learning capsules under the Avanza System to facilitate the measurement and improvement of productivity and sustainability. He asked what role CINTERFOR would play in the Regional Programme for the Promotion of Formalization (FORLAC). Lastly, he called upon CINTERFOR to focus resources on fostering public–private partnerships that might extend vocational training programmes to the formal economy.
30. *The Worker spokesperson* said that in November 2011, the Workers’ group had requested that vocational training be linked to the Decent Work Agenda and that collective bargaining and freedom of association be recognized as integral elements of decent employment and vocational training. Given that Appendix III lacked a section on the vocational training clauses in collective bargaining, he asked how CINTERFOR planned to integrate those elements in the forthcoming biennium. Additional information would also be welcome on the extent to which the System for Integrated Measurement and Improvement of Productivity (SIMAPRO) had improved working conditions – the Workers’ group had often expressed fears that it focused too much on productivity. He asked whether initiatives to improve the quality of on-the-job training had been incorporated into broader strategies aimed at formalizing the informal economy. In the context of increasing consensus for vocational training covering technology, education and social dimensions, he expressed concern that CINTERFOR did not address the social dimensions sufficiently, not least in micro-, small and medium-sized enterprises. The lack of participation by trade unions in many of the Centre’s cooperation activities was of particular concern. Better coordination with the Bureau for Workers’ Activities (ACTRAV) would help to mainstream workers’ priorities in the Centre’s activities and ensure greater union participation, while working in a tripartite context could improve the Centre’s work at the regional level. The abolition of a post in the library, without dialogue and consultation with management and staff at CINTERFOR, was also a cause for concern. While agreeing with the draft decision, he expected the concerns raised to be addressed in the next biennium.

31. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Costa Rica expressed the group's firm support for the proposed budget for CINTERFOR and its gratitude for the US\$50,000 contribution by the host country. The figures for the 2012–13 biennium were evidence of the enormous potential for national and international support in the area of technical cooperation. The Centre had played an essential role for over half a century in supporting the Office, not least through its contribution to the 2010–15 SPF. The Programme and Budget for 2014–15 had made a specific reference to the Centre's promotion of South–South and triangular cooperation. Given the major employment challenges faced by Latin America and the Caribbean, especially in the area of youth employment, it was essential that CINTERFOR continued to promote vocational training and served as a model worldwide for initiatives concerning technical education, vocational training and labour.
32. *A representative of the Director-General (Regional Director, ILO Regional Office for Latin America and the Caribbean)* said that the time was ripe for CINTERFOR to assess and draw lessons from its achievements over the previous 50 years. The future should involve a more holistic approach in which the knowledge management platform and network of vocational training institutions and programmes should be enhanced, while technical capacity would be used to bridge the gaps in countries between areas where training was required and strategic areas for economic development. A key area would be to boost the participation of workers, employers and governments in a reinvigorated social dialogue process.
33. Another key component was the inclusion in the strategy of South–South and triangular cooperation and the rich experience to be gained from the vocational training institutions at the governmental and private levels. That accumulation of knowledge would be a fundamental pillar of the programme, especially for young people, of whom six in every ten in the region worked in the informal economy.

Decision

34. *The Governing Body approved the income and expenditure estimates of the CINTERFOR extra-budgetary account for 2014–15, as set out in Appendix I of document GB.319/PFA/3/2.*

(GB.319/PFA/3/2, paragraph 16.)

Fourth item on the agenda

Building questions

Headquarters building renovation project

(GB.319/PFA/4)

35. *A representative of the Director-General (Deputy Director-General, Management and Reform)*, stressed that GB.319/PFA/4 was intended solely to alert members to the variety of options and issues associated with the renovation project, but decisions on how to progress further would not be made until March 2014. The three options available were: to retain the 2010 original estimate of CHF203.4 million – with the implication of an approximately 25 per cent reduction in the scope of the work; to revise the estimate to some CHF262 million to reflect essential environmental and safety conditions and other

work underestimated in 2010; or to revise the estimate to some CHF273 million to also include additional beneficial, but non-essential, changes.

36. *The Worker spokesperson* said that it was essential in light of the huge amount of money at stake and the challenges of the renovation work, to be able to count on maximum technical competence on the part of the Project Manager and the pilot as well as oversight by the Office and the Governing Body. He reiterated the group's request that the Swiss social partners should be involved in the Coordination Committee, so that they could work alongside the Swiss authorities, the Swiss Confederation, the Canton of Geneva, the Building Foundation for International Organizations and the City of Geneva to ensure the successful completion of the project.
37. The group was concerned that the cost increase greatly exceeded the 20 per cent variation that had been envisaged in 2010. In the case of two of the three options proposed, the variation ranged from 29 per cent to 34 per cent. Even if the costs identified in 2010 were not based on specific designs or in-depth evaluations, the high variation indicated deficiencies in the manner in which the project had been handled. The management and governance initiative recently taken by the Office should thus have been implemented from the very beginning of the project. The additional costs were related to highly sensitive issues such as the safety of ILO staff. For instance, the additional areas for asbestos removal identified by the independent asbestos survey had led to a doubling of that budget heading. He stressed that the renovation of the building should comply with health and safety regulations for ILO staff and workers engaged as contractors in the project.
38. With regard to the third and most expensive option, he could not at this stage take a decision and deferred the matter to the Governing Body in March 2014. However, he noted with concern that the ILO archives would be at serious risk in the event of a fire and that should be looked at.
39. The group strongly supported the Office's efforts to find sustainable financing options such as the sale of non-strategic plots of land and commercial loans to be financed from rental income. It encouraged the Office to negotiate the best possible deals, given the high value of the land, and requested further details regarding the draft law modifying the zoning of ILO lands.
40. The document submitted to the next session in March 2014 should contain detailed information on the financing modalities of phases I and II and of the different options, including more details concerning the revised policy of the Swiss Government with respect to financial assistance for major renovation projects. The Workers' group supported the draft decision in paragraph 42.
41. *The Employer spokesperson* asked whether the renovation would be undertaken by a general contractor or coordinated by the Project Manager. If no decision had yet been taken in that regard, the group wished to know when a decision was likely to be taken.
42. The first option of retaining the approved budget could not really be considered without detailed information on how the scope of the work could be reduced while meeting safety standards and ensuring energy conservation. The Employers' group wished to be informed about the concrete possibilities of staying within the approved budget and about the impact of such a decision. The group found it alarming that the initial plans had failed to take safety considerations into account.
43. He requested information regarding the possible impact of simultaneous phase I and phase II renovation work on the Office's staff and work and clarification between beneficial and essential work.

44. With regard to possible sources of additional funds, while a loan on favourable terms had been suggested as a possible solution, the section on financial arrangements was not sufficiently clear on that point to enable a decision to be taken. The Employers' group requested more information on how the Office's previous figures had underestimated the costs to such a degree, as well as reassurances that no further significant increases in the cost of renovation could be expected. The submission of documents for a building permit to allow the local authorities to comment on whether the renovations were compatible with Swiss regulations raised some concerns in that regard. The group requested further specific reassurances that no issues could be foreseen which might stall the project or generate further costs. A question was also posed on whether there was an expert assisting the Office.
45. The Employers' group supported the draft decision in paragraph 42.
46. *Speaking on behalf of GRULAC*, a Government representative of Costa Rica noted with satisfaction that savings had been made in two areas: replacement of the elevators and renovation of the kitchens and restaurant areas. She stressed the importance of adhering to deadlines, since delays could lead to cost increases. GRULAC also welcomed the decision not to build a temporary office pavilion. While recognizing the importance of the new governance structure, the group emphasized that the costs of such oversight should be based on the principle of proportionality. Expressing the hope that the redesign process would enhance cross-functional synergies, she emphasized that the Office's staff should be consulted at all stages of the process.
47. The document to be submitted to the next session should contain more detailed information regarding possible alternative sources of financing. Mention had been made of the sale or disposal of non-strategic plots of land and the letting of vacant office space. Measures to enhance the building's environmental sustainability could also generate savings and the document should include estimates in that regard.
48. GRULAC suggested that special attention should be given to the elimination of asbestos and access to the building for persons with disabilities. It supported the draft decision.
49. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe welcomed the establishment of the Governance Committee and the participation of the Swiss authorities in the Coordination Committee. He noted with satisfaction that work on the refurbishment of the elevators had been completed and that savings had been made.
50. With regard to the revised estimates, the group agreed that the renovation project should comply with safety and insulation requirements. The Office should continue to engage with the host Government concerning preferential loan rates and the funding of specific elements of the project. The group looked forward to receiving an update in that regard at the 320th Session, together with an analysis of the viability of completing the renovations by 2019 or 2022. The Africa group supported the draft decision.
51. *Speaking on behalf of IMEC*, a Government representative of the United Kingdom expressed regret at the failure to undertake a transparent assessment at the outset. As a result, many key elements had not been taken into account in the project approved in 2010. IMEC welcomed the appointment of the Project Manager and the establishment of the Governance Committee and looked forward to reviewing the results of the independent review of cost estimates at the next session. It was essential to ensure the safety of ILO staff and visitors and to comply with current and local standards in that regard.
52. IMEC strongly urged the Office to consider innovative financing methods such as the sale of ILO land. It would welcome an update on financing options based on current financial

rules and regulations at the next session. In that context, it welcomed the Director-General's commitment to a continuous analysis of the cost estimates in order to identify savings and simplifications.

53. *A Government representative of Japan* requested further information on how the Office proposed to secure the financial resources required to meet the increased costs.
54. *A Government representative of Switzerland* expressed regret that the initial estimates had omitted factors such as the cost of aligning the building with local environmental and safety standards. While welcoming the establishment of the Coordination Committee, her Government regretted that the Office had limited the scope of its mandate, which should not consist solely in ensuring that the renovation work complied with Swiss regulations but should also include the provision of support for completion of the work within the fixed deadlines and of advice on technical issues related to project planning and implementation. She encouraged the Office to make full use of the Committee's potential and of the expertise that Switzerland could place at its disposal.
55. With regard to the financing of the project, the recent adoption by the local Swiss authorities of the draft law modifying the zoning of ILO lands would facilitate the sale or enhanced use of the land. She also encouraged the Office to consider additional sources of financing. The Swiss Confederation was in a position, following a decision by the Federal Council in June 2013, to provide loans at preferential rates for the renovation of offices belonging to international organizations in Switzerland.
56. *A Government representative of France* expressed deep concern about the errors committed at the outset of the renovation project, particularly the failure to anticipate risks and to make adequate provision for compliance with standards. The Office claimed that the project could be financed, for instance through a loan, but the question arose whether those funds could be put to better use in the context of the ILO mandate. His Government inquired about the cost of running the renovated building. Lower operating costs could perhaps offset part of the cost increase that was currently being proposed. At any rate, funds required for the ILO capacity-building projects proposed by the Director-General should not be diverted to cover increased renovation costs. He urged the secretariat to do its utmost to find alternative means of offsetting the cost increase, including, if necessary, the sale of land.
57. *The representative of the Director-General* (Deputy Director-General, Management and Reform) emphasized that the Governing Body was not discussing increases in the specific costs that had been approved in 2010. The increases related to a far wider scope of work in terms of regulatory, environmental and preparatory costs. As far as the regulatory aspects were concerned, the initial approach in 2010 had been to maintain the safety and environmental standards that had been applicable when the building was constructed in the 1970s. Subsequent assessments had revealed significant changes in standards entailing major additional costs.
58. A reduction of around 55 per cent in heating and cooling costs from additional insulation and greater use of lake water was anticipated. Discussions were also under way with the local power and water authorities on additional ways to improve energy management. He noted that it would take some time to realize the full monetary benefit of the recent changes in land zoning but that consultations had resumed with the Swiss authorities. The objective was to propose a financing plan that avoided any greater impost on the regular budget of the Organization than had been approved in 2010.
59. In response to a question by the Employers' group, he said that it had been decided to apply a construction management approach, a decision that had been endorsed by the

Governance Committee and the Director-General. With regard to the difference between beneficial and essential work, the latter included protection of the Office's archives. An overall assessment would be provided to the Governing Body at its next session.

60. If the budget approved in 2010 were to be maintained but safety requirements were introduced, a 25 per cent reduction in the renovation project would be required. No decision had yet been reached on the areas that would be affected by such reductions. A thorough assessment of that option was ongoing.
61. He reiterated that the changes in the 2010 estimates were not based on errors. There had indeed been some oversights regarding the amount and cost of preparatory work. The decision on complying with the relevant safety and environmental standards had been a conscious decision and was not a matter of oversight.

Decision

62. *The Governing Body took note of document GB.319/PFA/4 and of the revised estimates and requested the Director-General to submit proposals at its 320th Session (March 2014) on any revisions to project scope and financing options.*

(GB.319/PFA/4, paragraph 42.)

Fifth item on the agenda

Information and communications technology questions

Progress on IT infrastructure investments (GB.319/PFA/5/1)

63. *The Employer spokesperson* noted with appreciation that all completed projects had been implemented within their approved budget allocations, and that most projects were being implemented according to plan. The recentralization of IT services and responsibilities was of crucial importance. Decentralizing IT functions involved serious risks with regard to costs, sustainability and coherence. He repeated the request made in November 2012 for more information on the recentralization and on the possible risks of continued decentralization. He also wanted to know whether the use of videoconferencing with full translation was being factored into the IT plans as that would offer both cost efficiencies and convenience.
64. *The Worker spokesperson* welcomed the overview on progress with the IT infrastructure investments, and the breakdown of the sums allocated to the project. The Office had been right to suspend decisions on projects that would be affected by building renovations. He welcomed the prudent approach to the email system and the adoption of a cloud-based service in the three phases described in paragraphs 13 to 15. He noted that the email system must guarantee the privacy of ILO emails and the security of the data of the ILO and of all UN bodies, especially where private companies were providing the service. He was happy to note that training manuals for the staff were being published in English, French and Spanish. Like the Employers' group, he was anxious to know what provision had been made for videoconferencing facilities.

65. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe commended the Office on the significant progress made in improving the IT infrastructure. He was satisfied that projects had remained within the allocated budget and the agreed time frames. In view of the risks and security threats associated with hosting the email system with a commercial cloud-based service provider, he requested that the Office consider migrating to a new system only when a viable cloud computing service was identified. He also requested an explanation of the shortcomings of the current GroupWise system, and hoped IT training would be available in a timely manner for all staff.
66. *A Government representative of Brazil* said that the security of communication and archives was of the utmost importance to everyone.
67. *A representative of the Director-General (Chief Information Officer)* gave an overview of the new Information and Technology Management Department (INFOTEC) structure. He highlighted the fact that management of information and technology was being consolidated within INFOTEC. Functions being consolidated included the library, server rooms, telecommunications and other IT infrastructure, and decentralized local area network (LAN) administrators were being brought together with other IT support staff. The consolidation of the records, archives and software development functions was currently being evaluated. The new department was headed by a Chief Information Officer with a focus on ensuring the strategic use of technology and information. IT functions in the field were also being evaluated in the context of the field review, with a view to aligning those functions with headquarters.
68. The IT governance structure had been officially established through an Office Directive, consisting of an IT Governance Committee with representation from throughout the Office, including the field. The IT governance framework included advisory bodies that considered the costs and benefits of proposed investments in applications and technology and helped to expedite the decision-making process.
69. He clarified the benefits of moving from GroupWise to Microsoft Outlook for email, noting improved communications, working remotely and integration with existing products.
70. With regard to videoconferencing, the department was working to identify tools and technologies to implement a global videoconferencing infrastructure within the Office.

Outcome

71. *The Governing Body took note of the report.*

(GB.319/PFA/5/1.)

Progress on IRIS field roll-out

(GB.319/PFA/5/2)

72. *The Worker spokesperson* noted that the IRIS roll-out to regional offices was almost complete, but that there had been a slight delay in the roll-out to Africa, originally scheduled to be completed by the end of 2013 and now rescheduled for the second quarter of 2014. He inquired about the reasons for the delay. With regard to the roll-out of IRIS functionality beyond regional offices, while appreciating the benefits of having a single system for all offices, he wondered whether account had been taken of the smaller office staff capacity and the volume of work in the regions and, in that light, whether the proposed timeline was realistic. Also, given the development of a new SPF, he queried

whether the strategic management functionality was flexible enough to allow for those changes. He emphasized the importance of training staff in IRIS.

73. *The Employer spokesperson* inquired whether the IRIS roll-out in the field had taken place within the agreed budget, and what cost increases had taken place, if any.
74. *Speaking on behalf of the Africa group*, a Government representative of Zimbabwe noted with satisfaction that the combined implementation of human resources and payroll to the Regional Office for Africa would serve as a pilot for roll-out to other external offices during the following biennium.
75. *A representative of Mexico* welcomed the efforts made by the Office to extend the IRIS system to all regional offices, and the decision to implement human resources and payroll functions through IRIS. With a view to the successful completion of the reform process, it was important to have IRIS functions in all the external offices, and to train the staff of the regional offices in the new model. She hoped the Director-General would keep the Governing Body informed of progress in the current roll-out schedule, due to be completed within the 2014–15 biennium.
76. *A representative of the Director-General (Chief Information Officer)* explained that the delay in roll-out to the Africa region was due to several factors, noting that the overall timing of IRIS deployment had had to be changed in 2010–11 due to unexpected natural disasters which affected the Asia and the Pacific region. As a consequence, the roll-out in Asia had been delayed, impacting the schedule for Africa. More importantly, he pointed out that insufficient connectivity in Africa had been the major obstacle to earlier implementation of IRIS. The upgrade of connectivity in October 2012 had allowed the Office to partially implement IRIS to the Regional Office in 2013. Unlike the other regions, Africa had received additional functionality in the first phase of the roll-out, specifically IRIS Payroll, which provided an opportunity for the Office to pilot the model to be used in the 2014–15 global IRIS implementation.
77. The future roll-out model for 2014–15 took into account smaller external offices that already administered human resources functions and therefore had the capacity to do that work in IRIS. More complex functions, such as payroll processing, would be performed centrally at headquarters, freeing up capacity in field offices for other activities.
78. Concerning possible cost increases, the roll-out of IRIS to the regional offices had been carried out within existing resource allocations.
79. In closing, he pointed out that the Strategic Management Module in IRIS had been developed in-house and was sufficiently flexible to accommodate changes to the SPF.

Outcome

80. *The Governing Body took note of the report.*

(GB.319/PFA/5/2.)

Sixth item on the agenda

Other financial questions

Appointment of a replacement member to the Independent Oversight Advisory Committee (IOAC) (GB.319/PFA/6/1)

81. The item was referred to the Officers of the Governing Body for consideration.

Audit and Oversight Segment

Seventh item on the agenda

Annual evaluation report 2012–13 (GB.319/PFA/7)

82. *The Worker spokesperson* welcomed the reconstituted Evaluation Advisory Committee (EAC) and the appointment of the new Chairperson. Concerning the follow-up to high-level evaluations, he asked how the priorities identified by the Indian constituents at the 316th Session of the Governing Body had been taken into account in the new DWCP. He particularly stressed the priority given by Indian constituents to the ratification of the Minimum Age Convention, 1973 (No. 138), and the Worst Forms of Child Labour Convention, 1999 (No. 182), and technical support for early ratification of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). He welcomed the suggestion that ILO constituents should be included throughout the evaluation process. He asked why evaluation budgets should be increased significantly, as suggested in the document. Referring to table 1, he agreed with the topics proposed for high-level evaluation in 2015, and also with the postponement to 2016 of the evaluation of the field structure. The decision on the 2016 strategy evaluation for one of the ACIs might well be premature, since the current SPF would come to an end in 2015. Only limited information was available in the evaluation reports on gender equality and women's empowerment, as admitted in paragraph 21, and he hoped that situation would improve in the future. He would like to have more information on the figures given in paragraph 25 for follow-up actions targeting constituents and questioned why so few recommendations were addressed to Workers, compared with those addressed to the other constituents.
83. He welcomed the efforts of the Evaluation Unit (EVAL) regarding training and capacity building in evaluation for staff and inquired whether the new e-learning module had already been used and, if so, by how many staff members.
84. With regard to the evaluability of Country Programme Outcomes (CPOs), referred to in paragraph 40 of the report, the important factor to be taken into account in developing the new SPF was the recommendation regarding the need to improve the evaluability of CPOs. He drew attention to recommendation 10 in paragraph 60 concerning Regular Budget Supplementary Account (RBSA) support and noted the time delays in approvals and release of funding. The allocation of different funds to specific outcomes should be anticipated in order to improve planning. With those comments, the group endorsed the recommendations of the report and approved the draft decision in paragraph 61.

- 85.** *The Employer spokesperson* said that it was reassuring that the evaluation culture, as reflected in the use of evaluation results for governance and management purposes, had improved. He asked what action the Office intended to take to secure more rigorous monitoring and measurement of impact. He wondered what the recommended shift of focus from attribution to contribution, in paragraph 42, meant for results reporting in future. He asked how the evaluation results were reflected in the Programme and Budget for 2014–15, and how they would be used to guide the development of the new SPF. Referring to paragraph 40, he was concerned at the continuing gap between what could and what should be evaluated for CPOs. He wondered how the Office intended to address the findings on CPOs, and how the recommendations of EVAL would be taken on board. Weak monitoring and reporting of results was a missed chance to learn from both success and failure. The Employers' group therefore particularly supported recommendation 7 on developing logical frameworks for accountability and performance monitoring through the systematic collection of baseline measurements.
- 86.** *Speaking on behalf of the Africa group*, a Government representative of Egypt welcomed the appointment of a new Chairperson of the EAC, and the efforts to revise and develop its methods of work and its role. She looked forward to the finalization of work on the outstanding recommendations, especially those on sectoral activities and employment policy. She concurred with the need to increase participation of the tripartite constituents in high-level evaluation, and to allocate more resources to it. She strongly supported the proposed evaluation, in 2015–16, of the technical cooperation strategy and field structure. The Office should shed more light on investigative follow-up activities and the updating of the evaluation network to reflect the Office reforms. More support was needed from the Office to enable constituents from the developing countries to take part in training workshops. She supported the ongoing work on strengthening DCWPs. The 17 Ouagadougou targets were in line with the 19 global outcomes of the SPF, and the ILO Declaration on Social Justice for a Fair Globalization recognized that the strategic objectives were interrelated and mutually supportive. National ownership and leadership should be the guiding principle for all operational activities.
- 87.** *Speaking on behalf of IMEC*, a Government representative of the Netherlands endorsed the role of the EAC as a corporate advisory mechanism to ensure that evaluation results were properly followed up by the Office. All project evaluations should be completed in a timely manner. As far as the adequacy of the budget was concerned, EVAL should be careful to strike a balance between the in-depth approach to evaluation and the number of evaluations carried out. The Office should explain how credible evaluation at country level was to be achieved, given the weakness in the evaluability of country programme outcomes. He asked how EVAL and the International Programme on the Elimination of Child Labour (IPEC) evaluation unit related to each other. IMEC supported the proposed shift of focus from attribution of results to assessing the ILO's contribution to analysing the impact of its work. He pointed out that the evaluation findings of the RBSA required special attention by the Office in light of newly emerging priorities. He endorsed the recommendations in the report, and urged the Office to take account of the views of IMEC when reporting on the annual evaluation for 2013–14. IMEC welcomed the proposed evaluation in 2015 of the ILO's technical cooperation strategy.
- 88.** *Speaking on behalf of the Nordic countries*, a Government representative of Denmark suggested that when developing action plans the Office should reduce the number of new expert meetings in Geneva, while paying more attention to how the ILO would deliver its programmes on the ground.
- 89.** *A Government representative of India* welcomed the focus in the document on enhancing evaluation through evidence-based information and the effective follow-up of evaluations, stressing that the implementation of recommendations from high-level evaluations was

vital to improving the strategic policy plans of the ILO. Welcoming the inclusion of new ACIs in the proposed topics for high evaluation, she cautioned that it would as yet be premature to evaluate progress in some new areas, such as formalization of the informal economy and creating and extending the SPF. Her Government also recommended that coverage of training programmes should be widened to include social partners and that evaluations should be conducted with the active involvement of national knowledge networks. Stressing that the evaluability of the outcome of relevant indicators must be assessed beforehand, so that impact assessment formed a natural consequence of the programme, she conveyed her Government's support for the draft decision.

90. *A representative of the Director-General (Director, EVAL)*, noting the substantial progress on all 11 milestones related to the three evaluation strategy outcomes, acknowledged some of the remaining challenges regarding the outcome on the use of evaluations. He was confident that the development of the new SPF would provide a good opportunity to reflect lessons learned from evaluation reports. With regard to the role of the EAC in the evaluation process, it had been decided that every high-level evaluation needed to undergo an in-depth review. Accordingly, no details were as yet available on the follow-up to the recommendations of some high-level evaluations, including the evaluation for India.
91. With regard to the reference in the report about raising the budget, he pointed out that the comment had emanated from an independent assessment of the high-level evaluations and that EVAL itself believed that the quality of the evaluations had not been compromised by budgetary constraints. On the issue of the involvement of constituents in management response to evaluation recommendations, he explained that when a recommendation suggested action related to or targeted at constituents, EVAL would ask line managers how they had dealt with it for the data that it reported. The role of the constituents in the follow-up to evaluations depended on the design of the project and not the evaluation process.
92. He further explained that the CPO evaluability exercise had been performed in collaboration with the Strategic Programming and Management department (PROGRAM) and drew attention to its positive elements and the progress that had been made, although there was still scope for further improvement. Turning to the concerns about the use of monitoring and evaluation, he conveyed the finding from various evaluations that projects were often overambitious and project managers were accordingly encouraged to be more realistic in their design and to invest more time in monitoring and evaluation. In that context, he drew attention to a new procedure requiring every project above US\$5 million to undergo an evaluability assessment, which, it was hoped, would lead to better results. He also noted that, the continuing challenges notwithstanding, the monitoring and evaluation practice in the ILO compared favourably with that in other organizations.
93. On the more theoretical question of attribution versus contribution, he stressed the importance in the ILO of maintaining a distinction between the two concepts. Most of the work performed in the ILO was a joint effort together with the constituents and, accordingly, it would be misleading for the ILO to attribute the result to itself. Thus, it was important that the ILO should focus on how it contributed to the achievements that its constituents delivered which, in turn, would also facilitate impact measurement.
94. Lastly, reviewing the relationship between EVAL and IPEC, he explained that over time IPEC had built its own evaluation capacity, and differences in the evaluation time frames of the two bodies had led to the discrepancies between the figures on follow-up to the recommendations, which were no reflection on quality, and affirmed his belief that there would be no such discrepancies in the figures for the following year.

Decision

95. *The Governing Body took note of document GB.319/PFA/7 and endorsed the recommendations to be included in the ILO's rolling plan for the implementation of recommendations to be reported on in the annual evaluation report of 2013–14. It also confirmed the priorities identified in the report on the programme of work for 2015–16.*

(GB.319/PFA/7, paragraph 61.)

Eighth item on the agenda

Discussions of high-level evaluations

Strategies and Decent Work

Country Programmes

(GB.319/PFA/8)

96. *The Employer spokesperson* said, regarding the evaluation of the strategy on OSH, that further attention should be given to the lack of situational and outcome analysis in technical cooperation project proposals and to the inadequacy of the products of the ILO's CIS relevant to middle and low-income countries. His group supported the recommendation that the Office must actively involve tripartite constituents in increasing the sustainability of its OSH outcomes and welcomed efforts to provide training for small and medium-sized enterprises (SMEs). Referring to the limited ratification of OSH instruments, he said that an in-depth analysis of the ratification situation was needed in order to draw reliable conclusions and that ratification should not be overrated. However, adequate implementation and better OSH in practice was what should count. Greater emphasis should be placed on providing support for employers.
97. Regarding the evaluation of the strategy to promote sustainable enterprises and decent work, he said that, although the Bureau for Employers' Activities (ACT/EMP) played a key role in many projects, its field specialists had not been adequately involved in the preparatory interview phase of the evaluation. That prevented the report from integrating key information on the enabling environment line of work. Acknowledging that the efforts devoted to the various indicators had been uneven, he stressed that promoting an enabling environment should be a priority, as current efforts were still quite modest compared to the resources devoted to other areas within outcome 3. The enabling environment should be at the forefront of the outcome. The evaluation overlooked the fact that the ILO had methodologies such as the Enabling Environment for Sustainable Enterprises (EASE) toolkit, designed to assess the enabling environment, which needed to be given more attention in the Office. The ILO needed to be careful in promoting enterprise associations which could undermine existing structures of business representation. Referring to the recommendations, he said that the EASE toolkit provided standardized country assessments which allowed constituents to develop policy recommendations on prioritized areas that affected the enabling environment for enterprises to grow and create decent work; that decisions to prioritize countries were for the constituents, not international organizations, to make; that there was no reason to suggest that non-profit foundations were in a better position than business organizations to provide financial inputs for possible strategies for small enterprise development at the country level; and that indicators on productivity and sound economic performance should be included among those used to monitor progress in newly formed or strengthened enterprises. He wondered

why recommendation 5 did not reflect the finding that the effects of productivity and profitability on workers' employment situations were not sufficiently understood. His group did not support recommendation 9, because all legitimate enterprises – not just cooperatives – needed to be promoted.

98. Regarding the evaluation of the strategy to promote decent work in the Arab region, his group welcomed the finding that the impact of the strategy had been most significant in the areas of employment and social protection. The fact that Strategic Objective No. 1 (Employment) had received an overwhelming part of the total technical cooperation funding in the region did not mean that other pillars of the Decent Work Agenda were not receiving due attention; it simply highlighted the fact that it made sense for the Office to set priorities. Regarding coordination with other donor agencies, the Employers agreed that converting competition into collaboration was the way forward and therefore they supported recommendation 4. They also supported recommendation 6. Lastly, referring to the technical cooperation projects mentioned in the evaluation, he said that the Office should address the capacity gaps among constituents to sustain the results achieved.
99. *The Worker spokesperson* said, in respect of the evaluation of the ILO's strategy on OSH, that his group agreed that the Programme on Safety and Health at Work and the Environment (SafeWork) often lacked the strategic focus and operational strategy to optimize the ILO's comparative advantage in the field of OSH. The six-month anniversary of the Rana Plaza disaster was approaching and work on the promotion of OSH standards required priority attention. Noting that the ILO's advisory work had focused on the need for standards application, he said that, while that was important, greater efforts were needed to promote ratification of the OSH Conventions, particularly the Occupational Safety and Health Convention, 1981 (No. 155), and the Occupational Health Services Convention, 1985 (No. 161), and Conventions related to dangerous sectors like agriculture, construction, chemicals and mining. His group had been surprised to note that no reference was made to the Sectoral Activities Department (SECTOR). With reference to Better Work and Better Factories Cambodia it requested the Office to address the labour rights issues that remained unaddressed and to ensure that any interventions included the promotion of the right to bargain collectively and to organize. His group strongly endorsed recommendations 1 and 3 and welcomed recommendation 4. Regarding the other recommendations, he said that there should be greater worker involvement in the OSH programme; wondered what was meant by "less obvious infractions"; and highlighted the need to go beyond the CIS to raise the profile of OSH. He requested clarification from the Office on its responses to recommendations 1 and 8.
100. The evaluation of the ILO's strategy to promote sustainable enterprises and decent work confirmed that the Office had failed to give effect to the conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007) and that the level of efforts and resources had been uneven and that most focus had been on entrepreneurship. He requested a more strategic and integrated approach to decent work. Based on the need to review all products for enterprise development to be in line with the decent work pillars, his group endorsed recommendation 8 and strongly supported recommendations 4, 5, 9 and 10. It was disappointed, however, by the absence of information on attempts by the Office to respond to programme deficiencies. Regarding recommendation 7, his group was not convinced that the international financial institutions and development banks were championing a decent work agenda in their work on enterprises and would appreciate further clarification in that regard. It urged the Office to acknowledge the role of framework agreements and the need to provide guidance to enterprises to promote responsible workplace practices along the entire supply chain. The work to promote cooperative and social enterprises should be prioritized. It was hoped that work in the ACI of productivity and working

conditions in SMEs would allow the Office to take a more balanced approach to the work on enterprises focusing on improving working conditions and industrial relations.

101. The three countries assessed as part of the independent evaluation of the ILO's strategy to promote decent work in the Arab region had been selected on the basis of unknown criteria. To omit countries that had DWCPs in place and that continued to face social problems and rights violations would prevent substantive conclusions on the strategy from being drawn. The situation of the Syrian people remained a serious cause for concern. The ILO should work with host countries to create suitable jobs to alleviate the problems facing those displaced by the conflict. Recalling paragraph 20(a) of the framework for action for the effective and universal respect, promotion and realization of fundamental principles and rights at work 2012–16, he said that urgent action should be taken to remedy the situation mentioned in paragraph 100 of the report. The group asked the Office to allocate resources to build the capacities of genuine workers' organizations. The effectiveness of the ILO initiatives in Jordan remained debatable, as major issues facing migrant workers had not been adequately addressed. The Office should also do more to promote the ratification of Convention No. 87 and the application of Convention No. 98 in the country. Without an end to the occupation of the Occupied Palestinian Territory, the realization of decent work would not be possible. Noting that the ILO's interventions in Lebanon were ad hoc and unsustainable owing to the perceived absence of a decent work strategy, he called for that situation to be remedied by ensuring work to include a rights-based approach, including ratification of Convention No. 87 and the implementation and enforcement of Convention No. 98. Turning to recommendation 2, contained in paragraph 114 of the report, his group invited the Office to consult with ACTRAV on engaging with emerging workers' organizations. He also requested the Office to address gender-based discrimination and the many rights' violations suffered by women in the region. His group approved the draft decision contained in paragraph 131 of the report.

102. *Speaking on behalf of the Africa group*, a Government representative of Egypt said that her group had taken note of the information concerning the budget of the ILO's strategy on OSH. It was important for the programme to use available resources efficiently and to identify new sources of funding. Her group noted with concern that the evaluation had found CIS resources and knowledge products to be inadequate for middle and low-income countries. That could be remedied by better tailoring knowledge resources to their needs. Given that the relevance of the strategy was the only element that had been rated satisfactory, her group encouraged the Office to take immediate action to improve the programme's performance. Turning to the independent evaluation of the ILO's strategy to promote sustainable enterprises and decent work, she said that her group welcomed the efforts made by the ILO but that the strategy should be enhanced to provide better support to ILO constituents during the current period of slow economic growth. Turning to the independent evaluation of the ILO's strategy to promote decent work in the Arab region, she said that the ILO's experience in crisis management should be reflected in regional programmes and that the Office should provide the programme with sufficient funding to deal with the Syrian refugee crisis. Her group approved the draft decision contained in paragraph 131 of the report.

103. *A Government representative of India* said that the sample size selected by EVAL was too small to allow general conclusions concerning the ILO's strategy on OSH to be drawn. The evaluation of the ILO's strategy showed the progress achieved to range from satisfactory to not so satisfactory. In view of that fact, it was important to ensure that adequate manpower and financial resources were allocated to that area, especially given the increased mandate for OSH. The ILO was the organization with the global mandate for OSH standards, but other organizations could end up taking the lead if it did not give sufficient attention to that area. Turning to the independent evaluation of the ILO's strategy to promote sustainable enterprises and decent work, he said that sustainable enterprises could serve to promote

sustainable development, but were not an end in themselves. The fact that different countries were at different stages of development meant that what was sustainable in one country may not be sustainable in another, which precluded a prescriptive approach. Instead, ILO sustainable enterprise development initiatives should be tailored to country-specific needs and realities.

- 104.** *A Government representative of Kenya* said that his Government aligned itself with the statement made by Egypt on behalf of the Africa group. The use of the evaluation criteria referred to in the document would be of great assistance when taking decisions on policies and strategies, including those on accountability. His Government therefore supported the draft decision.
- 105.** *A representative of the Director-General* (Director, Governance and Tripartism), responding to comments regarding the ILO's strategy on OSH, said that the Office's plan of work would be adjusted in light of the concerns expressed during the debate. Account would be taken of the need to devise tools adapted to the economic and technological development of various countries and regions. All the constituents would have to make a common effort to secure the ratification and implementation of the relevant Conventions. The reform process had led to closer cooperation on safety at work among the Office's units and services.
- 106.** *A representative of the Director-General* (Director, Enterprises Department), replying to observations concerning the ILO's strategy to promote sustainable enterprises and decent work, said that the emphasis on developing entrepreneurship reflected demand from country offices. The portfolio had been rebalanced in order to focus more on the enabling environment and best workplace practices. The ILO's highly advanced impact assessment of programmes and projects was carried out almost in real time and included the viability of enterprises. Enabling environment assessments had been undertaken at a fairly early stage in the biennium and ten more had since been completed. Modules seeking to improve productivity and workplace practices were based on cooperation between workers and employers. The Sustaining Competitive and Responsible Enterprises (SCORE) programme had one OSH module. The Office was aware of the need to achieve scale and sustainability.
- 107.** *A representative of the Director-General* (Regional Director and Assistant Director-General, Regional Office for Arab States), responding to remarks on the ILO's strategy to promote decent work in the Arab region, said that flexibility was the cornerstone of the ILO's response to the volatile situation in that region. An attempt was being made to learn from the ILO's experience in North Africa. A subregional response framework had been put in place to address the impact of the Syrian crisis on labour markets. A decent workplace programme had just been launched for the Occupied Palestinian Territory. As far as resources were concerned, collaboration and not competition was the maxim.

Decision

- 108.** *The Governing Body requested the Director-General to take into consideration the findings, recommendations and lessons learned of the three high-level independent evaluations presented in document GB.319/PFA/8 and to ensure their due implementation.*

(GB.319/PFA/8, paragraph 131.)

Ninth item on the agenda

Matters relating to the Joint Inspection Unit (JIU)

Reports of the JIU (GB.319/PFA/9)

- 109.** *The Worker spokesperson* expressed support for the Office's position on the seven JIU reports and their ensuing recommendations addressed to the ILO. Given the heavy volume of JIU-related work, it would be advisable to discuss a follow-up mechanism aligned with the human and financial resources of the Office.
- 110.** *The Employer spokesperson* noted that the ILO's acceptance of most JIU recommendations showed how useful they had been. He noted that the Employers' group had intended to inquire why four JIU reports produced in 2012 containing recommendations for the Office were not included in the paper, but had been informed that the reports were imminent. Neither did the paper make any reference to the follow-up to recommendations made in the JIU reports in 2010 and 2011. The Office should provide a rolling reference document to show the implementation status of the recommendations from the three previous years. He requested clarifications as to why any policy, legal and financial implications of the paper had to be subject to guidance from the Governing Body.
- 111.** *Speaking on behalf of the Africa group*, a Government representative of Egypt highlighted four main points. First, his group supported efforts to further multilingualism in ILO work and to rectify the imbalance in the use of working languages. Second, the group attached particular attention to business continuity. The formulation of the new SPF would offer an opportunity to consolidate sustainability of business continuity. Third, the establishment of a single UN system Investigation Unit required further study. Fourth, his group agreed with the Office about the need for a cautious approach to the recommendations on UN system-wide alignment of planning and reporting cycles.
- 112.** *Speaking on behalf of ASPAG*, a Government representative of Australia welcomed the ILO's follow-up to JIU recommendations, underscoring the importance of increased UN coherence to avoid duplications and to ensure optimal use of scarce resources. The Office should further reaffirm its commitment to results-based management and harmonize its practices in order to achieve a common approach with regard to implementation of ILO activities at all levels through existing JIU mechanisms. On multilingualism, the Office had taken effective measures to redress existing imbalances in the use of the working languages within the secretariat. Still, most vacancies at the managerial and Professional levels required applicants to master languages that often had nothing to do with the related field-based positions. The Office should accommodate widely spoken languages in the regions as a selection criterion. Finally, the ILO was among the organizations that had implemented many JIU recommendations, either fully or in part. That indicated that the tripartite structure of the ILO was by no means an obstacle to its fruitful participation in a more coherent UN system.
- 113.** *Speaking on behalf of IMEC*, a Government representative of the Netherlands noted the complementary oversight role of the JIU and encouraged the Office to consider and implement its recommendations where and as feasible. He commented on three points. First, the Office should provide a short overview of the current "state of play" with regard to the ILO's business continuity policy, an explanation of the role that the business continuity plan played in that policy and information about when the plan would become

operational. Second, on ICT governance, the Office should fill the vacancy of Chief Information Officer as soon as possible. Third, on the management of sick leave in the UN system, an exchange of practices and experience in fighting absenteeism could provide for fruitful cooperation between UN organizations. Detailed data on sick leave did not need to be shared with the Governing Body on a biennial basis, but the Director-General should address the matter when reporting on the ILO's human resources policy and signal issues of concern in a timely manner.

- 114.** *The Government representative of the Netherlands*, speaking on behalf of his Government, noted that the document under consideration had been tabled for guidance from the Governing Body and that that practice should be kept in the future. He also expressed interest in the idea of having a rolling overview of the implementation of JIU recommendations.
- 115.** *A Government representative of India* urged the Office to eliminate the imbalance in the use of working languages within the secretariat. Sixty per cent of the global workforce worked in Asia and the Pacific, yet that region contributed less than 15 per cent of the ILO's human resources. The primary reason for that state of affairs was that most professionals did not know or need the required languages. There was a need to accommodate languages spoken in various regions, besides English, among the selection criteria for ILO recruitment.
- 116.** *A representative of the Director-General* (Director, Strategic Programming and Management) noted that, in line with the Office's practice, the four reports produced by the JIU in 2012 would be submitted to the Governing Body in a year's time, once the process of receiving comments from the Chief Executives Board (CEB) had been completed. Concerning the follow-up to recommendations, the web-based system introduced by the JIU in 2011 allowed the Office to report, on a rolling basis, on the status of implementation of the recommendations as of that date.
- 117.** *Another representative of the Director-General* (Treasurer and Financial Comptroller) indicated that the Office's business continuity policy defined the objectives of business continuity management, its governance structure and the responsibilities for preparing the related plan. The latter provided details in the form of "playbooks" for ILO crisis management, addressing critical processes, protocols and disaster-recovery sites. Business continuity preparedness was a matter monitored closely by the IOAC. He also indicated that a Chief Information Officer had been appointed in July 2013.

Outcome

- 118.** *The Governing Body took note of the report and provided guidance to the Office.*
(GB.319/PFA/9.)

Personnel Segment

Tenth item on the agenda

Statement by the staff representative

- 119.** The statement by the Staff Union representative is reproduced in Appendix II.

Eleventh item on the agenda

Other personnel questions

Amendments to the Staff Regulations:

Age of retirement in the ILO

(GB.319/PFA/11)

- 120.** *The Employer spokesperson* noted that the decision of the United Nations Joint Staff Pension Board (UNJSPB) to raise the normal age of retirement to 65 for new participants with effect from 1 January 2014 was consistent with recent developments in many ILO member States aimed at securing the financial sustainability of pension systems.
- 121.** The Employers' group recognized that such a change would have an impact on staffing and that the implications would therefore need to become part of the overall human resources strategy requested by the Governing Body at its 316th Session in November 2012. Recalling the opening remarks made by the Director-General concerning the sense of urgency and responsibility felt for the implementation of ILO reform, he requested confirmation that work on the strategy was progressing satisfactorily and that the complete proposal regarding policies and practices in all areas of the Director-General's human resources reform, including proposals to reform recruitment and selection procedures, would be presented for consideration in March 2014. On that basis, he confirmed the support of his group for the draft decision.
- 122.** *The Worker spokesperson* confirmed that his group also supported the draft decision. The Workers' group welcomed the level of dialogue between the Administration and the Staff Union in the ILO concerning the implications for staff of changes in the age of retirement and, echoing the views expressed by the Employer spokesperson, also looked forward to extensive discussion of the wider human resource policy implications to be presented in March 2014 and expressed the hope that the good dialogue between the Administration and the Staff Union continued.
- 123.** *Speaking on behalf of the Africa group*, a Government representative of the United Republic of Tanzania took note of the fact that the proposed amendments to the Staff Regulations were a consequence of decisions taken by the United National Joint Staff Pension Fund (UNJSPF) and therefore supported the draft decision. With respect to the ongoing discussions within the Joint Negotiating Committee, relating to the extension of the new age of retirement to serving staff, while he encouraged the continuation of discussions in the spirit of social dialogue, he expressed concern about the impact of such an extension on staff retention, career opportunities for serving staff or new talent, staffing costs and budgets. He therefore suggested that contracts of ILO officials should not be extended beyond their statutory age of retirement and requested that the Governing Body be provided with information on extensions beyond normal retirement age on an annual basis.
- 124.** *A representative of the Director-General* (Director, Human Resources Development Department) confirmed that work on the broad range of challenges facing the Office in the area of human resources was ongoing and was progressing at a rapid pace. The Office intended to continue the ongoing comprehensive consultations and negotiations with the Staff Union so as to inform the comprehensive package of human resource policies and practices to be presented to the 320th Session of the Governing Body in March 2014.

Decision

125. *The Governing Body amended article 11.3 as set out in paragraph 9 of document GB.319/PFA/11 with effect on 1 January 2014, subject to approval by the United Nations General Assembly of the corresponding amendments to the Regulations of the United Nations Joint Staff Pension Fund.*

(GB.319/PFA/11, paragraph 10.)

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Appendix I

Update of member States' contributions received between 1 September and 21 October 2013

Since 1 September 2013, contributions for 2013 and prior years amounting to CHF34,194,225 were received from 18 member States as follows:

Member States	Contributions received for 2013	Contributions received for arrears	Total contributions received in Swiss francs
Algeria	449 851	–	449 851
Bahamas	3 962	–	3 962
Bangladesh	90	–	90
Bolivia, Plurinational State of	24 582	–	24 582
Burundi	–	2 938	2 938
Colombia	334 687	–	334 687
Germany	14 084 517	–	14 084 517
Iran, Islamic Republic of	–	1 100 000	1 100 000
Iraq	9 358	–	9 358
Israel	1 133 021	132 701	1 265 722
Republic of Korea	7 694 464	2 146 131	9 840 595
Republic of Moldova	2 959	–	2 959
Montenegro	14 358	–	14 358
Papua New Guinea*	7 238	15 014	22 252
Russian Federation	5 610 145	–	5 610 145
Tajikistan	–	7 500	7 500
Tanzania, United Republic of	–	5 644	5 644
United Arab Emirates	1 414 952	113	1 415 065
Total	30 784 184	3 410 041	34 194 225

*Papua New Guinea regained its right to vote.

Including contributions received between 1 September and 21 October 2013, the total contributions received in 2013 amounted to CHF283,326,355. Of this amount, CHF247,979,020 represented contributions for 2013 and CHF35,347,335 represented contributions for arrears.

The balance due as of 21 October 2013 was CHF157,364,123.

Appendix II

Statement by the Chairperson of the Staff Union Committee to the Programme, Financial and Administrative Section of the Governing Body (319th Session – October 2013)

Madam Chairperson,

Director-General,

Members of the Governing Body,

Dear colleagues here today, and those following via the Intranet from our duty stations around the world.

Madam Chairperson,

Very few ILO officials have the privilege of addressing this Governing Body, and even fewer get to share the views, concerns and aspirations of the staff. I have had the honour of doing so on 12 separate occasions, including today, and it is a responsibility that I, on behalf of the ILO Staff Union Committee, have never taken lightly.

So, as I sat down to write what will be my last speech to the Governing Body as Chairperson of the Staff Union Committee, I must admit to having been faced with somewhat of a dilemma.

If I try to say everything I have wanted to, but have not been able to say on the other 11 occasions, I risk putting the room to sleep.

And I cannot do this, given the important work you have ahead of you.

I decided that, with the little time which remains for me – the little remaining attention I can demand from your very busy schedule – it would be most effective to focus my final speech to you on *one* thing; the *one* thing that, in our view, is essential to finding a way forward for the ILO, and for the United Nations system in this time of crisis. That is an effective and functioning industrial relations framework based on a commitment to good-faith social dialogue.

I suggest this, not as someone whose “day job” will focus on collective bargaining, but as someone who, when I applied for a job with the ILO as a 27-year-old, did so because I fully identified with the values of our Organization.

This is not only something *I* believe in. We are fortunate that this is something that our Director-General and his Administration believes in. And it is a principle that, as our shareholders for almost a century, I know that the Governing Body believes in: The principle that change can be best conceived and introduced, when it is achieved through dialogue.

It is somewhat ironic that, as we are emerging from years of what this Governing Body referred to as a “culture of conflict”, the United Nations, and the UN common system is confronted with a culture of conflict of an altogether different making.

First, let me recognize that, here in the ILO, we continue building a positive working relationship between the Union and the Administration – due in no small part to the deliberate commitment and considerable efforts made by the Union and management – and, as you would expect, things seem to be returning to normalcy here.

This is not to say that “tout est pour le mieux dans le meilleur des mondes possibles”. By no means would I suggest – nor would I expect our Union’s members to accept – such unrestrained optimism.

But we have made a commitment to make things work. We have committed to continuous dialogue with the Director-General and his Administration. Through this approach, we raised the concerns of the staff with the speed of the reform, as well as with areas where the consultative nature of the restructuring was not delivering as advertised. We were appreciative of the speed of the response we received, and how seriously these concerns were taken.

We have actively engaged with the review of the field operations, structure and technical cooperation, which is of particular concern to our members, and the staff as a whole. Overall, we have been pleased with their commitment to engage with the Union, both here in headquarters and in each of the regions. We are confident that the feedback they have received from the field staff is reflective of the issues raised by the Union in countless regional Staff Union committee meetings, as well as through the ONE ILO resolutions adopted by most ILO offices across the globe. The Union will continue to follow these issues closely, to ensure we can translate the issues raised through the consultative process into concrete, tangible results.

If you look at the big picture, and compare where we are today with the state of social dialogue in the ILO only two or three years ago, the considerable progress made in a short time is striking. Good faith dialogue is producing results.

However, if today in the ILO we are now making it work, if we are making progress here – we regret that the same is not true in the UN secretariat, or in the common system as a whole.

Many of you may be aware of the decision by the UN Secretary-General to withdraw collective bargaining rights from his own unions, not a year after engaging in a new, constructive approach to staff–management relations for UN staff. This not only contravenes the principles of good faith and the effective right to collective bargaining – including within the public service – but we now understand that it was done on the basis of misinformation to the member States. Unilateral moves to modify rules on treating collective redundancies in the FAO have heightened tensions and led to calls for industrial action from some staff.

The same is true in the common system, and, while not on your agenda today, allow me to speak to an issue that will be considered by UNGA in the coming week. In recent months, we have also witnessed numerous examples of the International Civil Service Commission violating its own methodologies, or changing them for the worse, with mounting pressure to make further changes, irrespective of the impact on the Noblemaire and Flemming Principles. Questioning these changes is not to question the authority of the member States to establish, and to change, common system terms and conditions of service. It is to highlight the fact that the abandonment of sound technical methodologies, which are based on clear, objective criteria, and have stood the test of time, will have a much greater impact on the United Nations, including its ability to attract and retain a competent, committed workforce.

We do not negotiate our salaries, nor a wide array of conditions of employment. It is part of being an international civil servant that these decisions are taken elsewhere, by a group of “independent, technical experts” in the ICSC, or based on their recommendation, by the General Assembly or this Governing Body. However, this lack of influence is offset by the fact that these conditions of service are subject to methods of calculation which have, up until now, been based on fair and transparent principles. Once the fundamental aspects of these methodologies are eroded for short-term political considerations, we run the very real risk of undermining, structurally, the ICSC’s reputation for independent, technical expertise in matters of conditions of service, and the confidence our staff have in the UN system as a whole.

To be clear, we are not suggesting that a financial crisis does not exist, or that UN staff should be shielded from its effects. The methodologies have these safeguards built in, to reflect the impacts of difficult economic times in our member States, and we are seeing that at work today. But we hold that it is precisely during times of the crisis that we must rely on the technical soundness of these methodologies, and must rely on social dialogue as a mechanism for introducing any changes which might be needed.

We would respectfully suggest that, while remaining fully cognizant of – and responsive to – the recession, we remember to also look *beyond* this current crisis, and consider the consequences of any decisions on the integrity of the common system, and the confidence, morale and productivity of the staff.

In little more than a year, we have seen the growing lack of confidence of UN staff in the common system manifest itself in demonstrations outside of the ICSC session, a strike of UN common system staff in Malawi, threats of industrial action in several other agencies, and legal challenges; many, many legal challenges.

If the recent experience in the ILO is anything to go by, we can clearly demonstrate the benefit of introducing changes through dialogue. Even in times where concessions were required due to the crisis, such as with the recent changes to travel conditions, the staff have largely accepted these. Why? It is because they believe in the values of the ILO. It is, at least in part, because of the confidence they have in their Union; they participated in the process and trust that the deal we reached was the best one we could get. They also trust in the process of collective bargaining, as a means for finding balanced, creative solutions in good times and bad.

Not too long ago, my predecessors used the opportunity of our address to the Governing Body to call for the withdrawal of the ILO from the UN common system.

While I will not go so far today, if the dialogue process outside of the ILO fails, if questions of confidence continue to be raised in relation to the ICSC’s ability to fulfil its mandate as an independent, impartial, technical body, or if participation in the UN system comes at the expense of the unique tripartite nature, and values of the ILO, then these calls may begin once again.

But rather than move in such a radical direction, perhaps the time has come for us – all of us, together – to reconsider the way in which terms and conditions are determined for the United Nations system. If questions of confidence continue to be raised by the organizations, the staff, and even the member States, we should perhaps consider whether after nearly 40 years the current system has run its course.

While this may be my final address to you, and recognizing this may create work for my successor, I wanted to end with a concrete forward-looking proposal. As reform sweeps across the ILO and the UN system generally, perhaps what is needed is a fundamental rethink of the ICSC and related bodies, and a reform of the way in which we

make policy in the UN system. Such a process could draw lessons from the national civil services in our own member States. The approach of the UN Joint Staff Pension Board could also be instructive, with representatives of all of the main tripartite actors – in this case, representatives of staff, management and governing bodies – coming together to construct the right policies at the right time, taking into account expert advice and the current context.

This would require visionary leadership, and a willingness to engage in good faith dialogue. Building on the positive recent experience here in the Office, and, making use of the technical expertise of the Office in matters related to social dialogue, we may have the necessary elements in place to lead such a reform.

We are convinced that such a review would be in the interest of the ILO, its staff, and of the security, integrity and independence of the international civil service.

Thank you.

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