



Governing Body

340th Session, Geneva, October–November 2020

Programme, Financial and Administrative Section

PFA

Minutes of the Programme, Financial and Administrative Section

Contents

	Page
Programme, Financial and Administrative Segment	3
1. The ILO's Strategic Plan for 2022–25 (GB.340/PFA/1(Rev.1)).....	3
2. Preview of the Programme and Budget proposals for 2022–23 (GB.340/PFA/2)	12
General comments	12
Comments on the policy outcomes and enabling outcomes	16
Office response	21
Decision.....	25
3. Update on building questions: Headquarters building renovation project and ILO-owned premises in Abidjan (GB.340/PFA/3).....	25
Decision.....	27
Summary of written comments received during the consideration of the item by correspondence.....	27
4. Programme and Budget for 2018–19: Financial report and audited consolidated financial statements for the year ended 31 December 2019.....	29
5. ILO programme implementation 2018–19 (GB.340/PFA/5)	29
Decision.....	30
Summary of the written comments received during the consideration of the item by correspondence.....	30

	Page
Audit and Oversight Segment	32
6. Annual Evaluation Report 2019-20 (GB.340/PFA/6)	32
Decision	35
7. High-level evaluations of strategies and Decent Work Country Programmes (GB.340/PFA/7)	35
Decision	37
Summary of written comments received during the consideration of the item by correspondence	37
8. Report of the Independent Oversight Advisory Committee (GB.340/PFA/8(Rev.1))	41
Decision	41
Summary of written comments received during the consideration of the item by correspondence	41
9. Report of the Chief Internal Auditor for the year ended 31 December 2019 (GB.340/PFA/9(Rev.1))	42
Decision	42
Summary of written comments received during the consideration of the item by correspondence	43
Personnel Segment	44
10. Statement by the Chairperson of the Staff Union	44
11. Amendments to Staff Regulations	44
12. Update on the Human Resources Strategy 2018–21 (GB.340/PFA/12)	44
13. Matters relating to the Administrative Tribunal of the ILO	45
13.1. Proposed amendments to the Statute of the Tribunal	45
13.2. Recognition of the Tribunal's jurisdiction by the Pacific Community (GB.340/PFA/13/2)	45
Decision	45
Summary of the written comment received during the consideration of the item by correspondence	45

Programme, Financial and Administrative Segment

1. The ILO's Strategic Plan for 2022–25 (GB.340/PFA/1(Rev.1))

1. **The Chairperson** opened the discussion on the Strategic Plan. He shared progress of his country, India, to protect the interests of gig and platform workers during the COVID-19 crisis and invited the Governing Body to consider including that dimension in the Strategic Plan if deemed appropriate.
2. **The Worker spokesperson** said that the pandemic had exposed how ill-guided austerity measures, cuts in public spending on healthcare and the privatization of public services had undermined countries' ability to tackle such a crisis. Inequality had been exacerbated and many workers, particularly workers in vulnerable situations were hardly hit. Gaps in social protection coverage left many workers without healthcare or income protection. Trade union rights violations had also increased. The ILO's role in the recovery was more important than ever by supporting constituents and building resilience, and her group fully endorsed the Strategic Plan's focus on applying the provisions of the ILO Centenary Declaration for the Future of Work for a human-centred recovery. However, the Workers did not agree that the pandemic had triggered a fundamental reconsideration of the organization of the world of work; rather, it had exacerbated existing flaws in the economic model. Therefore, priority should be given to addressing inequalities and promoting fair and sustainable growth with decent work at its centre. Efforts to achieve Sustainable Development Goal (SDG) 8 would be key in that regard.
3. The increase in teleworking in response to the pandemic had brought about challenges in working time and occupational safety and health (OSH) risks and had largely benefited those in highly skilled occupations in areas with good internet connectivity. The vast majority of workers, particularly those in the informal economy and those with insufficient social protection, had continued to work outside their homes, despite the risk to their health and that of their families. The pandemic should not be used to excuse greater precarity under the guise of flexibility.
4. Paragraph 21 noted the need to make global supply chains more secure, resilient and socially just but failed to say what the ILO would do to achieve this. The ILO's role was to promote social justice and rights for all workers including by preventing workers from becoming disadvantaged, for example by means of collective bargaining; the ILO should step up its work to promote that core right. While her group agreed with the priorities set out in paragraph 24 of the Strategic Plan, gender equality should also focus on the concept of equal pay for work of equal value and emphasize all aspects related to harassment and violence at work. Rights and universal social protection must be included under protecting and empowering disadvantaged groups, and lifelong learning and quality education for all should be included under skills development.
5. Particular emphasis should be placed on ensuring decent work in the digital economy, starting with workers' access to freedom of association and collective bargaining in light of the precarious nature of jobs in that sector. Her group welcomed the Strategic Plan's focus on strengthening protection for workers in diverse working arrangements; a key priority in that regard was the recognition of the employment relationship as a means to provide certainty and legal protection for workers, as called for by the Centenary Declaration.

6. The Workers' group agreed on the importance of accelerating progress towards universal social protection coverage through permanent, rights-based arrangements that were organized publicly and grounded in law, in line with ILO standards, rather than ad hoc responses. However, not all international organizations adopted that approach, and the ILO must therefore take the lead to ensure policy coherence in that respect. Efforts to mobilize significant international resources that would be required to extend social protection should not lead to the privatization of social security.
7. The effects of the pandemic had rendered OSH more pertinent than ever; it was therefore regrettable that the proposal to declare it a fundamental principle and right at work as called for by the Centenary Declaration would not be discussed at the current session of the Governing Body. It was hoped that a decision on the matter would be taken by the Conference in 2021. The protection of workers' safety and health based on ILO OSH standards was a key priority.
8. The ILO's work on the recovery from the pandemic in paragraph 29 should focus on lifelong learning, quality education for all and enhancing workers' ability to capitalize on opportunities for decent work. The collective learning approach to face-to-face training should continue. Bridging the digital divide would be essential to ensuring equity. The group supported work on pro-employment macroeconomic, trade, sectoral and industrial policies that should also cover global supply chains.
9. The Workers' group urged the Office to integrate workers' rights in its work relating to the enabling environment for sustainable enterprises and entrepreneurship. The transition towards a green economy must not be limited to enterprises, but form part of a wider agenda for a just transition towards green and decent jobs.
10. The Organization must place its standards and tripartism at the heart of its work in order to leverage them effectively. They should therefore be included in the Plan's policy priorities, rather than in the section on organizational performance. The rate of ratification of up-to-date standards must be increased, and new standards drawn up when gaps were identified. The Strategic Plan should place greater emphasis on the protection of workers' rights, including fundamental rights, and state more clearly the need for an enabling legal environment and political will to respect freedom of association and collective bargaining as prerequisites for effective tripartism and social dialogue.
11. Much work remained to be done to mainstream international labour standards and the comments of the supervisory system in the country-level work of the UN system and to ensure that the priorities of workers' organizations were reflected adequately in country programmes. To that end, resident coordinators must take into account the ILO's comparative advantages when deciding on country priorities.
12. The Workers' group fully supported the Strategic Plan's aim to improve knowledge capacities, and requested that specific emphasis be placed on the Organization's statistical work. Lastly, concerning partnerships, the Organization should ensure that sufficient weight was given to the views of the social partners.
13. **The Employer spokesperson** noted that the Strategic Plan for 2022–25 did not reflect the following key issues raised by the Employers during the two consultations held by the Office: (1) recognizing the need for productive employment to go hand in hand with decent work as a vehicle to build back better; (2) the critical need to address growing informality as well as the contraction of the formal economy as a result of COVID-19, from the perspectives of both enterprises and workers in the informal economy; (3) essential efforts required to enhance business continuity and resilience, and the need

to harness a conducive environment for sustainable enterprises during the recovery; (4) the doubling of efforts necessary to enhance the institutional capacity and resilience of social partner organizations, and the need to capitalize on the frontline role the social partners played during the crisis to provide quick and effective policy responses to protect enterprises, jobs and income; (5) the need to promote, ratify and implement relevant and up-to-date international labour standards that take into account the changing patterns of the world of work; and (6) other issues such as efforts required to rebuild with a skilled workforce, ensure universal access to sustainable social protection, strengthen labour market governance, and innovatively address informality.

14. The section of the Strategic Plan on addressing the impact of the COVID-19 pandemic did not recognize the devastating effects of the measures to contain the pandemic on enterprises, especially small and medium-sized enterprises, many of which had been forced to close or downsize. Nor did it provide an agenda to support productivity in the wake of the crisis. There was also no mention of the difficulties that constituents' organizations had faced. Employers' and business membership organizations were dealing with shrinking income and membership, government restrictions that had equated to a suspension in social dialogue institutions, an absence of consultation and other restrictions on freedoms. The ILO must make concerted efforts during the recovery period to rebuild constituent organizations' institutional capacity. Moreover, the Office document did not mention the opportunities brought about by the pandemic, such as innovation and accelerated use of digital means, and drawing on untapped skills and repurposing talent. Social dialogue had worked, leading to rapidly designed policy responses. Such important lessons should be highlighted in the Strategic Plan for 2022–25.
15. The section on the ILO's responsibilities did not set out any responsibilities that the Organization should assume. The Employer spokesperson asked the Office to explain the rationale behind the four pillars to address COVID-19 listed in paragraph 13 of the Strategic Plan. Those pillars had not been formally endorsed by any ILO governance body and blurred the boundaries of the four strategic objectives of the Decent Work Agenda. The framework lacked both the promotion of fundamental principles and rights at work and the guidance provided by international labour standards.
16. The section on policy did not reflect the structure provided by the ILO Centenary Declaration, which stated the need for capacity-building of the tripartite constituents and a clear, robust, up-to-date body of international labour standards. Tripartism and standards were currently situated under the section on organizational performance at the same level as other means of action to improve the impact of the Organization. However, they provided the foundation of all ILO action and were essential for making progress on all other outcomes. They must be supported, promoted and developed for application to the new world of work.
17. As to addressing change in the world of work, the Strategic Plan appeared to reprioritize the drivers highlighted in the Centenary Declaration, to omit globalization and to reduce the impact of technological changes to the advancement of information technology. The notion of rethinking global production systems to render supply chains more socially just overstretched the provisions of the Centenary Declaration. While enterprises did have a responsibility to respect human rights, it was the duty of the State to provide emergency response measures to support workers' livelihoods, either directly to them or to businesses employing them, and to provide social protection. As for the need to leave no one behind, the pandemic had shown that enterprises were also at risk; huge numbers of businesses had collapsed, particularly those considered non-essential. The Strategic Plan for 2022–25 failed to recognize the extremely difficult situation for

enterprises and the need for the ILO and its Member States to invest heavily in revitalizing the private sector, the principal source of economic growth and job creation. Further, the Strategic Plan did not adequately address the sustainability of social protection schemes, and omitted the words “comprehensive and sustainable” social protection included in the Centenary Declaration. Despite claiming to be high-level and visionary, the measures proposed under the Strategic Plan were short-term and unsustainable. Consideration of the whole labour market during recovery would help to build a sustainable future and better address informality. Far more innovation to find solutions was required, alongside more resources, political will, proper implementation, global policy coordination and national capacity-building. Regarding safety and health at work, the focus of the ILO’s approach should not be to “upgrade its own activities”, but to better assist constituents in pursuing the highest standard of physical and mental health at work, with particular focus on effective preventive measures for the new reality after the COVID-19 pandemic. The clear definition of rights, responsibilities and duties and the strengthening of safety and health services infrastructure were key to a quick recovery, as was social dialogue.

18. The Employers’ group supported the three areas of particular emphasis set out under the section on addressing global recovery from the COVID-19 crisis. However, those areas were only loosely related to the preceding text in the Strategic Plan. The drafting of a parallel plan, set out in document GB.340/HL/2, for the ILO to take the lead in a UN global initiative for a human-centred recovery was a source of concern, as it risked diverting resources and expertise and rendering the ILO ineffectual. Rather than embarking upon a new global initiative, the ILO needed to deliver better on its existing mandate, work more efficiently with other UN organizations, and contribute to a system-wide response.
19. In its analysis of the policy environment, the Strategic Plan for 2022–25 did not adequately address the reform of the UN development system or the outstanding challenges for improving policy coordination and coherence to support the achievement of the SDGs and the strengthening of ILO constituents’ engagement in setting national development policies, plans and priorities.
20. In sum, the Strategic Plan for 2022–25 was disconnected from the informal consultations held with the Office, insufficiently recognized the challenges faced by the private sector during the COVID-19 pandemic and neglected to include the needs of enterprises for recovery. It undermined the importance of standards and tripartism and the urgent need to rebuild the institutions of work. It stretched the interpretation of the Centenary Declaration and undermined the role of existing governance and institutional documents of the ILO.
21. The Employers’ group therefore asked that the decision on the item be postponed until the interconnected items, PFA/2 and HL/2, had been discussed, at which point the Employers’ group would be in a position to consider submitting an amendment to the draft decision for the current item.
22. **Speaking on behalf of the Africa group**, a Government representative of Nigeria said that his group welcomed the linkages of the Strategic Plan with previous strategic plans and with the Centenary Declaration, the quadrennial comprehensive policy review and the 2030 Agenda for Sustainable Development (2030 Agenda). It also welcomed the fact that the global impact of COVID-19 had been taken into account. The Strategic Plan should be reviewed prior to its implementation in view of the uncertainty generated by the pandemic. The five policy challenges identified should be further discussed with a

view to aligning policy outcomes with the principles of the Centenary Declaration and achieving a broader consensus on measurable indicators.

- 23.** Labour market transitions in Africa had been adversely affected by the pandemic and needed to be reshaped in order to recover the losses experienced. It was important to consider the technology deficit in Africa – which accounted for the fact that some Member States from the region were unable to follow the 340th Session of the Governing Body online – and ensure that no one was left behind. There should also be a focus on the divide between economies and on gender inequality and marginalization, particularly in respect of the care economy. The Strategic Plan should be mainstreamed in all programmes, and an innovative policy toolbox should be provided for Member States and constituents as was the case for the 2008 crisis. The Africa group supported the designation of occupational safety and health as a fundamental principle and right at work and endorsed the three areas of emphasis outlined in paragraph 29 of the report, reaffirming its commitment to support the Centenary Declaration and the human-centred approach to the future of work. It supported the full political engagement of Member States in priority-setting, decision-making and oversight of the Organization and the full democratization of the functioning and composition of the governing bodies. His group supported the draft decision.
- 24. Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC),** a Government representative of Barbados noted with satisfaction that the Strategic Plan reflected the quadrennial comprehensive policy review and expressed his group's support for the Plan's overarching objective to apply the provisions of the Centenary Declaration for a human-centred recovery from the impact of the COVID-19 pandemic. Transitions in the world of work had accelerated in the context of the pandemic, and the ILO should address the new dynamics generated by remote work and by work on digital platforms. In addition, it should pay special attention to skills development, education and labour transition policies, without losing sight of the other priorities of the Centenary Declaration. Supporting a sustainable business environment, including for micro, small and medium-sized enterprises, was fundamental to the recovery from the pandemic.
- 25.** As the Governing Body would most likely need to continue to adapt its decision-making procedures, it was essential to redouble efforts to ensure adequate, effective and transparent communication and consultation tools. Guaranteeing the continuity of the ILO's substantive work should be a top priority. The Decent Work Country Programmes were valuable tools in the context of the UN reform to ensure that ILO cooperation efforts responded to the needs and priorities of each Member State.
- 26. Speaking on behalf of the Asia and Pacific group (ASPAG),** a Government representative of Australia commended the Office for acknowledging that, in such unprecedented times, the ILO would need to make conscious and strategic efforts to help the world of work build back better, with an emphasis on decent work. The ILO's rapid response at the beginning of the pandemic, including the creation of a database and other forms of assistance for Member States, was also commendable and confirmed that the ILO was a global leader in world-of-work matters. Its normative function and tripartite membership put the Organization in a unique position. The ILO must lead the way, in lockstep with other UN agencies, in fulfilling the reaffirmed 2030 Agenda in dramatically different circumstances. It should remain open to the possibility of adjusting the emphasis of the Strategic Plan as necessary, in the light of the global uncertainty in the months ahead. Vulnerable informal workers, the youngest and oldest workers, women, migrants and workers with disabilities were groups for which a greater

focus may be needed. Skills development and productivity would become more important than ever.

27. ASPAG was pleased to note that the Strategic Plan acknowledged the need for ongoing internal reform, and strongly supported the Office's proposal to optimize resource-sharing and develop innovative approaches to teamwork. Given that meetings were now being held online, greater flexibility and agility were necessary to ensure the continuity of the ILO's work. The proposed mid-term review of the Strategic Plan was crucial to ensure that it remained relevant, accurate, responsive and comprehensive. As the Strategic Plan was closely linked to other agenda items that had yet to be discussed, ASPAG suggested postponing its finalization until later in the session.
28. **Speaking on behalf of the group of industrialized market economy countries (IMEC)**, a Government representative of the United Kingdom of Great Britain and Northern Ireland said that IMEC strongly endorsed the general thrust of the Strategic Plan and urged the ILO to follow closely the ongoing work on the quadrennial comprehensive policy review. The Strategic Plan set well the impact of the pandemic on the world of work; the Office should also reflect on how the ILO may be affected in achieving its own vision and priorities and what lessons had been learned from its efforts to mitigate the social and economic impact of the crisis.
29. Concerning policy, the full implementation of the UN Disability Inclusion Strategy was instrumental in ensuring that no one was left behind. The Strategic Plan should endeavour to address other priorities relating to the pandemic, such as the lack of social protection in informal employment. As an international organization responsible for employment and social protection, the ILO had the responsibility to provide leadership in the multilateral space; IMEC agreed with the Plan's priorities but was open to other priorities. The Plan should provide information on where the ILO wished to be in four years' time and on the progress that it strived to achieve in the world of work by 2025. A specific results-based strategy and clear objectives were needed to ensure that such issues were followed up in the programme and budget.
30. IMEC wished to see a greater focus on the ILO's role in helping countries transition from support measures to building better and more resilient labour markets. Clarification should be provided on the ILO's leadership role in the promotion of decent work in global supply chains with a view to achieving a sustainable recovery from the pandemic. A stronger emphasis should be placed on the adaptation of work environments affected by climate change and a just transition. Regarding the improvement of organizational performance, the Organization must give high priority to maintaining a strong and up-to-date body of labour standards. The ILO's outreach to non-UN partners should go beyond resource mobilization. The mid-term review should inform the next strategic plan. IMEC agreed that the Strategic Plan should be finalized after the discussion of other relevant agenda items.
31. **Speaking on behalf of the European Union (EU) and its Member States**, a Government representative of Germany said that North Macedonia, Montenegro, Serbia, Albania, Norway, Republic of Moldova and Armenia aligned themselves with the statement. As the ILO's planning cycle was now aligned with that of the UN, the Strategic Plan could contribute to and benefit from the work of the UN system, particularly with regard to the 2030 Agenda. She noted with satisfaction that the Strategic Plan took into account the Centenary Declaration and the challenges caused by the COVID-19 pandemic. During the pandemic, the implementation of labour standards appeared to be a growing challenge; the proper functioning of the ILO supervisory mechanism and the Committee on Freedom of Association was thus more important than ever. The ILO

should also show leadership in giving priority to decent work in secure, resilient and socially just global supply chains, and in promoting the transition from the informal to the formal economy.

32. Gender equality was a priority for the EU and its Member States. Decent work must be ensured in female-dominated care work and services, and gender stereotypes must be rejected. The Strategic Plan needed to be strengthened with regard to promoting non-discrimination and protecting against violence and harassment at work. Young people and other persons in vulnerable situations must have access to the labour market. Skills development and active labour market policy measures were appropriate tools to help groups subject to inequalities and facing particular challenges. The COVID-19 crisis had clearly demonstrated the need for comprehensive social protection for all workers. The EU and its Member States welcomed proposals with regard to strengthening labour legislation, occupational safety and health, collective bargaining and social protection, and called on the ILO to identify regulation gaps due to digital transformation and expanded teleworking.
33. The EU and its Member States appreciated that the Strategic Plan focused on occupational safety and health, considering that a clear pathway was needed towards the recognition of safe and healthy working conditions as a core labour standard, and called for a specific objective in that regard. It was regrettable, however, that no reference was made to the role of the Organization in addressing climate change. It should be a priority for the ILO to ensure a just transition to a future of work that contributed to sustainable development in its economic, social and environmental dimensions. Together with other UN agencies, the ILO had to analyse progress towards the SDGs.
34. Ensuring decent work, including fundamental principles and rights at work for all, demanded much more work from all relevant actors. The ILO had to be able to fulfil its mandate also during crises; for that reason, the EU and its Member States welcomed the planned reinforcement of risk management and business continuity.

(The Governing Body resumed consideration of the item at a later sitting.)

35. **The Director-General** provided a response to the discussion on the proposed strategic plan. He said that the package of proposals before the Governing Body, namely the Strategic Plan for 2022–25, the Preview of the Programme and Budget proposals for 2022–23, the response to COVID-19 and the world of work and the Development Cooperation Strategy for 2020–25, were of critical importance for the future strategic direction of the ILO and were closely interlinked. The ILO's strong leadership was needed more than ever in the light of the current crisis in the world of work; it would therefore be crucial for tripartite constituents to achieve consensus on the way forward, facilitated by the Office.
36. The Strategic Plan for 2022–25 presented a high-level vision of the ILO for 2025 and aimed to ensure the effective implementation of the Centenary Declaration. That in turn would consolidate the ILO's leading role in the delivery of the 2030 Agenda and the urgently needed human-centred recovery from the crisis in the world of work resulting from the COVID-19 pandemic. The strategic plan would be operationalized through the outcomes, outputs and targets of the programme and budget. The Office's proposals on its response to COVID-19 and the development cooperation strategy had been designed not as a parallel agenda to the strategic plan and the programme and budget, but rather to complement their implementation.

37. Some Governing Body members had expressed strong misgivings that, despite constituting the ILO's permanent comparative advantage, international labour standards and tripartism were considered mere components of the Office's efforts to improve organizational performance. The Office had therefore produced a revised version of the plan¹ and moved the relevant paragraphs under the policy section of the strategic plan. The Governing Body had also called on the Office to focus on certain policy priorities, in particular productivity and global supply chains. The Office was aware of the importance attached to those matters by different groups, and discussions of both issues were pending. However, those and other policy areas were already covered by the overarching commitment to the implementation of the Centenary Declaration. Addressing certain specific issues in greater detail would place the Office in a difficult situation: either it would create the expectation that all other policy components of the strategic plan should receive greater attention, which would be unmanageable, or it would compel the Office to select a certain number of issues for closer consideration, risking the dissatisfaction of constituents whose preferred topics had not been selected. Moreover, since the implementation of the strategic plan would be contingent on the Governing Body's approval of the programme and budget proposals, it would have the opportunity to discuss the proposals in further detail during the discussion of the proposed Programme and Budget for 2022–23 in March 2021.
38. The proposed strategic plan had highlighted a limited number of substantive challenges, either because they had fundamental strategic significance across specific policy concerns, notably addressing changes in the world of work and leaving nobody behind, or because they had been starkly highlighted by the pandemic, in particular the global social protection deficit, occupational safety and health (OSH) and the global recovery from the crisis. Although it was true that the tripartite constituents had not formally endorsed the ILO's four-pillar COVID-19 response framework, it had been widely welcomed and its inclusion in the proposed strategic plan was an opportunity to formalize tripartite support for it.
39. The Governing Body had made clear its expectation that the Office should continue to improve its leadership and governance, knowledge capacities, cooperation and partnerships, and use of ILO resources. Although those areas had been and would remain constant priorities for ILO management during the Director-General's tenure, the Office was also aware of the need for continuous improvement as articulated in the strategic plan. As to the ILO's handling of the concept and the application of innovation, the Office was in favour of innovation, a subject that had also received much attention in the wider UN system, and was aware of its complexity and importance. The Office was currently developing an internal innovation strategy and would submit a document on its progress to the Governing Body at the appropriate time.
40. The Office had amended the strategic plan in response to the Governing Body's advice. The revised document concluded with a section that succinctly set out the Office's strategic vision of the ILO by 2025 if the strategic plan was successfully implemented. The elements of that vision would provide benchmarks for the mid-term review to be held in 2024 and a basis for evaluation after 2025. He therefore commended the strategic plan as amended for the approval of the Governing Body.
41. **The Worker spokesperson**, thanking the Director-General for his response to the discussion on the Strategic Plan, noted with appreciation that the Office had now

¹ GB.340/PFA/1(Rev.1).

included standards and tripartism in the policy section. The additional section on the strategic vision of the ILO for 2025 was welcome. Regarding subparagraph (c) of that section, it was also important to measure success based on the continued need for the Organization to adopt new standards and increase the ratification rates of up-to-date Conventions. Her group would only agree with the amendment to the draft decision proposed by the Employers' group on the condition that the Office and the Employers provided assurance that the new text would not be used in the next Governing Body session to exclude some priorities from the programme and budget, such as the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), and that the programme and budget would incorporate issues that go beyond the Centenary Declaration. Despite her group's efforts, it had not been possible to include a reference to the MNE Declaration in the Centenary Declaration due to the Employers' opposition.

42. **The Employer spokesperson** said that his group considered that productivity was not one of the pending decisions for which there were strong misgivings, as had been indicated by the Director-General. The Centenary Declaration was clear, and the call for the ILO to anchor in its genes a holistic productivity approach was not a demand by the Employers; it was a fundamental ILO decision endorsed by the tripartite constituents at the International Labour Conference, and was the critical pillar missing in the Strategic Plan. The Employers' group would provide concrete and specific proposals on how the productivity agenda could be integrated in the programme. For the ILO to have a strong influence and leadership in its relations with other UN agencies and financial institutions, it needed to be able to prove its relevance in areas where it had not been leading. His group had submitted an amendment to the draft decision requesting a clear alignment with the Centenary Declaration, which had received wide support in the screening group.
43. **Speaking on behalf of the Africa group**, a Government representative of Nigeria said that the policy priorities listed under the responsibility of the ILO were not exhaustive, yet it might be difficult to accommodate more within the duration of the ILO's Strategic Plan for 2022–25; however, the Office was urged to be flexible. The Africa group looked forward to speedy completion of the work of the Standards Review Mechanism.
44. The ILO's responsibility for successful implementation of the Strategic Plan should be translated into human-centred recovery for Member States and constituents. In implementing the Strategic Plan, the ILO should give due consideration to regions worst affected by the COVID-19 pandemic. Stimulating economies for employment generation should include guidelines on platform work in the informal sector and protection of health and safety. The challenges of digital transformation and telework were complicated by the health and safety demands of stay-at-home orders. The ILO should address that form of work in Member States where the technological infrastructure and internet connectivity were weak or insufficient. Attention should also be paid to the need for skills adaptation.
45. If the ILO was to further improve its organizational performance, the full political engagement of its Member States in priority-setting, decision-making and oversight was imperative. African countries pledged their preparedness to work with the Office on the democratization of the functioning and composition of the Governing Body. In view of the unpredictable duration of the pandemic, the inclusion of a mid-term review of the Strategic Plan was necessary to inform future plans, as well as to provide guidance and direction to the Office. The Africa group endorsed the amended draft decision.
46. **Speaking on behalf of ASPAG**, a Government representative of Australia said that her group had considered it important to hear constituents' views not only on the Strategic

Plan but also on the other key items before the Governing Body. She thanked the Office for responding to those views by making updates to the Strategic Plan over the previous week. ASPAG supported the revised draft decision, including the amendment proposed by the Employers' group.

- 47. Speaking on behalf of IMEC**, a Government representative of the United Kingdom of Great Britain and Northern Ireland said that the additional information contained in paragraph 49 of the revised Strategic Plan provided more detail on where the ILO wished to be in 2025. Work towards achieving that vision should be fully aligned with, and take due account of, the ILO Action Plan for Gender Equality 2018–21 and the ILO disability inclusion policy and strategy as reviewed and adopted by the Governing Body. IMEC looked forward to seeing clear objectives on promoting decent work in global supply chains and on a just transition towards environmentally sustainable economies and societies, as well as other key issues, in the ILO's programme and budget. IMEC supported the revised draft decision as amended by the Employers' group.
- 48. Speaking on behalf of the EU and its Member States**, a Government representative of Germany said that North Macedonia, Montenegro, Albania and Norway aligned themselves with the statement. She regretted that the new version of the Strategic Plan still did not include clear language on global supply chains, occupational safety and health as a fundamental right, or climate change. However, the EU and its Member States believed that it was essential to adopt the Strategic Plan at the current session. She therefore supported the revised draft decision as amended by the Employers' group.
- 49. The Director-General** said that the Workers' group had sought reassurance that the amendment to the draft decision submitted by the Employers' group would not exclude other important areas of work, such as those covered by the MNE Declaration. The Employer spokesperson had given that reassurance, and the Office did not understand that amendment as implying any such exclusion. The strong misgivings expressed by the Governing Body that he had referred to in his previous response related to the way in which the first draft of the Strategic Plan had dealt with international labour standards and tripartism; that had been corrected in the revised version of the Strategic Plan.

Decision

- 50. The Governing Body approved the ILO's Strategic Plan for 2022–25 and requested the Director-General to take account of the guidance provided by the Governing Body in the implementation of the Strategic Plan and the development of the Programme and Budget proposals for 2022–23, requesting in particular a clear alignment with the Centenary Declaration.**

(GB.340/PFA/1(Rev.1), paragraph 52, as amended by the Governing Body)

2. Preview of the Programme and Budget proposals for 2022–23 (GB.340/PFA/2)

General comments

- 51. The Employer spokesperson** said that her group had seven points that the Office should address when further developing the Programme and Budget proposals for 2022–23 for presentation to the Governing Body at its March 2021 session.
- 52.** First, the programme and budget should be the only institutional document to set out the Organization's policy priorities and the enabling conditions for 2022–23. While the

ILO's Strategic Plan for 2022–25 (GB.340/PFA/1) provided the medium-term strategy, no other documents should divert attention and resources away from what was deliberated in the programme and budget. The latter should be the document that implemented the priorities laid out by the Centenary Declaration and distributed resources accordingly. There should be no parallel initiatives, such as the one proposed for COVID-19 and the world of work (GB.340/HL/2).

53. Second, there was a need for the ILO to respond better to the fundamental changes in the world of work as reflected in the Centenary Declaration. The Preview did not reflect yet a comprehensive, coherent and systemic strategy for productivity growth that the ILO had been requested to design. While skills were properly addressed in the document (outcome 5), far more efforts and coherence needed to be brought to other agreed priorities of the Centenary Declaration, and those priorities should be adequately resourced.
54. Third, transparent budgets were required not only at the outcome but also at the output level. The disclosure of such information was particularly important as the policy outcomes were aggregated to such an extent that the Governing Body was unable to appreciate the adequacy of the proposed budgets for each policy area. Similarly, the operational budget by output must be made available for the Governing Body to consider in March 2021.
55. Fourth, there was a need for a stand-alone outcome for social partner organizations. Employers' and workers' organizations required technical support that responded to the challenges they faced so that their governance systems were enhanced, services were developed to meet the changing needs of their members, and advocacy was made with sound evidence. The expanded outcome 1 not only diluted the importance of social partners but also narrowed the institutional existence of social partner organizations to social dialogue and risked making budgetary information more opaque.
56. Fifth, the Employers' group was of the firm view that there was no clear rationale for including a new output (2.4) aimed at strengthening the capacity of Member States to apply sectoral standards, guidelines and codes of practice. Employers were strongly against the development of sectoral strategies, as that would lead to multiple strategies that did not speak to each other, made coordination even more challenging and stretched resources thinly.
57. Sixth, the Office should define "innovation", "culture of innovation" and "policy innovation" and set out how innovations would benefit constituents. The Employers' group sought clarification on how the Office was determining policy issues that required innovation facilities and further inquired about the objectives and working methods of the facilities, as well as the resources invested to run and maintain them.
58. Lastly, the ILO needed to strengthen its leadership and credibility, in line with the Centenary Declaration resolution, and apply that principled leadership to its staff itself, capitalizing on diverse and qualified people who had skills and experience relevant to the three constituent groups.
59. **The Worker spokesperson** said that the Workers' group endorsed the objectives of the Programme and Budget proposals for 2022–23, namely to implement the Centenary Declaration and accelerate progress towards the achievement of the 2030 Agenda as part of the recovery from the COVID-19 pandemic and the urgent need to address inequalities in the world of work that predated the pandemic. She supported the proposal that all outcomes should include a stronger sectoral approach and welcomed

the new output 2.4 under outcome 2. The Workers' group also fully supported the inclusion of a gender-responsive and inclusive approach in policy outcome proposals.

60. While the Workers' group endorsed an output focused on the digitalization of skill development systems, it was necessary to find the right balance between digital and face-to-face training and bridge the digital divide. Outcomes 1 and 2 constituted cornerstones to ensure a human-centred approach to recovery. Tripartism, social dialogue and international labour standards should be reflected across all policy outcomes and relevant indicators. The issue of a just transition to environmental sustainability should be mainstreamed in all policy outcomes, in light of the challenges posed by climate change and environmental degradation to jobs and livelihoods. The Workers' group would welcome clarification from the Office concerning the inclusion of an overview of regional contexts in the Programme and Budget proposals for 2022–23.
61. **Speaking on behalf of ASPAG**, a Government representative of China recognized that the Programme and Budget proposals for 2022–23 maintained alignment with the Centenary Declaration, the SDGs and the ILO's Strategic Plan for 2022–25, while promoting a focus on a human-centred recovery to build back better from the COVID-19 pandemic. Noting that COVID-19 responses were incorporated into each outcome, ASPAG encouraged the Office to include similar responses at the output level. The involvement of the International Training Centre of the ILO was welcome.
62. The Office should provide a crosswalk document demonstrating financial allocations by policy outcome for the 2020–21 and 2022–23 biennia. In view of regional circumstances, the Office should allocate resources among regions in the programme and budget. Despite constituting 61 per cent of the global workforce, in 2020–21 Asia and the Pacific had been allocated only 27.5 per cent of resources under the Field Operations and Partnerships Portfolio, and was the only region with a reduction in staff in 2019 according to information in the updated HR strategy. ASPAG called on the Office to consider a proportionate allocation of financial and human resources.
63. ASPAG supported further reallocation of resources from back-office to front-line functions. More information was required on how the ILO would leverage its participation in the Resident Coordinator system and coordinate development cooperation projects as part of the UN reform objectives. The Office must continue to maximize efficiencies, ensure value for money and harness collaboration to drive outcomes and deliver tangible results, particularly in light of the challenges resulting from the COVID-19 pandemic.
64. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom of Great Britain and Northern Ireland agreed that the ILO should base its programme of work on the Centenary Declaration, while providing effective solutions to the labour-related aspects of the COVID-19 pandemic building on lessons learned thus far. The Organization's COVID-19 response should be discussed at the International Labour Conference in 2021, in order to develop actions that ILO constituents, the Office and the international community can draw on to promote recovery. This must focus on the four pillars of the Decent Work Agenda and fit within the Programme and Budget for 2022–23. IMEC welcomed the linkages with the 2030 Agenda for Sustainable Development and the ILO's contribution to the relevant SDGs. The ILO should adequately resource the programming and implementation of coordinated development cooperation projects, including in countries where it is a non-resident agency. In the context of United Nations (UN) reform, IMEC requested more detailed information on the consequences of efficiency and effectiveness gains.

65. **Speaking on behalf of the EU and its Member States**, a Government representative of Germany said that North Macedonia, Montenegro, Serbia, Albania, Norway, Armenia and Georgia aligned themselves with her statement. Her group supported the IMEC statement. While the Preview reflected the ILO's priorities, which mirrored many of those of the EU, it was hoped that the Governing Body would provide necessary tripartite guidance on effective solutions in the context of the COVID-19 pandemic. The tripartite compromise on the priority to consider proposals to include safe and healthy working conditions in the framework of the fundamental principles and rights at work should be reflected in the document. Furthermore, the ILO should lead international work on global supply chains, which were not sufficiently referenced in the document.
66. The EU welcomed the alignment of the outcomes with the Centenary Declaration, emphasizing the importance of transition to the formal economy, inclusive labour markets, the sustainable future of work, and social protection for all, particularly in the context of increased digitalization. The EU supported the special attention given to social groups and economic sectors affected by the pandemic and to the care economy. The focus on the protection of workers in diverse work arrangements was welcome, and the protection of workers' personal data and working time rights when teleworking should be addressed under outcomes 4 and 8.
67. The Office should enhance efforts to support the social partners and governments towards jobs and wealth creation in the green economy under outcome 3. Reskilling and upskilling should be linked to the transition to environmental sustainability; the International Training Centre of the ILO played a key role in that regard. Finally, the EU looked forward to receiving more detailed information regarding a more innovative, targeted and results-based management strategy.
68. **A Government representative of the Russian Federation** welcomed the Preview, its response to the COVID-19 and its new format. However, there was insufficient financial information for an adequate analysis of the budget. He requested that the next version of the document included detailed information on strengthening interaction with the UN system, particularly regarding optimizing operational and administrative costs. The Office should also provide consolidated financial information on key expenditure items: staffing, contract and consultant costs; operating costs; travel expenses; equipment procurement; and planned inflation, as well as any expected savings. A comparison should be provided with the current budget in order to identify the ILO's expenditure trends.
69. Information was needed regarding the planned removal, creation or reclassification of posts within the Office. As the ILO had doubled its contribution to the Resident Coordinator system, he asked what benefits had been, or would be, received by the ILO. Finally, he requested more information on the redistribution of resources from back-office to front-line functions, and on the regional allocation of funding.
70. **Speaking on behalf of the Africa group**, a Government representative of Eswatini said that, given that the Programme and Budget for 2020–21 had been beset by the COVID-19 pandemic, the Programme and Budget proposals for 2022–23 must focus on assisting those most vulnerable to the pandemic's effects and on supporting national economic recovery plans, while accelerating progress towards the 2030 Agenda. Those recovery plans would provide vital support to enterprises that had survived the pandemic, but which would nevertheless be vulnerable. Particular attention must be paid to developing countries, most notably in Africa, which were significantly less able than industrialized countries to respond to the pandemic.

Comments on the policy outcomes and enabling outcomes

- 71. The Worker spokesperson** said that the increase in trade union rights violations and the lack of participation by trade unions in decision-making processes during the COVID-19 crisis was unacceptable; there should have been more social dialogue, not less. It was crucial for the ILO to allocate sufficient resources to step up its work under outcome 1. In paragraph 14, specific mention should be made of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and Right to Organise and Collective Bargaining Convention, 1949 (No. 98), as enablers of the conditions for social dialogue. The end of paragraph 21 should be reformulated to clarify that the workers' organizations did not lack the political will to engage in social dialogue, but rather were hampered by an absence of an enabling environment. Collective bargaining must not be equated to workplace cooperation in paragraph 28 and this distinction should be maintained in the indicators. The flagship report referred to in paragraph 29 must be both prepared and published by 2023, not simply prepared as currently suggested in the proposals. The topics listed throughout paragraph 29 must be changed to reflect those agreed in the Plan of Action on Social Dialogue and Tripartism for 2019–23.
- 72.** The Workers' group welcomed the proposal in outcome 2 to follow up on the recommendations of the Standards Review Mechanism, but efforts must be increased to raise the number of decent work results that make a contribution to international labour standards. Tripartite constituents must be involved in any process of technical assistance under output 2.2. Efforts must intensify under output 2.3 to ensure that international labour standards were fully integrated into Decent Work Country Programmes and UN Cooperation Frameworks.
- 73.** Output 3.2 should have more of a rights-based approach and include the ratification of relevant standards as called for in the Conclusions on promoting rural employment for poverty reduction adopted by the International Labour Conference in 2008. The Workers' group welcomed the focus on the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), in output 3.4. "Standards" and "social dialogue" should be added to the first bullet point under paragraph 63. The need for strong technical and vocational education and training institutions should be reflected in paragraph 66, and paragraph 69 should refer to the development not only of skills but also human capabilities.
- 74.** Outcome 4 should take into account the recommendations of the high-level evaluation in GB.340/PFA/7. The focus should be on the importance of enterprises generating decent work, productive employment and improved living standards, and also on cooperatives and the social economy. Greater reference should be made to collective bargaining as a key tool for improving working conditions. In paragraph 73, the Decent Work Agenda should be a driver for productivity improvements in both the short and the longer term. The Workers' group fully supported the statement in paragraph 77 that workers must gain a fair share of the benefits of increased productivity. As part of sustainable production, the ILO should address waste minimization and the wider question of whether everything produced was really needed. It was important to strengthen action to support the follow-up to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), particularly tripartite national focal points and company–union dialogue.
- 75.** Outcome 5 should focus more on lifelong learning and contain references to collective bargaining for skills development. Business partners were mentioned far more than trade union partners; the balance should be corrected. The ILO must take into account

that quality learning relationships also depended on human relationships and, in its digital delivery, must use an equity-based approach in order to extend the benefits of new technologies to all. Education unions should be included in the proposed Global Programme on Skills and Lifelong Learning. Mention should be made of the development of productive and human capabilities in the fourth bullet point of paragraph 93. When addressing skills mismatch, the ILO must consider workers' needs, including personal development and citizenship skills development. The growth of online, non-formal and informal learning pathways required stronger recognition of prior learning and continuous recognition of skills. That recognition must always be accorded by education professionals.

76. The group welcomed the proposed focus of outcome 6 but emphasized that equity must be promoted alongside equality. The revised document should include greater focus on racial discrimination. The new methods for disability inclusion in paragraph 120 must take into account rights in addition to skills and employment.
77. The group welcomed the focus on preventing the informalization of jobs and addressing regulatory gaps in digital platform work in outcome 7, and also the focus on the ratification of Conventions Nos 87 and 98 under output 7.1. Ensuring respect of these rights in the digital economy was a key priority. It supported output 7.2, but reference to the ratification of the Conventions on occupational safety and health should be included. The group welcomed outputs 7.4 and 7.5.
78. Under outcome 8, reference to "innovative" in paragraph 145 should be removed as innovative social protection policy responses often had negative effects on benefits adequacy and coverage. Paragraph 146 should refer to "public investments in social protection" to highlight the State's role in financing social protection. A bullet point should be added under paragraph 151 on the need for the ILO to promote social dialogue on social protection and to enhance social partners' capacities for involvement in negotiations on social protection reforms. The Workers' group welcomed the guidance in paragraph 155 on covering workers on digital platforms and requested that a similar tool be developed for informal workers.
79. Finally, under outcome C, the term "flexible human resources policies" used in paragraph 184 was unfortunate in the light of the work of the Chief Executives Board Task Force on the Future of the United Nations System Workforce. The ILO must ensure the granting of permanent contracts to a certain number of staff members and decent working conditions for those on short-term contracts in order to preserve the independence of international civil servants.
80. **The Employer spokesperson** said that the resource allocations for workers' activities and employers' activities should be displayed separately in the strategic and operational budget to further enhance transparency. The promotion of social dialogue processes and the social partners' involvement in policymaking should be a cross-cutting objective across all outcomes. Actions to encourage policymakers to consult and involve the social partners in line with the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), should be included.
81. The title of outcome 2 should accurately reflect the language used in the ILO Centenary Declaration, and therefore read "Clear, robust, up-to-date body of international labour standards and authoritative and effective supervision"; the preparation or updating of guidelines and codes of practice should be mentioned in the introductory text. The General Survey mentioned in paragraph 35 should be a thorough examination of law and practice related to selected ILO standards, not a report on a particular subject

addressed in those standards. The Employers' group was strongly against the development of sectoral strategies and requested that output 2.4 be deleted and its elements that were not already covered elsewhere be integrated in other relevant outcomes and outputs.

82. Under outcome 3, the term "employment ecosystems" was unclear. The Office should instead refer to creating an enabling business environment that permitted businesses to create more employment opportunities. In paragraph 54, the role of the private sector as an engine for job creation must be made explicit and activities to bolster the private sector should be outlined. Paragraph 61 should include the need for an enterprise-friendly business environment to support changes in line with the SDGs.
83. Some outputs in outcome 4 overlapped, while issues such as corporate debt sustainability and the economic dimensions of the transition to a green economy could be added. The critical role of supply chains was not stated clearly. With regard to output 4.2, while the Employers' group had requested support from the Office to improve constituents' productivity growth, the request was not made in the context of supply chains. What was needed was an integrated approach across the entire economy; it should not be focused on domestic and global supply chains only. The group also asked the Office to clarify the meaning of a "conceptual framework for productivity and entrepreneurship ecosystems". Existing enterprise products did not provide a coherent approach to productivity. An interdisciplinary approach that included ACT/EMP must be taken. The Office must examine the root cause of informality and develop an evidence-based plan to support the transition to the formal economy. Owing to its problematic language, which deviated from the Centenary Declaration and the MNE Declaration, output 4.4 should be deleted.
84. The Employers' group welcomed the proposals in outcome 5 and indicated that the ILO should become a global leader in skills development, considering in particular skills gaps and skill mismatches in the labour markets.
85. While appreciating the general approach of outcome 6, the Employers' group questioned the idea of "consistently incorporat[ing] a men and masculinities perspective", which could be perceived as divisive. She also asked for clarification on "innovative data collection methods".
86. Output 7.3 appeared to restrict the freedom of the parties and undermine their decisions by stating that wages should arise from collective bargaining, establishing the criteria for bargaining and directing the results of the bargaining. Research on platform work, mentioned in paragraph 137, should take into consideration both workers and entrepreneurs and should analyse existing challenges to identify where protection must be strengthened
87. The Employers' group welcomed the proposals under outcome 8, but asked that the "ILO focus in 2022-23" section more clearly reflect the outcome title. Sustainability should be emphasized throughout the outcome. Finally, the group requested clarification on the Office's definition of "innovation", "culture of innovation" and "policy innovation" and on how such innovation benefited constituents. It also requested clarification on the methods used by the Office to determine policy issues that required an innovation facility, the objectives and working methods of such facilities, and the resources required to operate and maintain such facilities.
88. **Speaking on behalf of the Africa group**, a Government representative of Eswatini commended the continuity given to the Programme and Budget for 2020-21 in the proposals for 2022-23. All policy outcomes should provide sustainable responses and

recovery mechanisms in the wake of the COVID-19 pandemic. In relation to outputs 1.1 and 1.2, the ILO should support employers and workers in organizing in the informal economy. His group supported outputs 1.3 and 1.4, including with regard to strengthening the institutional capacity and resilience of labour administration systems. The support provided under output 2.2 should consist primarily of measures that demonstrated the practical application of ratified international labour standards. Output 3.2 should encompass the structural transformation process set out in the African Union's Comprehensive Africa Agriculture Development Programme.

89. The ILO's interventions, including under output 4.1, should help to widen the scope of the assistance offered to enterprises to include, inter alia, access to credit and global markets. His group encouraged the Office to identify all possible national and regional partners for the delivery of outcome 5. The results framework should include indicators, baseline information, quantitative targets and a measurement of the ILO's expected contribution to the SDGs. Any improvements to the framework based on the lessons learned from the 2020–21 biennium should be highlighted.
90. **Speaking on behalf of GRULAC**, a Government representative of Barbados said that his group welcomed the integration of the Centenary Declaration into the programme and budget proposals. All policy outcomes should reflect the people-centred approach of the Centenary Declaration and the 2030 Agenda. Outcome 1 was of the utmost importance for GRULAC as it contributed to strengthen all constituents. With regard to outcome 2, his group supported the work of the Standards Review Mechanism Tripartite Working Group (SRM TWG), the continuity of which must be ensured by means of innovative solutions. With regard to output 2.2, it was important to ensure that the recommendations made by the ILO supervisory bodies were relevant to Member States. Output 3.1 should prioritize the creation of decent jobs for young people, women and workers in the informal economy.
91. Turning to outcome 4, he noted that a favourable environment for sustainable enterprises would be fundamental to the post-pandemic economic recovery. There was a particular need to support cooperatives and the social and solidarity economy. Furthermore, the digital transformation brought about by the pandemic meant that support under outcome 5 for skills and lifelong learning was more pertinent than ever, as was the focus under outcome 6 on gender equality, given the disproportionate impact of the pandemic on women. With regard to outcome 8, the ILO must seek realistic solutions to ensure the broadest possible social protection for all.
92. The enabling outcomes adequately reflected the priorities of the Strategic Plan for 2022–25 regarding the proper functioning of the Organization. Solutions must be inclusive and transparent, and ensure in particular the balanced participation of all constituents in decision-making. He requested information on financing for the preliminary proposals, including whether the programme for 2022–23 could be implemented with the same budgetary resources as the current programme, and whether the Office envisaged a specific strategy to raise the necessary resources through voluntary contributions.
93. **Speaking on behalf of ASPAG**, a Government representative of China welcomed the balance in the proposals between the COVID-19 response and the continuity of the current programme and budget. With regard to outcome 2, the Office should explore more effective measures to streamline governments' reporting obligations. The capacity of Member States to formulate national employment policies in response to the pandemic and policies for a just transition, as stated in outputs 3.1 and 3.3, must be increased, and the programme and budget must consider the impact of new business

models and technologies on the economic recovery. Output 4.2 must include assistance for enterprises in adapting to the new context.

94. ASPAG strongly supported outcome 5 on skills and lifelong learning, particularly output 5.4 on promoting digital skills, and drew attention to the importance of addressing the digital divide. His group welcomed the proposed efforts under outcome 6 on gender equality and supporting the COVID-19 recovery. Gender equality must be promoted at all levels of the Organization. The ILO should strengthen its efforts and take the lead in ensuring adequate protection at work and comprehensive and sustainable social protection for all, as outlined in outcomes 7 and 8.
95. The enabling outcomes must facilitate coordination among all departments at headquarters and field offices, as well as increase organizational agility. Member States' needs should drive research and knowledge sharing, and the Office should improve its delivery and governance capacities through strengthened oversight, evaluation and risk management. The Office should develop concrete measures and indicators relating to geographical diversity, and informal consultations on the programme and budget proposals should take place prior to the next session of the Governing Body. The Governing Body's discussions on the ILO's Strategic Plan for 2022–25 and COVID-19 and the world of work should further inform the programme and budget proposals. On the understanding that its comments would be taken into consideration, his group supported the draft decision.
96. **Speaking on behalf of IMEC**, a Government representative of the United Kingdom of Great Britain and Northern Ireland said that outcome 2 should be reinforced and given priority, while outcome 3 was very broad and should focus on specific objectives that reflected the ILO's mandate and comparative advantages. Although the social and economic effect of the pandemic on global supply chains was touched upon under outcome 4, this issue warranted greater efforts, a broader scope and the ILO's leadership in order to address effectively the impact of the pandemic and achieve a sustainable recovery. IMEC supported the increased attention to sectoral issues and lifelong learning and agreed that there was a need for a gender responsive and inclusive approach. The focus of outcome 7 on adequate labour protection for workers in diverse work arrangements was particularly welcome, as was the ILO's work to advance occupational safety and health; the ILO should be a leader on that issue. The revised enabling outcomes with enhanced emphasis on strengthening leadership, influence, governance and operational management were welcome. Greater cooperation at both the international and the country levels was indeed required for the ILO's work ahead. There was a growing need for relevant partnerships across the multilateral system in order to foster coherence. IMEC looked forward to seeing a complete results framework with indicators at all levels, baseline information, qualitative and quantitative targets and a mapping of the ILO's expected contribution to the SDGs.
97. The distribution of the regular budget among the various policy outcomes should adequately reflect the level of prioritization and the potential to generate additional voluntary funding for each outcome. Estimates should be included of anticipated financing from ILO participation in UN system-wide and country-pooled funding, alongside the anticipated regular budget from the Regular Budget Supplementary Account and voluntary earmarked contributions specified by policy outcome. The Office should also provide a "crosswalk" document at the next Governing Body session, showing the financial allocations for 2020–21 and 2022–23 for each policy outcome.
98. **The Worker spokesperson** expressed disagreement with the Employers' proposal to remove output 2.4, as a greater focus on sector-specific work was necessary, given the

impact of the pandemic on sectoral work. The Office should provide further information on the aspects that could be addressed.

- 99. The Employer spokesperson** reiterated that sectoral developments were highly interconnected, and it therefore made no sense to adopt an approach with separate discussions on specific sectors. Instead, a sectoral perspective should be integrated into the relevant policy outcomes, by topic. She recalled the need to be guided by the Centenary Declaration and to ensure that its implementation took into account real needs. The role of private enterprises in generating employment and decent work should be highlighted and acknowledged as a basis for developing sound policies that improved livelihoods.

Office response

- 100. The Director-General** said that the present discussion was the first step in the process that would lead to the final adoption of the Programme and Budget for 2022–23 at the 109th Session of the International Labour Conference. The next step would be the discussion of the fully fledged proposals, including resource allocations for each area of work, which would be submitted to the March 2021 session of the Governing Body.
- 101.** The Office had taken careful note of the guidance provided by the Governing Body. There was strong consensus that the programme and budget proposals should focus on the implementation of all aspects of the Centenary Declaration, the delivery of which should effectively address the COVID-19 crisis in the world of work and fulfil the ILO's commitments under the 2030 Agenda. That consensus had underpinned and justified the strong current of continuity contained in the Office's preview, particularly with respect to the choice of policy outcomes, as well as the incorporation of a COVID-19 response component into each of them.
- 102.** The Governing Body had also sent a strong message that the ILO should do its utmost to build the strongest sense of common purpose in its work over the coming years to enable it to address the enormous challenges posed by the crisis and to respond to the demands on the Organization's leadership and services. The turbulence and hardship encountered by many during the pandemic had emphasized the need to seize the opportunities for a better future of work by building back better. To that end, it would be important to overcome any differences in the months ahead to ensure that the programme and budget proposals would be adopted with the agreement of all tripartite constituents. The difficulties lay primarily in the question of a standalone outcome for employers' and workers' activities and the appropriate degree of emphasis for productivity and the role of the private sector. Furthermore, since resources were limited, there would necessarily be competing interests on issues such as global supply chains, a just transition and OSH. The Office would continue to consult with constituents to address those differences of opinion, on the understanding that the shared objective was to operationalize the Centenary Declaration in a balanced and comprehensive manner.
- 103.** In relation to the level of the budget, the Office would engage in the customary informal consultations on financial contributions from Member States after the session. While the Office recognized that the crisis had put pressure on public finances, the needs of the world of work had never been greater in the Organization's recent history, and the ILO would require the material means to take on the leadership role called for by the Governing Body.

- 104. A representative of the Director-General** (Director, Strategic Programming and Management Department), responded to the request of the Workers' group to mainstream social dialogue and international labour standards across all outcomes, and the suggestion made by several Governments to enhance work on a just transition to environmental sustainability. He recalled that the four cross-cutting policy drivers in the ILO Strategic Plan 2018–21 – gender equality and non-discrimination, social dialogue, international labour standards and a just transition towards environmental sustainability – had been fully embedded in the policy outcomes of the Programme of Work for 2020–21 and reflected in the outcome strategies and outputs to be delivered, with clear indicators to chart progress more effectively. That approach would continue in 2022–23. Promoting a just transition to environmental sustainability was the focus of output 3.3, and was also a part of the strategy for enterprise development, lifelong learning, equal opportunities and social protection.
- 105.** As to the Employers' group's request for strategic budgeting presented not only at the outcome but also the output level, the Office had already come a long way in moving from operational departmental budgeting to outcome-based strategic budgeting. That required the Office to present the budget at the outcome level, focusing on the measurement of results and impact. Strategic budgeting at the outcome level was also the prevailing practice in the UN system and was recognized as good governance. Moreover, it provided additional flexibility to accommodate necessary adjustments during implementation, and contributed to integrated use of resources and increased synergies, as many Governing Body members had requested of the Office. In their comments on the the ILO Programme Implementation report for 2018–19, IMEC and the social partners had called for improved programme reporting focusing on decent work trends, impact and results rather than on outputs, activities and deliverables, which showed that the Office had to continue to develop this approach. To that end, the Office would welcome any advice for further improvement and was ready to learn from good practices in Member States and other international organizations.
- 106.** Turning to comments on specific outcomes and outputs, under outcome 1 he noted the request of the Workers' group to publish the second flagship report on the strategic objective of social dialogue and tripartism in 2023. The current wording did not exclude that, but it would be premature to commit to a 2023 publication date, as the first report would be published in the second half of 2021 and some time would be needed to take stock of experiences in order to design an impactful and relevant second report.
- 107.** The Office noted the consensus on the importance of a sectoral approach to achieving outcome 2, as well as the positions of the employers' and workers' groups, respectively, on this matter. The rationale for including output 2.4 on increasing the capacity of Member States to apply sectoral international labour standards, codes of practice and guidelines was based on the substantive efforts the ILO had dedicated to that work and also the relevance of sectoral instruments in a post-COVID-19 recovery phase for those sectors hit hardest. Its inclusion would increase the visibility of the ILO leadership in supporting recovery efforts, building on the provisions of sectoral instruments, and therefore providing more targeted support to social partners and government institutions to address sector-specific decent work challenges. Care would be taken to ensure that there was no overlap between this output and the others, and that its application would not lead to the development of sectoral strategies, which would hamper coordination and coherence.
- 108.** The employment ecosystem (outcome 3) and the productivity and entrepreneurship ecosystem (output 4.2) referred to an integrated and holistic intervention approach,

anchored in social dialogue, to address the drivers of employment, productivity and entrepreneurship by considering the diverse range of participating actors, institutions, organizations, laws, regulations and supporting services, as well as the interaction between them.

109. Output 4.4 had been formulated in response to the reference in the Centenary Declaration calling for policies and incentives that promoted the alignment of business practices with the objectives of that Declaration. Constituents had clearly indicated that it was necessary for the Office to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). This was confirmed during the meeting that led to a revision of the MNE Declaration in 2017 and was also reflected in the IOE Centenary Manifesto released in June 2020. It was therefore critical to include the MNE Declaration as an output under outcome 4, for the purposes of implementation and monitoring. The Office would continue consultations and consider revising the wording to address constituents' concerns.
110. The innovation facilities on a just transition (output 3.3) and skills (output 5.2) were virtual, flexible cooperation platforms to identify, enhance, test and disseminate innovative solutions to specific decent work challenges. They were also designed to help ILO constituents to enhance their capacity to use and apply methodologies for designing innovative programmes and policies. The financial implications of the platforms were minimized as they were virtual, and they would primarily be funded by development partners in the context of extrabudgetary projects.
111. The innovative data collection methods mentioned under output 6.3 referred to the alternative data collection methods that were needed to create a safe space for survey respondents in relation to sensitive questions to capture data on violence and harassment. The ILO would provide practical guidance on authoritative data collection and the necessary methodologies and protocols.
112. The Programme and Budget proposals for 2022–23 to be submitted to the Governing Body at the March 2021 session would indeed include references to differing regional contexts. They would also include a complete results framework with specific indicators at the level of impact, outcomes and outputs, and complete budgetary information, including a comparison of budget allocations by outcome for the 2020–21 and 2022–23 biennia. Information about the efficiency gains and advantages derived from UN reform and the resident coordinator system would be provided to the Governing Body in other documents, such as the update on the UN reform or the Programme Implementation Report 2020–21. The Office would also organize information sessions and consultations with constituents in the preparation of the programme and budget to be submitted to the March 2021 session of the Governing Body.
113. **The Worker spokesperson** thanked the Director-General for his response to the preview of the Programme and Budget for 2022–23, and the Director of the Strategic Programming and Management Department for the additional information provided. With respect to standards, the policy outcomes and indicators at the next Governing Body session should include ratification targets of the relevant ILO Conventions. The Office should endeavour to publish a flagship report on social dialogue in 2023 and to include clearer text in that regard in the document for the next Governing Body session. Even if the first report on collective bargaining were published in 2021, two years would be sufficient to take stock of experience and publish a second report. The inclusion in output 2.4 to strengthen the capacity of constituents and Member States to apply sectoral standards, guidelines and codes of practice built through tripartite consensus was welcome. In the light of the increasing relevance of sectoral standards and related

activities due to the COVID-19 crisis, it was timely to invest in a coherent and effective sectoral policy that could play an important role in the ILO's agenda and actions to ensure a human-centred recovery. The confirmation that the programme and budget proposals would include a section on regional context was welcome. A discussion on decent work and productivity to be held at the next Governing Body session needed to ensure that productivity and decent work were mutually reinforcing. The Office should consult with its constituents on the matter prior to the session.

- 114. The Employer spokesperson** said that the programme and budget required significant improvements, and there was a need for a specific outcome for the Employers and the Workers. Strengthening the capacities of the social partners should not be mixed with support to public institutions and social dialogue processes, as the very nature, mandate and mission of social partner organizations would be diluted and limited to social dialogue, and budgets for social partner organizations would become opaque. For the next Governing Body session, the Employers' group and many Governments were expecting an operational budget which provided real transparency at both the outcome and output levels. The uniqueness of the ILO, as the only UN tripartite agency and the only Organization that supported employers' and workers' organizations, should be reflected in the programme and budget. He reiterated the importance for the programme and budget to emphasize: the urgent need to enhance business continuity and resilience and to ensure a conducive environment for sustainable enterprises as countries recovered from the crisis; the critical need to design and implement a comprehensive, coherent and systemic strategy on productivity under all the relevant outcomes; and the need for transparent budgets, not just at the outcome level but also at the output level, allowing the Governing Body to assess how the Office used its limited resources and offered technical support to constituents. A proportionate budget was required for output 1.1 on employers' activities, output 4.1 on sustainable enterprises, 4.2 on productivity, 4.3 on informality, and outcome 5 on skills.
- 115. Speaking on behalf of the Africa group**, a Government representative of Eswatini said that his group wished to place emphasis on providing financial support to the follow-up plan of action on youth employment for the period 2020–30 and would have preferred a stand-alone output for that purpose. Nonetheless, the Africa group supported the draft decision.
- 116. Speaking on behalf of ASPAG**, a Government representative of Japan said that the ILO's Strategic Plan for 2022–25, the preview of the Programme and Budget proposals for 2022–23, the ILO Development Cooperation Strategy 2020–25 and the initiative on COVID-19 and the world of work were regarded as a strategic package that instructed the Office on how to move forward on short-term responses, medium-term recovery and a decade of actions to achieve the Sustainable Development Goals (SDGs). ASPAG therefore looked forward to seeing concrete proposals for the Programme and Budget for 2022–23 that took into account the guidance provided by the Governing Body at the current session. ASPAG supported the draft decision.
- 117. Speaking on behalf of IMEC**, a Government representative of the United States of America said that her group welcomed the explanation of how the Office foresaw operationalizing the Centenary Declaration, within the programme and budget, to address the impacts of COVID-19 on the world of work. Under policy outcome 1, IMEC strongly supported retaining an output focused on increased institutional capacity and resilience of labour administrations. Recognizing that the ILO's standards-related work was at its heart, IMEC underscored once again the particular importance of policy outcome 2. Her group also welcomed the focus on the care economy under policy

outcome 6. IMEC reiterated the call for an integrated results framework with indicators at the impact and outcome levels, baseline information and quantitative and qualitative targets, and a detailed mapping of the ILO's expected contribution to the SDGs. She understood that that framework would include targets and indicators related to the ILO Development Cooperation Strategy 2020–25. The framework should cover both regular and extrabudgetary resources. IMEC supported the draft decision.

- 118. Speaking on behalf of the EU and its Member States**, a Government representative of Germany said that North Macedonia, Montenegro, Albania and Norway aligned themselves with the statement. The EU and its Member States wished to recall that the group's priorities were the promotion of decent work in global supply chains, occupational safety and health as a fundamental right, social protection for all, gender equality, and a just transition towards green economies. The EU and its Member States supported the draft decision.

Decision

- 119. The Governing Body requested the Director-General to take into account the guidance provided during the discussion when preparing the Programme and Budget proposals for 2022–23 to be submitted to the 341st Session (March 2021) of the Governing Body.**

(GB.340/PFA/2, paragraph 187)

3. Update on building questions: Headquarters building renovation project and ILO-owned premises in Abidjan (GB.340/PFA/3)

- 120.** In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 21 October 2020. At that session, the Office provided clarifications and additional information in response to questions raised by members, as summarized below.
- 121.** With regard to the impact of COVID-19 on the headquarters building renovation project, **a representative of the Director-General** (Deputy Director-General for Management and Reform) said that the restrictions placed on the construction industry during the lockdown and the closure of the headquarters building had caused certain delays in the implementation of the project; further delays could occur if another lockdown was imposed in the future. The teleworking arrangements currently in place were not anticipated to have an impact on the project.
- 122.** The security plan had originally been focused on the creation of a security perimeter – in other words, a fence around the property – at an estimated cost of US\$25 million, but the Office had started to explore other, more comprehensive, options – involving certain structural alterations to the building – which would be fully integrated into phase 2. The costing of the security plan had not yet been included in the estimated cost of phase 2, but was foreseen to be less than the US\$25 million previously indicated. The plan would be presented to the Governing Body at its 341st Session (March 2021) as part of the proposal on the final scope and estimated budget of phase 2 and would be incorporated into the bidding process and the main contract for that phase. The funds previously approved by the Governing Body were being used to address more immediate issues such as the improvement of security around the entrances of the building and the replacement of the closed circuit television system, actions that would be included in the overall security plan, with additional funding from the Building and Accommodation

Fund. The Office would continue its discussions with the host Government about any financial support it could provide.

123. The other tenants referred to in paragraph 18 of the document included some small entities who paid rent to the Office, such as the International Social Security Association and the UBS bank. There was no further space available and the Office had no intention of accommodating any additional tenants in the building.
124. As for the additional costs of conference facilities during phase 2, the Office was currently exploring the possibility of installing a temporary building, which would involve the purchase and fitting-out of audiovisual and other equipment and furniture, the cost of which could be partially recovered at the end of the period of usage. Any such costs that fell outside the provision of the regular budget would be covered by the renovation project and included in the figures to be presented to the Governing Body in March 2021. Considering the pressure on meeting room availability in Geneva due to several renovation projects currently being undertaken by other United Nations (UN) agencies, the proposed temporary structure was considered to be the best option, as it would provide the Office with permanent conferencing capacity over the next three to four years, would allow phase 2 to be implemented in two stages rather than three as originally envisaged, and would generate time and cost savings.
125. As a result of the review of phase 2, the final cost could be either above or below the current estimate of CHF128–131 million. A margin of error of 15 per cent had been foreseen, and the experience with phase 1 had proven that the scope of the project could be adjusted based on the evolving situation of the budget. The Office would ensure that the scope of work fitted in with the budget that the Governing Body would approve from the Building and Accommodation Fund.
126. The Office had been involved in the discussions with other UN agencies, the Resident Coordinator and the Government of Côte d'Ivoire with regard to the UN common premises in Abidjan. The final decision on the proposal to build an additional two floors would depend on other developments in Abidjan. The Governing Body was being asked to approve the use of the Building and Accommodation Fund to finance the redevelopment at a cost of up to US\$7.2 million, with the final option to be determined after the necessary project work had been carried out and specifications established. If the additional two floors were to be built, the Office's intention would be to accommodate tenants from among the UN agencies, both for security reasons and for "One UN" considerations. Although the land owned by the ILO was well positioned and could potentially be redeveloped with a larger footprint into a UN House, there was no collective funding plan for such a major project at the current stage. Of the various options, the proposal involving demolition and renovation was considered the most advantageous and least costly. The decision to include the updates on the headquarters and Abidjan buildings in one document had been taken by the Screening Group. The current ILO buildings in Abidjan were not in a usable state and the rental accommodation was being renewed on a year-to-year basis with the African Development Bank, which itself was in the process of constructing its own office building, a development that could lead to the termination of the sublease arrangement with the ILO. There was therefore some urgency from the local environment point of view for the proposal to be approved by the Governing Body and for the renovation project to get started.
127. **A representative of the Director-General** (Treasurer and Financial Comptroller) said that the balance of the Building and Accommodation Fund as of the closure of the last

financial period was US\$10 million, in addition to the proceeds of the sale of land which had come through in 2020.

- 128.** The Screening Group agreed to put the item forward for a decision by correspondence and the decision was approved by consensus and announced to all Governing Body members by a communication of 30 October 2020.

Decision

129. The Governing Body, by correspondence:

- (a) with regard to the headquarters building renovation project:
- (i) requested the Director-General to present to it, at its 341st Session (March 2021), the proposed final scope and estimated budget of phase 2 of the project; and
 - (ii) authorized the Director-General to use up to CHF2.7 million from the Building and Accommodation Fund towards the repayment of the Swiss Government's loan for the renovation of the ILO headquarters building, with reimbursement of this amount to the Fund from future rental income.
- (b) with regard to the ILO premises in Abidjan:
- (i) authorized the use of the Building and Accommodation Fund to finance the redevelopment of the ILO premises in Abidjan, at an estimated cost of US\$7.2 million, on the understanding that this amount will be re-credited to the Fund using future savings on the cost of renting ILO accommodation in Abidjan and income from the rental of any surplus space; and
 - (ii) requested the Director-General to continue to engage with the Government of Côte d'Ivoire regarding a potential financial contribution to the project.

(GB.340/PFA/3, paragraph 30)

Summary of written comments received during the consideration of the item by correspondence ²

- 130. The Employers' group** noted with satisfaction that additional renovation work at headquarters had been done under phase 1 of the project within the endorsed financial plan and using the reported savings, and that any additional savings would supplement the financing of phase 2. In that regard, the group welcomed the proposal to integrate the upgrading of the security environment into the scope of phase 2. Due to renovation work in the conference area, other conference facilities might be required from July 2021 to March 2024.
- 131.** In view of the shortfall arising from the delayed occupancy and rental payments by UNICEF, the group agreed that the Building and Accommodation Fund could be used to cover the first repayment of the loan provided by the host country, which was due in

² The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.

December 2020, on the understanding that the proposed arrangement would have no long-term impact.

132. Regarding the redevelopment of the ILO-owned premises in Abidjan, the Employers' group appreciated the progress made and the proposal to build two additional floors for rental purposes. As the amount allocated for the work was to be re-credited using the income from renting the new space, it would be advisable for the Office to foresee an alternative in case the rental plan was not realized as anticipated.
133. **The Workers' group** welcomed the savings made during phase 1 of the project and the sale of plot 4057. It was regrettable that funds had not been secured early enough to ensure continuity between phases 1 and 2, which had increased the cost of phase 2. The inclusion in phase 2 of a number of elements that had previously been removed from its scope was welcome; further information should be provided in that regard at the 341st Session (March 2021) of the Governing Body.
134. The Workers' group supported the proposal to integrate the upgrading of the security environment into the scope of phase 2. It noted with satisfaction that, as reported by the Office at the briefing session, the plan to build a fence had been abandoned. Information on the alternatives envisaged should be provided to the Governing Body at its 341st Session. Further details on the final scope and estimated budget of phase 2 would also be appreciated. The plan to build a temporary conference facility, which would make it possible to renovate the ILO conference facilities in two stages instead of three, was welcome. The group agreed with the proposal to use the Building and Accommodation Fund to cover the delayed occupancy payments from UNICEF, noting that the amount would be reimbursed to the Fund using future rental income.
135. The group supported the Office's proposal to redevelop the ILO premises in Abidjan, but called on the the Office to keep the Governing Body informed of developments in the establishment of a UN House in Abidjan, which might affect the possibility for the ILO to rent the two additional floors to UN staff. The administrative support and construction permit provided by the Government of Côte d'Ivoire were welcome. The Office should increase its efforts to obtain financial support from the Government of Côte d'Ivoire and any other African government for the building project. The Workers' group agreed that the project should be pre-financed using the Building and Accommodation Fund, with the amounts repaid using rental savings and income. As ILO staff would have to remain in spaces leased by the African Development Bank for several more years, it was important for the Office to consult with the local staff union to ensure the adequacy of the workplace. Access to the building was reportedly difficult, and needed to be improved. The administrative procedures for social partners were discouraging and complicated work relations, particularly with trade unions.
136. **ASPAG** congratulated the Office on completing phase 1 of the renovation project on time and within budget and on achieving an excellent price for the sale of plot 4057, the proceeds of which were in the Building and Accommodation Fund ready to finance phase 2. It would be useful to know how UN security requirements would be met without a perimeter fence. The remainder from the land sale could be used to build such a fence or for other appropriate security options. The proposal to establish common premises for UN agencies in Abidjan should be pursued.
137. **IMEC** noted with satisfaction that the stage 4 works of phase 1 were expected to be completed on time, and that savings had been made in stages 1–3. Regarding the sale of plot 4057, if the permitted building density on the perimeter was to be changed, the selling price could potentially increase further. The current estimated cost of phase 2

should be fully financed by the sale of the land and the funds currently available in the Building and Accommodation Fund. IMEC looked forward to receiving a comprehensive security plan, including options for the security perimeter and other priority areas, at the 341st Session of the Governing Body. The use of the Building and Accommodation Fund to remedy the shortfall for the loan repayment was appropriate.

- 138.** The Abidjan premises were not currently fit for purpose, and the proposal for a new UN building had not progressed to a significant stage. Noting the importance of establishing UN common premises, which was one of the goals of the UN reform, IMEC encouraged the Office to pursue the option of creating a “One UN” building, where possible, and change its plans accordingly if more suitable or most cost-efficient options became available. An update on the status of planning and engagement with the rest of the UN Country Team in Abidjan should be provided at the 341st Session.

4. Programme and Budget for 2018–19: Financial report and audited consolidated financial statements for the year ended 31 December 2019

(The consideration of this item is deferred to the 341st Session (March 2021)).

5. ILO programme implementation 2018–19 (GB.340/PFA/5)

- 139.** In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 21 October 2020. At that session, the Office provided clarifications and additional information in response to questions raised by members, as summarized below.
- 140. A representative of the Director-General** (Director, Strategic Programming and Management Department) said that information on results in the regions had been included in the report under the different policy outcomes, with some analysis provided of results that were above or below target in each region. Efforts would continue to enhance the presentation of results globally, by region and by policy outcome in the future. The requests made previously by the Employers’ group had been taken into account in designing the structure and the content of the report, as reflected in its organization by policy outcome, rather than by strategic objective, as had been the case for the implementation report for 2016–17. Efforts had also been made to include information on impact in Part I of the report. The Office would look further into any discrepancies between figure 7 and the Decent Work Results Dashboard. The Office’s analysis of outcome 10 resources showed that regular budget expenditure for employers and workers, respectively, stood at almost the same level as estimated in the programme and budget, with lower expenditure levels recorded, however, for extrabudgetary resources. In 2020–21, regular budget technical cooperation resources and the Regular Budget Supplementary Account (RBSA) had been used strategically to resource outcomes less endowed with extrabudgetary resources. Those efforts would continue in 2022–23, as would efforts to attract donors’ interest in those outcomes.
- 141.** The Screening Group agreed to put the item forward for a decision by correspondence and the decision was approved by consensus and announced to all Governing Body members by a communication of 30 October 2020.

Decision

142. The Governing Body took note by correspondence of the report and of the observations made.

(GB.340/PFA/5, paragraph 180)

Summary of the written comments received during the consideration of the item by correspondence ³

- 143. The Employers' group** called on the Office to pursue its efforts to address the requests it had made at the 332nd Session of the Governing Body during the discussion on ILO programme implementation 2016–17, and noted that further enhancements were needed with regard to financial data and information on expenditure. The expenditure summaries in the report again did not distinguish between funds allocated under outcome 10 to employers and workers. Nonetheless, it was apparent that the operational budget and the regular budget technical cooperation envelope for workers had been twice that for employers. That breakdown also needed to be given for extrabudgetary funding for technical cooperation.
- 144.** The report on ILO programme implementation 2020–21 should not give an aggregate figure for outcome 1, as that outcome currently covered not only employers' and workers' activities but also labour administration and social dialogue. Such aggregation would make it even more challenging to assess whether adequate levels of resources had been provided for social partners' institutional capacity development.
- 145.** There was a stark imbalance between expenditure on extrabudgetary development cooperation for outcome 1 (US\$154.4 million) and that for other issues, such as outcome 6 (US\$3.7 million) and outcome 10 (US\$6.1 million). Moreover, the RBSA should be used where funding was most needed and to support areas that did not attract voluntary contributions. The Office should make efforts to support resource mobilization for underfunded policy outcomes, specifically outcomes 6 and 10. In addition, the Office should be narrowing the gap between donors' interests and constituents' needs.
- 146.** With regard to organizational performance, the results did not appear to be closely correlated with the level of resources allocated. Those trends appeared to contradict the principles of results-based management. Only a somewhat limited number of decent work results made a principal contribution to the cross-cutting policy drivers. Further improvements should be made in the current biennium, in particular for the policy driver on social dialogue.
- 147.** On lessons learned, it was imperative to tap into the knowledge of constituents when generating research and knowledge. The Employers fully supported the statement that resources were "more impactful when aligned with the priorities of the tripartite constituents". It was an absolute precondition for the Office to conduct consultations with constituents, through ACT/EMP and ACTRAV, when designing new programmes and projects. Finally, the Employers further stressed the imperative of raising and channelling resources for the institutional capacity development of social partner organizations.

³ The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.

- 148. The Workers' group** noted that challenges in strengthening the normative function of the ILO should be more effectively addressed. Despite increased ratifications compared to previous years, the ILO Centenary Ratification Campaign had not achieved its targets. Results were uneven across regions. Further ratifications of Conventions particularly relevant to addressing the COVID-19 pandemic, with emphasis on occupational safety and health and universal ratification of the core Conventions, were therefore needed.
- 149.** The results on the cross-cutting policy drivers showed that more resources were needed to contribute to the advancement of international labour standards, with a greater commitment to integrate such standards into all outcomes. Similarly, improvements were needed in the area of social dialogue and the advancement of gender equality and non-discrimination. With regard to a just transition to environmental sustainability, it was clear that, in order to ensure a sustainable recovery, consideration must be given to having a separate outcome for that area of work and mainstreaming it in other outcomes.
- 150.** The Workers' group welcomed the increased allocations of voluntary contributions, but regretted that the allocations had been uneven across outcomes. The RBSA should also be allocated more evenly. Outcome 2 should receive more resources in the future. The group supported greater resource mobilization efforts for outcomes promoting social dialogue, international labour standards and gender equality. Concerning extrabudgetary resources, the group agreed that greater efforts were needed to move towards broader programmes, to enable the Office to provide assistance in a more integrated, coherent and strategic manner. The Office should also improve cross-departmental work on outcomes.
- 151.** The report on ILO programme implementation 2020–21 should look at how different results under each outcome were linked. In addition, it would be useful to reintroduce the reporting of achievements under the four strategic objectives. A report should also be added on decent work results on the four strategic objectives for each region, highlighting those countries and situations where challenges remained.
- 152. IMEC** noted that most, if not all, of the results presented in the report seemed to be at the output level. Under outcome 1, for example, the results presented were plans, strategies, policies, programmes and measures. Important as they might be, the real results should be measured at outcome level by how many 'more and better jobs' and 'improved youth employment prospects' resulted from the outputs. In that respect, IMEC appreciated that work to improve the Organization's results-based management continued and looked forward to seeing the fruits of that labour in the next biennia.
- 153.** Regarding the cross-cutting policy drivers, IMEC noted with concern that almost half of the decent work results had made only a limited contribution to gender equality and non-discrimination, and with even more concern that 93 per cent of the results had made a limited or no contribution to environmental sustainability. That area of serious concern should receive careful attention by the Office.
- 154.** IMEC welcomed the recognition that the ILO's development cooperation portfolio should be better aligned with the planned outcomes of the programme and budget and that voluntary funding needed to be better integrated with the regular budget, and agreed that resource mobilization efforts needed to be stepped up. It wished to know if the data in the report included any "One UN" funding or resources obtained through competitive bidding. It noted quite substantial underperformance, for example in outcome 5, and asked what lessons were to be learned from that underperformance and what measures were being taken to improve results.

155. Recognizing the importance of the ILO's role in the response to the COVID-19 crisis, IMEC called for much greater institutional cooperation between the international financial institutions and the ILO. In addition, the ILO should continue and enhance its cooperation with other UN, international and regional entities.

Audit and Oversight Segment

6. Annual Evaluation Report 2019–20 (GB.340/PFA/6)

156. **The Employer spokesperson** said that evaluation was a very high priority for his group. With regard to Part I of the report, implementation of the ILO's evaluation strategy, under outcome 1 there had been a positive trend in the completion of independent evaluations. However, there was room to improve the completion rate for internal evaluations, which remained far from the target of 75 per cent. While the digitalization of the Evaluation Manager Certification Programme was welcome, the Office should further analyse the gaps in internal evaluation to understand where efforts could be increased, such as in a specific country, region or policy area. Concerning the selection of high-level evaluation topics, he endorsed the rolling work plan and asked the Office whether the request for a high-level evaluation of the ILO's participation in UN reform could be accommodated in 2021 or 2022.
157. As to the low uptake of constituents' evaluation training in the context of the 2030 Agenda by representatives of employers' organizations, he noted that such training was a considerable time investment and should be aligned with the needs and capacity of constituents; that was unlikely to change in the next year due to the effects of the pandemic on employers.
158. On outcome 2, the group supported the efforts related to clustered evaluations, which could improve learning for a specific issue or country, and also contribute to a more strategic and comprehensive validation of the ILO's performance. The group inquired as to the composition of the Evaluation Advisory Committee; it was important that the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV) should participate, as they could provide valuable input as to how the update of evaluation recommendations was affecting the way in which the Office worked with constituents. Concerning management responses to evaluation recommendations, under outcome 3, they should be provided by managers who had not only administrative but also technical responsibilities. The increased use of high-level evaluations and synthesis reviews was a welcome trend, as these could serve as bases for programming new frameworks, strategies and interventions.
159. On Part II of the report, despite the pandemic, the effectiveness, sustainability and impact of ILO projects had shown positive developments in 2020, such as increased tripartite engagement. It was important for such positive trends to continue during the recovery period, and for the needs of constituents to underpin project design and interventions. The Office should establish a sustainability plan for all projects. Lessons could be learned from the COVID-19 crisis with regard to the implementation and efficiency of management and resources of ILO projects. The continued low ratings in monitoring and reporting mechanisms were concerning. Results-based management principles must be cross-cutting across all ILO projects and programmes. The Office should identify gaps in monitoring and reporting, and improve the alignment of a project's activities with its goals.

- 160.** It was unclear why the ILO's COVID-19 policy framework should be used for evaluation purposes, as it had never been approved by the Governing Body. It would be useful to know how the proposed evaluation framework would take into account the Programme and Budget for 2022–23. Regarding evaluation questions, he asked the Office to inquire about how the Office would manage outreach to constituents to understand their needs, and whether its support to constituents during the immediate emergency and recovery phases of the pandemic had been sufficient. Further information on who the relevant stakeholders mentioned in recommendation 2 were would be welcome. The Employers' group supported the draft decision.
- 161. The Worker spokesperson** noted with satisfaction that 15 out of 19 biennial milestones as identified in the Evaluation Strategy (2018–21) had been met or were on track. Nonetheless, in the face of the challenges posed by decentralization of the evaluation function and by capacity limitations, especially in the regions, the right balance needed to be maintained between servicing constituents and evaluating that work. With reference to sub-outcome 1.3, on constituents' evaluation training, it would be useful to know why the participation of representatives of employers' organizations was so much lower than that of governments and workers' organizations.
- 162.** The Workers' group supported the topics chosen for high-level evaluations in 2021 and 2022, including the postponement to 2022 of the independent evaluation of the ILO's evaluation function.
- 163.** It was important to make greater use of clustered evaluations to better capture the ILO's specific normative and tripartite mandate and to reduce the burden on constituents. To ensure that the milestone in sub-outcome 2.3 concerning the quality and credibility of impact evaluations, including ex-post quality appraisals, was reached, guidelines and recommendations should be appropriately implemented. The Office was encouraged to pursue the integration of tripartism, social dialogue, international labour standards and gender and non-discrimination considerations into evaluation approaches and methods and to include environmental and disability issues.
- 164.** With regard to Part II of the report, on assessing the ILO's effectiveness, the Office should redress the low scores achieved on gender-responsiveness and poverty reduction, as well as the lack of direct measures to address inequalities. It was especially worrying that only half of the projects assessed had met their immediate objectives and had underperformed in relation to policy-influencing activities and the promotion of international labour standards, social dialogue and tripartism. The Office should also improve how it addressed disability and ensured the sustainability of projects.
- 165.** It was necessary to evaluate in a more comprehensive manner the Office's response to the ongoing COVID-19 crisis. In doing so, particular attention should be paid to promotion of the normative framework, social dialogue and tripartism, as well as to appropriate consultation with ILO constituents. The Office should clarify who the relevant stakeholders mentioned in recommendation 2 were and indicate where constituents fitted in that context. It was important that the views of constituents were not diluted as part of wider consultations with stakeholders.
- 166. Speaking on behalf of IMEC,** a Government representative of Finland highlighted the importance of sound evaluations of ILO activities as a tool for helping the ILO to address new challenges effectively in the aftermath of the pandemic. IMEC said that, while evaluation activities had generally been conducted in a timely fashion and in accordance with evaluation policy requirements, the ILO must increase the submission rates for internal project evaluations. Similar efforts were needed for an increased certification of

evaluation managers and incentives to strengthen the decentralized evaluation function. The new methodological guidelines were welcome, as they helped in improving responsiveness to the ILO's normative mandate and fostered better integration of gender equality and non-discrimination (including disability), the SDGs and environmental concerns. IMEC supported efforts to revise the evaluability diagnostic instrument to better reflect the responsiveness of DWCPs with regard to their alignment with the UN Sustainable Development Cooperation Frameworks.

- 167.** While welcoming the ongoing review of clustered evaluations, IMEC would be interested in knowing why only 6 per cent of planned mandatory evaluations were currently identified as clustered. On the quality of evaluations, it was noteworthy that no internal decentralized or centralized evaluation had been found to be highly satisfactory, which left room for further improvement. The group also wished to know how the Office would encourage better use of the Impact Evaluation Review Facility, and whether the 1,471 users of i-eval Discovery in the reporting year were ILO staff or external visitors to the site.
- 168.** Regarding Part II, in terms of strategic relevance and alignment, projects often lacked measures to address poverty reduction and gender strategies. Low performance ratings for the effectiveness, sustainability and impact of interventions were most concerning. Only one third of projects had prospects of maintaining, advancing or scaling up existing operations. Missed opportunities were also observed with regard to the incorporation or strengthening of social dialogue and tripartism. It was most important that the Office made sure that these shortcomings were addressed. The COVID-19 crisis called for greater organizational agility, coherent action and effectiveness to ensure improved relevance, efficiency, results and sustainability of ILO interventions, and efforts to promote the ILO's core values of equality, inclusion, standards, dialogue and tripartism should be strengthened. Independent evaluations would be important for assessing impact and improving delivery.
- 169.** IMEC endorsed the topics for the high-level evaluations for the coming two years and the postponement to 2022 of the five-year independent evaluation of the evaluation function (recommendation 1). The group also agreed to develop an evaluative framework for the ILO strategic response to mitigate the impact of the COVID-19 pandemic on the world of work, together with relevant stakeholders (recommendation 2). Sharing the framework for wider consultations with key stakeholders within and outside the ILO and the UN system was welcome.
- 170. A representative of the Director-General** (Director, Evaluation Office) said that, despite the pandemic the Evaluation Office managed to keep its work on track and strategic transformations in its approach continued. EVAL achieved 15 of the 19 milestones, many of which influenced policy changes. Clustering of evaluations instead of project piecemeal evaluation approaches took hold. While only 6 per cent of evaluations had been clustered, 10 of the 20 largest donors to the ILO had participated in such evaluations, which showed that many donors were convinced of their utility. Progress had been made on better integrating the ILO's specific mandate in evaluations through new guidance on social dialogue and standards and efficiency had been increased by making more use of national consultants. Internal evaluations continued to be problematic. While the Evaluation Office focused on independent evaluations as its primary responsibility, every effort was being made to work with managers and help them carry out self-evaluations. All departments and regions faced the same problems in terms of conducting internal evaluations as planned.

171. There were indeed some weaknesses with decentralized evaluations. The Evaluation Office relies on volunteers, and they need to be trained and certified. The COVID-19 pandemic had made it necessary to transform the training programme into an online course that would be available shortly. The pandemic also had an impact on the training courses for constituents which were always conducted on a demand basis not to overburden them. That training was focused on the SDGs, to ensure the participation of constituents not just in the ILO's evaluation work but also within the context of the whole UN. On the question about the quality of evaluations since 2015; while there had been consistent improvement and none had been considered of low quality, it was true that not many evaluations were in the category of highly satisfactory. It was hoped that clustering would reduce the high number of evaluations the Evaluation Office had to carry out each year so as to make them more strategic, focused and of higher quality. The Evaluation Office would like to carry out more impact and ex-post evaluations, but funding for evaluation was limited to project budgets. The Evaluation Office therefore encouraged the pooling of funding through a trust fund in order to conduct ex-post and impact evaluations after a project ends. There had been a slow improvement in evaluations that captured the ILO's work on promoting gender, which the Evaluation Office hoped to accelerate. With regard to the assessment of operational effectiveness, it was noteworthy that the ILO Risk Officer had indicated that the lessons learned from the Evaluation Office's reports on performance should be taken into account in the Organization's risk register and that PARDEV was also using the reports to inform project designers.
172. The Evaluation Office had issued guidance as early as March 2020 on how to carry out evaluations during the COVID-19 pandemic, being among the first evaluation offices in the UN to do so. The challenges posed by the COVID-19 pandemic had further amplified the need to use evaluative evidence optimally. EVAL was proactively trying to elaborate a COVID-19 evaluation framework that would entail a scoping exercise, involving discussions with key stakeholders, the ILO's constituents. But there was also a need to engage with the whole UN community in the fight against COVID-19, which was why stakeholders in that context might include UN bodies and some research institutions. The key partners were therefore the constituents, but stakeholders had accordingly been indicated in recommendation 2. He concluded by confirming that the evaluation of UN reform was scheduled for 2023 and that, while he might not have addressed all questions, the guidance provided during this session would be fully taken into account in the continued implementation of the evaluation strategy.
173. **The Worker spokesperson** said that, following those explanations, her group could agree with recommendation 2 in paragraph 64.

Decision

174. **The Governing Body endorsed the recommendations of the Annual Evaluation Report 2019–20 (paragraphs 8 and 64 of document GB.340/PFA/6) for implementation by the ILO.**

(GB.340/PFA/6, paragraph 65)

7. High-level evaluations of strategies and Decent Work Country Programmes (GB.340/PFA/7)

175. In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 19 October 2020. The

Office provided the following clarifications and additional information in response to the questions raised during the briefing session.

- 176. A representative of the Director-General** (Director of the Enterprises Department) noted that the fact that the Office had reached the targets had led to the need to double the targets in the next biennium, which required a budget increase that had not yet been granted in the context of the budgetary time frame and limitations. On the review of the Enabling Environment for Sustainable Enterprises programme (ESEE), the department had engaged with the field and interested donors to assist in its delivery. The Office had been able to increase its engagement with the field on the ESEE assessments and broaden the process. On the innovation strategy, different parts of the Office had been considered. The Enterprise Innovation Facility had started at the end of the previous biennium. For the enterprise component, innovation was focused on what the ILO could do to improve sustainable enterprises. In the context of the COVID-19 pandemic, it would focus on reactivating the recovery of enterprises as key providers of employment. The Office would look at good practices on assisting enterprises in the informal economy to become formal and looking at innovative ways, with other key players such as the United Nations Conference on Trade and Development (UNCTAD) of improving on formalization. The Office was also looking at innovative ways to improve on digital wage payments where no internet was available and how the ILO could support enterprises in recovery and in building more sustainable enterprises.
- 177.** On Part II, **the Director of the Evaluation Office** explained that the evaluation report had found a need for a safe learning environment because a number of respondents had asked not to be identified, which was unusual compared to other similar evaluations. The finding had led to a recommendation on creating a learning environment in which people felt safe to express their views without repercussions and to make mistakes as part of the learning process. The finding on the use of products of ILO research and knowledge management strategies and approaches and the differences in such use between employers and workers was based on constituents' surveys and a range of direct interviews with them. The reason for the difference was unclear, but the report recommended that the Office look into targeted delivery of research and knowledge management products that met the needs of both workers and employers. Questions on the Global Technical Teams and enabling outcome could be best addressed through written comments by the Office. Concerning the request of the Workers' group for information about the diversity among the countries reviewed as part of the evaluation of Decent Work Country Programmes (DWCPs) in the Andean subregion in Part III, the full report, which was available on the website, provided detailed analysis, some of it more at the country level. In addition, the Evaluation Office could provide Governing Body members with unpublished country case studies on request. With regard to the methodologies and processes, the measures the Evaluation Office had taken to mitigate the effects of the pandemic by using multiple sources of evidence ensured the quality and credibility of the evaluations undertaken.
- 178. Another representative of the Director-General** (Regional Director for Latin America and the Caribbean) noted that the high-level evaluation report would be used as a baseline to improve on the ILO's work in the Andean subregion. The most important area for improvement was securing tripartite agreements on a programme of work in the unstable political situations of countries in the subregion, such as Colombia and the Plurinational State of Bolivia.

179. The Screening Group agreed to put the item forward for a decision by correspondence. The decision was adopted by consensus and announced to all Governing Body members by a communication of 30 October 2020.

Decision

- 180. The Governing Body, by correspondence, requested the Director-General to take into consideration the recommendations of the three high-level independent evaluations presented in GB.340/PFA/7 (paragraphs 26–34, 72–78 and 123–129) and to ensure their appropriate implementation.**

(GB.340/PFA/7, paragraph 139)

Summary of written comments received during the consideration of the item by correspondence ⁴

181. Concerning the evaluation of the ILO's strategy and actions for promoting sustainable enterprises 2014–19, **the Employers' group** underscored the importance of the work of the Enterprises Department to support businesses and business organizations. However, the Office must enhance its efforts beyond its traditional activities to promote the development of the private sector. To ensure its relevance, there should be a shift in the work of the Office towards building constituents' capacity to influence the development of enabling policies for business growth, particularly in the context of COVID-19. As the programme implementation results for the adoption of reforms of the business environment (indicator 4.1 of the Programme and Budget for 2018–19) were significantly below target, the group welcomed recommendation 2 to establish a more effective mechanism between the Enterprises Department and ACT/EMP to ensure that all programmes and tools developed were relevant and fit for purpose. The Employers' group requested that the Office should transform its activities to supporting constituents in shaping a conducive business environment rather than focusing on products and tools for individual enterprises. Regarding recommendation 1 on the coherence of activities, constituents should be consulted on any new strategic framework concerning the promotion of sustainable enterprises. However, it was not the responsibility of either the evaluation or the proposed framework to address the ILO's approach to global supply chains. The strategic framework should also clarify that support for enterprises in creating and maintaining decent work should be provided through constituents, and not directly to enterprises.
182. More data was required on the programmes and tools used by the Enterprises Department to measure the effectiveness of ILO activities. Supporting governments in evaluating the business environment and designing national policies would have a greater impact than implementing existing programmes whose effects were insignificant in a country or region. The Office should recognize the importance of measuring the longer-term impacts of interventions and of building constituents' capacities locally. In view of the imbalance in programme expenditure, the Office must reconsider budget allocations to support policy-specific work on the enabling business environment. Furthermore, data should be routinely available on resource allocation in order to calculate investment and returns. Concerning recommendation 8 on encouraging and supporting innovation, the group asked why the Office had begun

⁴ The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.

implementing an innovation strategy that had not yet been adopted by the Governing Body and why it had already established the related Enterprise Innovation Facility.

- 183.** Regarding the ILO's research and knowledge management, strategies and approaches 2010–19, the Employers reiterated the continued need for the Office to consult constituents when conducting its research, to adequately reflect all three constituencies' priorities and perspectives, and to ensure the independence and integrity of that research.
- 184.** The group expressed reservations in relation to some of the recommendations on the ILO's research and knowledge management strategies and approaches. Strong leadership was needed to foster a constituent-oriented, transparent and inclusive research and knowledge management culture as part of recommendation 2; the ILO Policy Portfolio was already well-positioned to coordinate all relevant departments and units with its existing financial and human resources. For recommendation 4, a thorough review should be conducted on the effectiveness and impact of the Global Technical Teams. Under recommendation 5, the Office must properly address shortcomings by developing a knowledge-sharing culture that recognized and rewarded interdisciplinary and collective efforts. The Office should understand how management could generate a collaborative culture, and include incentives to improve knowledge-sharing and team collaboration in relation to recommendation 3. As to recommendation 7, the group emphasized the need for the entire Office to integrate employers' needs, priorities and challenges into appropriate research and knowledge management responses and processes.
- 185.** The group questioned the inclusion of work done during the COVID-19 pandemic in the good practices, noting that it did not fall within the evaluation period and that the relevance, impact and effectiveness of research and knowledge management should be determined by constituents, in a comprehensive manner. The Office should provide information on how it had meaningfully consulted constituents on research and knowledge management related to COVID-19. Furthermore, the COVID-19 portal required improved navigation to allow users to find relevant information quickly.
- 186.** Concerning the independent high-level evaluation of the ILO's Decent Work Programme in the Andean countries, the Employers' group emphasized that constituents should be consulted in order to ensure ownership of programming frameworks. ILO programmes and projects should better support policy priorities set out in the Panama Declaration and previous regional declarations, with particular regard to promoting an enabling environment for the creation and development of enterprises. Given the complex nature of social dialogue in parts of the Americas, the social partners should participate more actively in the design of activity plans for the region. Policy departments and field offices should consult ACT/EMP from the earliest stages of programme and project design to enable it to convey the priorities and challenges faced by employers in the region.
- 187.** The Office should provide further guidance on efforts to align DWCPs with UN Sustainable Development Cooperation Frameworks (UNSDCFs) and national development plans. Additionally, DWCPs should be designed to be more agile, taking current priorities into account. Project offices could have an impact beyond the implementation of a specific project. Moreover, the Office should transform its mode of operation to ensure that all projects were driven by constituents and not donors, ensuring greater synergies between projects and the Office's wider goals. The Employers acknowledged the substantial support provided in the Bolivarian Republic of Venezuela, but would have appreciated more information in the evaluation regarding the support offered by ACT/EMP to the Federation of Chambers and Associations of Commerce and

Production of Venezuela (FEDECAMARAS). In relation to recommendation 7, the Office should prioritize work to strengthen social protection systems and active employment policies, which would require resources that could only come from a vibrant, profitable and sustainable business sector.

- 188. The Workers' group** noted that sustainable enterprises and decent work were two sides of the same coin. For enterprises to be sustainable, workers must have the right to organize, bargain collectively, and engage in real social dialogue rather than a box-ticking exercise. The Office's new strategy must provide strengthened support for the delivery of decent work by sustainable enterprises, in particular by improving consultation with the social partners and addressing workers' concerns. In 2015, the International Labour Conference had called for a review of the EESE programme, but the Office report did not consider the programme's 17 components and could therefore not be considered an adequate basis for the review. The Office's increased engagement in EESE assessments, despite the Conference's statement that the programme should be expanded only after the review, was also cause for concern, as it was an issue of governance that needed to be addressed urgently. As to the Sustaining Competitive and Responsible Enterprises (SCORE) programme, the fact that most companies only completed the mandatory first module meant that the business model should be reviewed in the next phase of the programme.
- 189.** The Workers' group requested more detailed information from the Office on how the evaluation's recommendations would be implemented and how it would build a strategic framework for sustainable enterprises to create and maintain decent work, taking into consideration the views of the social partners. The group supported the call for strategic goals for the Organization's global supply chain activities, which should include the promotion and implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration).
- 190.** Turning to the ILO's research and knowledge management strategies, the group welcomed the use of individual research and knowledge products by constituents, particularly workers' representatives and in international debates. However, findings of a lack of strategic coordination and governance structures, the absence of a long-term vision, underfunding and a failure to harness the expertise of the Research Department in other areas of the Organization were concerning. Recommendations 1 and 2 on a long-term vision and governance structure were of particular importance. When implementing the recommendations, the Office should take into account the Governing Body's comments during the discussion of the Research Strategy at the 337th Session of the Governing Body on the need to base research priorities primarily on documents agreed upon on a tripartite basis.
- 191.** With regard to the independent high-level evaluation of the ILO's Decent Work Programme in the Andean countries, it was regrettable that the report had not contained disaggregated information from each country, given the differences in national contexts; in particular, the Plurinational State of Bolivia had undergone a coup d'état, the Bolivarian Republic of Venezuela was subject to economic blockages, and episodes of violence against trade unionists in Colombia had hindered social dialogue. Given the differences in national contexts, the Office should provide separate responses for each country.
- 192.** The evaluation's conclusions revealed a contradiction between the favourable assessment of ILO support and a perceived lack of national ownership of the programming frameworks among constituents because they had not been involved in their formulation. Increased efforts were required to strengthen tripartite structures,

social dialogue and response to constituents' needs. The group requested clarification on the continuation of the DWCPs and sources of funding, as the implementation of the DWCPs appeared to be contingent on earmarked funds.

- 193.** The Workers' group disagreed with the Office's response to recommendation 5. The ILO should set its own priorities to avoid its efforts being diluted within the UN framework, particularly because the ILO was a non-resident agency in most of the countries involved. Consultation with social partners to establish a proper agenda to promote social dialogue and decent work should be at the core of ILO work in the Andean region and should be promoted with the UN resident coordinator. On the evaluations as a whole, further clarification was needed on how the Office would respond to the recommendations, particularly in terms of the budget and strategic framework.
- 194.** IMEC expressed appreciation for the Office's efforts to continue its evaluation work, in particular on the DWCPs, despite the limitations imposed by the COVID-19 pandemic. The Office should now consider how best to assess the effectiveness of programme implementation during the pandemic and make improvements on the basis of lessons learned.
- 195.** IMEC strongly agreed that sustainable enterprises were key to the achievement of the Decent Work Agenda and on the need for the ILO to make an effective contribution in that area. The group welcomed recommendations 1 and 3 in particular, since the development of a framework to align the ILO's work on sustainable enterprises, including in global supply chains, with its broader activities would encourage a strategic and coherent policy approach, especially in the context of the pandemic. An enhanced focus on monitoring and evaluation would allow constituents a better understanding of the longer-term impact, viability and effectiveness of projects. IMEC noted the Office's commitment to implementing the recommendations, which would align with work already under way on the Green Jobs Programme and the Enterprise Innovation Facility.
- 196.** IMEC recognized the importance of research and knowledge management for overall organizational effectiveness and strategic planning, and the value of continuously assessing them to ensure that the Office was incorporating best practices in its work and delivering high-quality, evidence-based policy advice within its mandate. That would be increasingly critical in contributing to the global response to COVID-19. The group noted the importance of internal collaboration and coordination in the Office's practical responses to the recommendations, and looked forward to seeing improvement across all indicators through the implementation of the recommendations in the Programme and Budget for 2020–21 and the development of the ILO's Strategic Plan for 2022–25.
- 197.** IMEC welcomed the findings of the independent high-level evaluation of the DWCPs in the Andean countries, which were still rated highly by constituents despite challenges in the region. The group supported refining the DWCPs in ways that would strengthen tripartite structures and enhance the operating environment and relationships to ensure success in future work in the region. The group noted that DWCPs should be implemented in line with UN reform and integrated with the UNSDCFs. The Office should also continue making progress on gender equality, focus further on the inclusion of persons with disabilities and persons from other vulnerable groups, and find new ways to conduct evaluations during the pandemic, given the unique insights and learning opportunities they offered and their contribution to a results-based management approach.

8. Report of the Independent Oversight Advisory Committee (GB.340/PFA/8(Rev.1))

198. In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 9 October 2020.
199. The Screening Group agreed to put the item forward for a decision by correspondence on the understanding that the Office would publish a revised version of the document in which the Governing Body would be invited to defer to a future session the consideration of the Committee's revised terms of reference.
200. The decision contained in document GB.340/PFA/8(Rev.1) was adopted by consensus and announced to all Governing Body members by a communication of 22 October 2020.

Decision

- 201. The Governing Body took note, by correspondence, of the annual report of the Independent Oversight Advisory Committee contained in document GB.340/PFA/8(Rev.1) and deferred to a future session the consideration of the revised terms of reference of the Committee.**

(GB.340/PFA/8(Rev.1), paragraph 5)

Summary of written comments received during the consideration of the item by correspondence ⁵

202. Overall, **the Employers' group** supported the proposed amendments to the terms of reference of the Independent Oversight Advisory Committee (IOAC) so as to reflect current best practices within the UN system identified by the Joint Inspection Unit (JIU). In relation to recommendation 1 (2020), it was relevant that the IOAC's competence should be officially recognized to coordinate with other oversight functions, including ethics, evaluation and investigations.
203. The amendment on the performance, appointment and/or termination of the Ethics Officer required clarification. Prior to the IOAC being consulted on the HR-related matters, the position would need to become full-time and be equipped with the necessary resources to empower the Ethics Office.
204. The fact that the Office risk management function considered itself responsible also for ensuring the value of the processes it was about to implement was appreciated. The group inquired how business continuity management was implemented during the COVID-19 crisis; it should be an Office-wide effort which included both headquarters and the field.
205. With regard to the internal audit and investigations, the IOAC's insistence that management should ensure a continuous follow-up of recommendations until their completion was welcome, as was the encouragement that management should ensure adequate staffing and resourcing to address the investigation backlog. It was to be hoped that the real increase of some 12 per cent in the Programme and Budget 2020–21 could be used to address the backlog.

⁵ The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.

- 206.** Lastly, with regard to the follow-up on the 2019 recommendations, efficient management of technology was key, and the group fully agreed that improved consistency and control of financial and human resources in that area were needed.
- 207.** IMEC continued to advocate the inclusion of several additional amendments that it had proposed previously: In the last sentence of paragraph 3(d), advice provided by the IOAC to the Governing Body on allegations of fraud should be changed from “fraud” to “misconduct” and also include misconduct by staff in the Internal Audit Unit. In paragraph 15(b) and (e), the time period should be changed from three to five years, as recommended by the JIU and by the representatives of internal audit services of UN organizations. In paragraphs 37 and 38, “periodically” should be changed to “annually”, based on recommendations from the recent JIU review of audit and oversight committees in the UN system. In addition, IMEC proposed to add, at the end of paragraph 37, the following wording: “... and carry out an independent performance evaluation every three years. The IOAC will report to the Governing Body the results of this independent performance evaluation.” However, as any amendment to the terms of reference of the IOAC had to be discussed with the IOAC first, IMEC accepted that consideration could be deferred until the next session.
- 208.** IMEC welcomed work on improving the consistency and efficiency of the Staff Health Insurance Fund (SHIF) and supported the management’s position of zero tolerance of fraud within the SHIF and of addressing the investigation backlog.
- 209.** IMEC agreed with the IOAC’s views and proposals on effective and efficient management of information technology. As well-functioning and secure information technology (IT) infrastructure was a necessity and a means to increase effectiveness in times of increased teleworking, the ILO should adjust its governance and working methods.
- 210.** The significant number of allegations still to be investigated was concerning; for staff to continue to maintain faith in the system, allegations must be investigated in a timely manner.
- 211.** In relation to future work, the IOAC should take into account the need for the ILO to adapt its activities to the new situation created by the COVID-19 pandemic. IMEC could accept the revised draft decision.

9. Report of the Chief Internal Auditor for the year ended 31 December 2019 (GB.340/PFA/9(Rev.1))

- 212.** In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 9 October 2020.
- 213.** The Screening Group agreed to put the item forward for a decision by correspondence. The decision was adopted by consensus and announced to all Governing Body members by a communication of 22 October 2020.

Decision

- 214. The Governing Body took note, by correspondence, of the report of the Chief Internal Auditor for the year ended 31 December 2019.**

(GB.340/PFA/9(Rev.1), paragraph 4)

Summary of written comments received during the consideration of the item by correspondence ⁶

- 215. The Employers' group** welcomed the clarification of the mandate of the Office of Internal Audit and Oversight (IAO) to include investigating alleged sexual exploitation and abuse and retaliation against whistle-blowers, as it encouraged a culture where wrongdoing could be addressed quickly and potentially before any regulatory action or damage to the ILO's reputation. The lack of material weaknesses identified in the 2019 internal audit was welcome, as was the fact that the Office had put in place actions to address the majority of control issues. Areas still requiring efforts included ensuring that internal controls continued to remain robust in offices with large increases in development cooperation project allocations, and improving timely implementation and reporting on internal audit recommendations.
- 216.** The evaluation of the SCORE programme was positive, but the ongoing high-level evaluation of outcome 4 should enable a better view of its possible strengths and weaknesses and possible ways for improvement.
- 217.** The field audit recommendations confirmed that more needed to be done to improve the accountability and governance framework and financial matters. As field audits covered countries with substantial donor funding, responding to the IAO's recommendation was critical to prevent the misuse and mismanagement of resources. Of particular concern were the risks associated with expanding development cooperation projects, including the heightened risks of projects being hastily designed, without adequate consultation with constituents, and not being aligned with the ILO's institutional framework. The Employers also supported the recommendation that the relevant regional offices should assess impact as part of a formal risk assessment before accepting any new projects. The delivery rate of projects had to be monitored closely, with improved management of units or programmes that failed to deliver. The IAO could serve an important function in ensuring that development cooperation projects were not implemented at the expense of the ILO's reputation and mandate.
- 218.** Capacity permitting, anti-fraud awareness training sessions should be mandatory for all staff, or at least for units or programmes with substantial resources, as that would ultimately protect the Organization. The Employers supported the need to draw on the lessons learned from the investigations carried out in 2019 which identified a number of recurring key issues of fraud or misconduct, such as the need for improved diligent control before payments; awareness-raising on staff obligations regarding possible conflict of interest; and due diligence work on the capacity of implementing partners. The IAO could consider providing a short anonymous summary of the substantiated cases to raise awareness among staff and others of wrongdoing.
- 219. The Workers' group** welcomed the inclusion in the IAO's mandate of the authority to investigate alleged sexual exploitation and abuse and alleged retaliation against whistle-blowers, and also the recommendations on IT, particularly those related to: reviewing and updating the information security management system; strengthening IT security through encryption of devices and ensuring timely completion of the online IT security awareness training course for all ILO officials; and providing further access to IRIS to development cooperation projects. The group fully supported the recommendation on the update of IT security policies, particularly in the current environment with most staff

⁶ The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.

working from home and most activities carried out online. IT security policies should include the protection of personal staff information at headquarters and in the field as well as ILO work information.

- 220.** The Workers' group fully supported both the recommendation aimed at ensuring that external collaborators had the same security protection as other ILO staff members when travelling and the recommendation on the use of an abstract bank guarantee in the future, which would better protect the ILO. The information concerning the recruitment of two individuals to help clear the backlog of investigations of allegations was welcome. The Workers agreed with the draft decision.
- 221.** IMEC welcomed the expansion of the IAO's mandate to include investigations into allegations of sexual exploitation and abuse and of retaliation against whistle-blowers; timely and transparent investigations of such allegations were crucial. More broadly, it was concerning that a number of investigations were still to be resolved; management should ensure adequate staffing and resourcing to reduce the backlog further.
- 222.** Strengthening and further integrating risk management into each manager's strategy and planning was essential. The strategic risk register was a practical tool for assessing the risks the Organization faced in its operations. Risk assessments at the early stages of project formulation would help to inform decisions on project design and follow-up of the implementation. IMEC encouraged the Office to review a recent JIU report ⁷ and consider its recommendations, as appropriate.
- 223.** IMEC welcomed the focus on IT security, both in the field and at headquarters, and urged the Office to implement fully the recommendations of the IAO without delay. It also supported the recommendation on the type of bank guarantees provided by contractors for future building renovation projects and the recommendations concerning risk assessment for development cooperation projects.
- 224.** The group looked forward to learning more about the findings of the audit on contracting of external collaborators at the next available opportunity, as the practice represented a considerable expenditure for the Office and played a large role Office-wide in the delivery of services. IMEC supported the draft decision.

Personnel Segment

10. Statement by the Chairperson of the Staff Union

The statement by the staff representative is reproduced in [Appendix II](#).

11. Amendments to Staff Regulations

(No amendments were submitted to the Governing Body at this session.)

12. Update on the Human Resources Strategy 2018–21 (GB.340/PFA/12)

(The document under this item was submitted for information only.)

⁷ *Enterprise Risk Management: Approaches and Uses in United Nations System Organizations.*

13. Matters relating to the Administrative Tribunal of the ILO:

13.1. Proposed amendments to the Statute of the Tribunal

(The consideration of this item is deferred to the 341st Session (March 2021).)

13.2. Recognition of the Tribunal's jurisdiction by the Pacific Community (GB.340/PFA/13/2)

225. In preparation for the adoption of a decision by correspondence, the Office held a briefing session for Governing Body members on this item on 21 October 2020.
226. The Screening Group agreed to put the item forward for a decision by correspondence and the decision was approved by consensus and announced to all Governing Body members by a communication of 30 October 2020.

Decision

- 227. The Governing Body approved by correspondence the recognition of the Tribunal's jurisdiction by the Pacific Community (SPC) with effect from 30 October 2020.**

(GB.340/PFA/13/2, paragraph 8)

Summary of the written comment received during the consideration of the item by correspondence ⁸

228. **The Workers' group** welcomed the request of the Pacific Community (SPC) to recognize the jurisdiction of the Administrative Tribunal of the ILO, noting that the SPC fulfilled the requirements of article II(5) of the Tribunal's Statute. The group was pleased to see that the Tribunal – the mandate of which was of unique importance in the multilateral system – continued to attract new international organizations, which was surely due to its reputation, independence and impartiality.

⁸ The complete text of each comment in the original language is available on the [Governing Body's web page](#), together with the decision.