

## The strategic objectives

19. In keeping with the Governing Body's call for an integrated strategic budget and ILO experience with strategic budgeting to date, this section of the programme and budget proposals is built around a smaller and more comprehensive set of objectives and indicators for each of the four strategic objectives. This section integrates field and headquarters actions from all sectors for each strategic objective. Each strategic objective is structured in a similar way, and includes:

- a summary of the relevant strategic policy framework discussion, including contributions to decent work and major priorities for collaboration among sectors;
- tables giving the total resources expected by operational objective, broken down by regular budget and extra-budgetary funding, and showing the contribution of both headquarters and the field structure;
- operational objectives, performance indicators and targets for 2002-03;
- strategies showing how the ILO expects to achieve targets;
- identification of concrete resource gaps and opportunities that the ILO can address if it can attract additional extra-budgetary support.

Table 2. Proposed regular budget strategic resources

| Regular budget  | Revised strategic budget 2000-01<br>(in constant 2000-01 US\$) | Proposed strategic budget 2002-03<br>(in constant 2000-01 US\$) |
|---|--|---|
| <b>Technical programmes</b>                             | <b>157,881,091</b>   | <b>160,538,278</b>  |
| Standards and fundamental principles and rights at work | 28,463,294   | 30,244,843  |
| Employment  | 56,918,639   | 56,980,420  |
| Social protection                                       | 29,060,762   | 29,154,664  |
| Social dialogue   | 43,438,396   | 44,158,351  |
| <b>The regions</b>                                      | <b>138,281,517</b>   | <b>138,220,372</b>  |
| Standards and fundamental principles and rights at work | 30,235,423   | 35,414,550  |
| Employment  | 52,548,456   | 46,315,306  |
| Social protection                                       | 19,884,427   | 19,480,689  |
| Social dialogue   | 35,613,211   | 37,009,827  |
| <b>Support services</b>                                 | <b>55,565,895</b>  | <b>53,662,535</b>   |
| Standards and fundamental principles and rights at work | 11,013,028   | 11,793,631  |
| Employment  | 20,538,168   | 18,553,807  |
| Social protection                                       | 9,183,073  | 8,735,802   |
| Social dialogue   | 14,831,626   | 14,579,295  |
| <b>Total strategic objectives</b>                       | <b>351,728,503</b>   | <b>352,421,185</b>  |

20. Table 2, like all the tables in the strategic part of the programme and budget proposals, is organized by objectives. Under each objective, it shows all regular budget resources that contribute directly to achievement of the objective. Under the strategic objective on employment, for example, most of the technical programme resources relate to the employment sector. In addition, some resources for employment-related work in the cross-cutting programmes – such as gender and statistics – are also shown under the employment objective. In contrast, the operational budget found in Information Annex 1 indicates the specific levels of resources allocated to individual sectors and programmes.

21. For the regions, contributions to strategic objective are estimated on the basis of two criteria: the number of specialists in multidisciplinary teams whose work falls under the objective, and the volume of extra-budgetary technical cooperation. When the proportion of extra-budgetary techni-

cal cooperation rises or falls for an objective, the ILO's backstopping work follows, so the regional figures partly reflect donor priorities.

22. Resources for support services are allocated to objectives on a pro rata basis, reflecting support to both headquarters and field units.

23. Table 2 shows resources proposed for 2002-03 within the strategic objectives budgetary envelope, with comparative figures for 2000-01. The total strategic envelope has increased by \$0.7 million due to net savings in other envelopes. The regional budgets have remained the same, with the exception of a small saving in the Development Cooperation programme at headquarters. There are \$1.9 million of savings under Support Services. The net result is that within the overall strategic envelope, there is a proposed increase of almost \$2.7 million in the resources devoted to technical programmes at headquarters.

24. Within the technical programmes, an additional \$1.8 million of regular budget resources is allocated to Standards and Fundamental Principles and Rights at Work. This will be used to increase work on the Declaration, on child labour and on standards policy. There is also an additional \$0.7 million for Social Dialogue, while Employment and Social Protection each increase by small amounts.

25. The total resources available to the regions remain essentially unchanged. The attribution of these resources to strategic objectives shows an increase of \$5.2 million for Standards and Fundamental Principles and Rights at Work and of \$1.4 million for Social Dialogue. At the same time, resources for Employment fall by \$6.2 million and those for Social Protection by \$0.4 million. These changes relate partly to adjustments in the composition of multidisciplinary teams, especially in the case of Social Dialogue. However, the principal reason for the changes is the impact of trends in the volume of extra-budgetary technical cooperation (see table 3 below). Extra-budgetary resources are expected to continue to rise sharply for child labour and the Declaration while dropping for employment. However, regular budget resources for work on employment will not fall as steeply as extra-budgetary resources. When headquarters is taken into account, the fall is from \$130 million to \$121.9 million, or from 37 to 34.6 percent of regular budget strategic resources. This compares with a fall in extra-budgetary resources of \$23.3 million, or from 48.6 percent to 35.3 percent of estimated extra-budgetary expenditure. Employment continues to receive the largest volume of regular budget resources among the four strategic objectives.

Table 3. Summary of proposed strategic and estimated extra-budgetary resources

|   | Revised strategic budget 2000-01<br>(in constant 2000-01 US \$) |       | Proposed strategic budget 2002-03<br>(in constant 2000-01 US \$) |       |
|---|---|-------|--|-------|
| <b>Regular budget</b>                                     |   |       |  |       |
| 1 Standards and fundamental principles and rights at work | 69,711,745  | 19.8% | 77,453,024   | 22.0% |
| 2 Employment  | 130,005,263   | 37.0% | 121,849,533  | 34.6% |
| 3 Social protection                                       | 58,128,262  | 16.5% | 57,371,155   | 16.3% |
| 4 Social dialogue   | 93,883,233  | 26.7% | 95,747,473   | 27.1% |
|   | <b>351,728,503</b>  |       | <b>352,421,185</b>   |       |
| <b>Extra-budgetary*</b>                                   |   |       |  |       |
| 1 Standards and fundamental principles and rights at work | 50,803,000  | 27.5% | 80,400,000   | 42.7% |
| 2 Employment  | 89,891,000  | 48.6% | 66,600,000   | 35.3% |
| 3 Social protection                                       | 19,643,000  | 10.6% | 21,300,000   | 11.3% |
| 4 Social dialogue   | 24,513,000  | 13.3% | 20,220,000   | 10.7% |
|   | <b>184,850,000</b>  |       | <b>188,520,000</b>   |       |

\* The extra-budgetary figures represent the most recent available estimates of expenditure on technical cooperation funded from extra-budgetary sources.

26. Table 3 provides estimates of the levels of extra-budgetary technical cooperation expenditure in 2002-03. These estimates are based on existing approvals or known likely approvals at the end of 2000. The comparative figures for 2000-01 are based on known delivery at the end of 2000 and projections for 2001. These figures have been revised considerably from those shown in the Programme and Budget for 2000-01, which were based on information available in 1998.

27. The table shows that technical cooperation on Standards and fundamental principles and rights at work will exceed that on employment for the first time in 2002-03. However, when regular budget contributions are taken into account, employment remains the highest priority in resource terms.

28. For a number of key objectives, the needs of constituents and the ILO's capacity to deliver technical cooperation exceed the extra-budgetary resources likely to be obtainable. In the discussion of each strategic objective, therefore, gaps in the availability of extra-budgetary resources are identified. A positive response from donors would enable a better ILO response to the needs of constituents.

### Consolidating decent work

29. Decent work is the unifying theme for work by headquarters sectors and the regions under all four Strategic objectives and for the Cross-cutting activities of the ILO. The decent work agenda is being defined by the impacts of a rapidly changing global social, economic and political environment on employment, workplace-related rights, social protection and social dialogue. It is being defined by the long-standing roles and strengths of the ILO and by the new emphases that member States and social partners see as important.

30. Globalization is having an extremely varied impact both within States and between them. Reduced barriers to trade and investment are helping to create new jobs around the world. Many employers and trade unions recognize that a commitment to dialogue, investments in people and skills, and safe, equitable workplaces are instrumental to the long-term competitiveness of a workplace. Many governments and social partners recognize that well-designed, well-managed social protection programmes can provide security for the citizens who need them, at a sustainable cost to their economies.

31. As with any major shift, the social and economic impacts of globalization are not always positive. Employers and workers face the closure of uncompetitive workplaces. Too many violations of international labour standards have taken place as countries seek to attract investments and employment creation, at almost any price. Governments have had to reconsider what their social protection programmes cover and how they function in the face of concerns over costs and comparisons with similar programmes in other countries. Some programmes have effectively collapsed. Many governments have been able to put few resources into enforcing the labour legislation or health, safety and other working condition standards they have.

32. These benefits and costs are well-known. There is an increasing expectation among citizens in most countries that ways must be found to preserve the benefits of a growing international economy for the widest number of people, while reducing the uncertainty that people face in this new environment.

33. Helping to answer that expectation is the basis of the decent work agenda. The ILO and its constituents have a critical opportunity to help to operationalize the concept of decent work by showing that it is possible to promote growth and jobs for all, under the new global economic and social environment. Much of the basic thinking has already taken place to position the ILO to play a stronger role in defining how to make globalization work for everyone.

34. Operationalizing the decent work agenda in 2002-03 is expected to centre increasingly on support for strategies at the national level, regional and sectoral initiatives and increased collaboration with other international organizations.

35. During 2002-03, decent work will be operationalized in many ways. Regions will have decent work project teams that will work with governments, social partners and other groups and organizations. Pilot projects beginning in 2001 are expected to provide guidance and experience that the ILO will use to design and launch more country-level decent work initiatives in 2002-2003. Headquarters units will support the efforts of decent work project teams.

36. Building that national base to implement the decent work agenda will be matched by increased advocacy with other international organizations, especially those with economic development mandates. To increase the strength of that advocacy, the ILO will improve its technical and analytical strength, enhance relationships with other organizations and do a more effective job of communicating its views and actions. A focal point for this work will be the Governing Body's Working Party on the Social Dimension of Globalization.