

## Draft budget of expenditure and income for 2002-03

261. The Programme and Budget proposals for 2002-03, after providing for movements in costs, valued at the 2000-01 budget rate of exchange of 1.53 Swiss francs to the US dollar, amount to \$474,529,465. At this level the proposed budget for 2002-03 remains the same in real terms as the previous biennium.

262. Following an analysis of cost factors, both at Headquarters and at field locations, cost increases have been limited to an overall rate of 1.51 per cent for the biennium. Full information on movements in cost factors is provided in the Programme and Budget Proposals, Information Annex 2.

263. The budget rate of exchange for the biennium 2002-03 will be set at the market rate at the time the budget is reviewed by the Finance Committee of Government Representatives at the 89<sup>th</sup> (June 2001) Session of the Conference. These proposals have accordingly been valued at the same budget rate of exchange (1.53 Swiss francs to the US dollar) as the Programme and Budget for 2000-01, both to facilitate comparison and because the cost of the proposals in both US dollar and Swiss franc terms will continue to evolve with the exchange rate changes until the budget is finalized.

264. As an indication, however, the United Nations Monthly Accounting Rate of Exchange for January 2001 was 1.64 Swiss francs to the dollar. Should this rate remain valid in June of 2001, the proposed budget level in dollar terms would be some \$455.5 million with resulting assessments of some 746.9 million Swiss francs.

265. The contributions payable by Member States in 2002-03 will thus depend on the overall budget level, on the budget rate of exchange which is finally set, and on the scale of contributions approved by the Conference.

266. The draft expenditure and income budget in the form required for adoption by the Conference, with the corresponding figures for 2000-01, is shown below.

Expenditure	2000-01 Budget		Income	2000-01 Budget		2002-03 Estimates	
	US dollars	US dollars		US dollars	SF	US dollars	SF
Part I Ordinary budget	466,595,000	473,654,465	Contributions from Member States	467,470,000	715,229,100	474,529,465	726,030,081
Part II Unforeseen expenditure	875,000	875,000					
<b>Total Budget</b>	<b>467,470,000</b>	<b>474,529,465</b>		<b>467,470,000</b>	<b>715,229,100</b>	<b>474,529,465</b>	<b>726,030,081</b>

267. After completing its examination of the draft estimates submitted in this document, the Programme, Financial and Administrative Committee will wish to submit to the Governing Body for proposal to the International Labour Conference a draft resolution for the adoption of the programme and budget for the 68th financial period (2002-03) and for the allocation of expenses between member States for 2002-03. The proposed text of this draft resolution is as follows:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 68th financial period, ending 31 December 2003, the budget of expenditure of the International Labour Organization amounting to \$ ..... and the budget of income amounting to \$ ....., which, at the budget rate of exchange of Swiss francs ..... to the US dollar, amounts to Swiss francs ....., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.