



NINTH ITEM ON THE AGENDA

Use of the 2000-01 surplus

1. At its 90th Session (June 2002), the Conference decided, in derogation of article 18.2 of the Financial Regulations, to use part of the 2000-01 surplus to finance the items listed in the Report of the Finance Committee. It further decided “to delegate authority to the 285th Session of the Governing Body (November 2002) to make appropriate adjustments [to the said Appendix I] within the context of the strategic framework, should this prove necessary in the light of the Director-General’s continuing consultations”.¹
2. The Conference based its decision to retain a part of the surplus on the proposal of the Governing Body, which was justified by the pressing need for resources due to a declining real regular budget during a time of reform, expanded visibility and increased demand for services. The items in the proposal refer to new demands and opportunities and strengthening of institutional capacities as foreseen under the Strategic Policy Framework. In the light of the commitments made by the Director-General, the Governing Body proposed that the surplus be used for time-bound projects that do not create ongoing obligations for the Organization. It is not to be used to inflate the resource base in order to justify future regular budget increases. No expenditure is to be incurred without the prior approval of the Director-General based on detailed proposals.
3. This document contains the Director-General’s proposals to adjust the items under the authority delegated to the Governing Body by the Conference. It also contains more detailed information on the specific items listed in the Report of the Finance Committee.
4. Extensive consultations on the use of the surplus have taken place and are continuing. Consultations were undertaken primarily in the regions: this is consistent with the consensus of earlier discussions that the regions should be the primary beneficiaries of the surplus. After the decision of the Conference to approve the retention of the surplus, it was possible for these consultations to be more concrete and operational. In-depth discussions of the specific uses to which the surplus could be put have been followed by development of a more detailed and more results-based set of projects under each item. The projects are summarized in the appendices to this paper. These projects of course also take into account the priorities expressed in the Governing Body and at the Conference. In addition, consultations with employers and workers have identified a need to include strengthened support for tripartism and social dialogue, including measures to follow up recent

¹ ILC, 90th Session, *Provisional Record* No. 19.

resolutions of the Conference. It should be recalled that there was already opposition to funding the Maritime Session of the Conference and for “administrative” costs, in particular under the Building and Accommodation Fund. Consultations with the Members concerned confirmed that these objections remain.

5. In view of all the comments received, the Director-General feels able to confirm support for most items. He considers it appropriate to put forward adjustments to certain items approved at the 90th Session of the Conference, as shown in Appendix I. Adjustments are explained below under (A) Items for which reduced allocations are proposed, (B) Item for which an increased allocation is proposed, and (C) New item proposed.

Adjustments

A. Items for which reduced allocations are proposed

(i) *Maritime Session of the International Labour Conference*

6. Although the proposal to hold another Maritime Session of the Conference and its preparatory work was supported, interventions and consultations have underlined the consensus that this is not a priority for the surplus but an item that should be foreseen and included in the regular programme and budget.
7. However, the Maritime Session will be unique in ways that could not have been anticipated in the Programme and Budget for 2002-03. Additional costs are entailed, a part of which is being supported through extra-budgetary means. Considerable preparatory work is already under way. It is proposed to develop, through extensive consultations with constituents, a new Convention integrating provisions now scattered among 68 maritime labour standards. The new Convention should provide for an unprecedented enforcement mechanism that can be rapidly adapted to continually changing circumstances. A great amount of design and advocacy work will be necessary to find an acceptable equilibrium between apparently conflicting requirements: that of widespread ratifiability and the need to retain the force of existing standards. Hence the importance of continuous involvement of constituents in the preparatory work, the higher than normal interest of governments, and frequent meetings.
8. For the remaining funding that will be necessary, the Director-General is exploring the possibility that a member State may be willing to host this Conference. To the extent that such an option is not possible he will return to the Governing Body with a fresh proposal.
9. *It is proposed to reduce the contribution from the surplus to the Maritime Session of the International Labour Conference to US\$900,000.*
10. *Since these resources support the development of an integrated approach to standards setting, it is proposed to place them under the item on international labour standards.*

(ii) *Investments in building and accommodation*

11. Further consultations have corroborated views expressed in earlier discussions that replenishment of the Building and Accommodation Fund (BAF) from the surplus should

be kept at a minimum, in spite of the fact that investments in infrastructure have been systematically curtailed when shortfalls occurred in past biennia.

12. The installation of fire detection equipment and improved electrical distribution in the ILO headquarters building is nevertheless considered to be urgent in the aftermath of a serious fire earlier in 2002. It is proposed to allocate the amount foreseen for this equipment, US\$650,000, to the security and safety of staff item in the anticipation that the level of resources under this item will be endorsed and work will be able to proceed without further delay.
13. *It is proposed to further reduce the allocation of surplus resources to the Building and Accommodation Fund to US\$2,750,000.*

B. Item for which an increased allocation is proposed

Response to crisis and emergencies

14. The initial allocation foreseen for this item was US\$6.5 million, with spending in each region to be in proportion to the regular budget allocation. Views expressed in the Finance Committee and subsequent consultations have pointed to increased demand worldwide for ILO response to crisis and emergencies with particular endorsement of support to Palestine. This was echoed by the Conference discussion of the Director-General's Report on the situation of workers of the occupied Arab territories which called for the establishment of a Palestinian fund for employment and social protection.
15. It was also highlighted that the events of 11 September 2001 had resulted in new needs, and required the Office to pursue innovative approaches. Meetings held in 2001 on the implications of the 11 September tragedy for civil aviation and for hotels and tourism demonstrated a new means of ILO response to crises. It is therefore proposed to accelerate the development and wider recognition of globally recognized instruments and policies in the ports, maritime and civil aviation industries.
16. *In order to meet these needs, it is proposed to increase the allocation of surplus resources for response to crisis and emergencies to US\$8,000,000.*

C. New item proposed

Tripartism and social dialogue

17. After further consultation with constituents, the following new item is proposed for financing from the surplus in order to give effect to the resolution concerning tripartism and social dialogue adopted by the International Labour Conference at its 90th Session (2002):
 - (a) strengthening the ILO's contribution to the Global Compact, notably through increased participation by employers' and workers' organizations in all regions;
 - (b) addressing the decent work deficits of workers and economic units in the informal economy by promoting rights, employment, social protection and social dialogue. The 90th Session resolution concerning decent work and the informal economy called upon the Director-General to formulate a visible programme of work with dedicated

resources to draw together relevant expertise including experts in workers' and employers' activities. Surplus funds can be used to begin defining and delivering such a programme;

- (c) enhancing the capacity of representatives of employers and workers to participate in the Poverty Reduction Strategy Paper (PRSP) process. The participatory nature of the PRSP offers a unique opportunity to employers' and workers' organizations to participate in shaping national economic and social policies that will drive development efforts over many years. Experiences to date illustrate that where worker and employer organizations participate, employment becomes a significant and enduring part of national development plans.

18. *It is proposed to allocate US\$2,900,000 for this new item.*

- 19.** Spending in the regions will increase as a result of these adjustments from estimated regional expenditure of 61 per cent for the items as submitted to the Finance Committee to 67 per cent in the current proposals.

- 20.** Following approval by the International Labour Conference of the use of part of the 2000-01 surplus, the Director-General launched further consultations on detailed proposals. These have been prepared according to criteria set out in Appendix II. The proposals set out in Appendix III have been programmed according to a results-based format in order to facilitate monitoring and reporting on use of the surplus to accelerate progress towards existing objectives. Rigorous standards of approval have been set and allocation of resources has been prudent. Appendix III shows that US\$8,128,326 is already allocated and US\$13,364,250 earmarked, which amounts to a total of US\$21,492,576. US\$29,807,424 is under development.

- 21.** The contribution of the surplus to the 2004-05 programme and budget will be highlighted in the Director-General's Programme and Budget proposals for 2004-05 for which objectives are currently being designed for governance, management and support and cross-cutting themes. The Office will report to March sessions of the Governing Body on the use of the funds as part of the Programme Implementation Report. A special effort will be made to identify activities to be executed by the Turin Centre in support of work funded by the surplus.

- 22.** A concern reiterated in consultations was that a flexible approach be maintained in order to permit the Director-General to respond rapidly to urgent demands for ILO services in a rapidly changing external environment. This will permit a response to proposals that continue to arrive. The Office has undertaken to programme resources over the period 2002-05. A summary of proposals currently under development is listed under each item in Appendix III. Additional information on allocations from the surplus approved by the Director-General will be submitted to the Committee each November.

- 23.** A separate procedure applies to proposed investments in building and accommodation and in information technology, to be covered by replenishment of the Building and Accommodation Fund and Information Technology Systems Fund. Allocation of surplus resources, however, does not constitute approval to enter into commitment against these funds, merely to replenish the fund in question. Allocations from both funds must be decided by the Governing Body in advance of expenditure on the basis of specific proposals. Resources have not been transferred to either fund pending the decision on the size of these items.

24. *The Committee may wish to recommend that the Governing Body endorse the adjustments to the items of expenditure proposed to be financed from the 2000-01 surplus as set out in Appendix I.*

Geneva, 22 October 2002.

Points for decision: Paragraph 9;
Paragraph 10;
Paragraph 13;
Paragraph 16;
Paragraph 18;
Paragraph 24.

Appendix I

Adjustments to items of expenditure under the surplus (US dollars) ¹

Items	Previous proposal	Adjustment	Revised proposal
1. Maritime Session of the International Labour Conference	3 200 000	(3 200 000)	–
2. World Commission on the Social Dimension of Globalization	2 800 000		2 800 000
3. International labour standards	2 000 000	900 000	2 900 000
4. Response to crisis and emergencies	6 500 000	1 500 000	8 000 000
5. Investments in building and accommodation	5 500 000	(2 750 000)	2 750 000
6. Security and safety of staff	2 800 000	650 000	3 450 000
7. Investment in management capacities	6 000 000		6 000 000
8. Regional services	10 000 000		10 000 000
9. Statistics	2 000 000		2 000 000
10. Gender equality	2 000 000		2 000 000
11. External communications	3 500 000		3 500 000
12. Investment in information technology	5 000 000		5 000 000
13. Tripartism and Social Dialogue (new item)	–	2 900 000	2 900 000
Total	51 300 000	–	51 300 000

Brackets = reduction.

¹ Converted at the 2002-03 budget rate of exchange.

Appendix II

Criteria used for preparation of proposals under the 2000-01 surplus

Proposals are to:

Include:

- A clear statement of objectives, stating what the project will achieve, and how this achievement will be measured.
- A time frame with effective progress measures and reporting points within the period 2002-05. At a minimum projects should be able to report on progress/results for each March Governing Body session.

Demonstrate links to:

- Regular budget programming for 2002-03.
- For 2004-05 proposals must demonstrate links to strategic objectives under the regular budget, the regional priorities that have been established, as well as cross-cutting themes (decent work, poverty reduction and social inclusion, gender equality, partnerships, knowledge and communication and visibility).

Explain:

- Why this work was unplanned for the Programme and Budget for 2002-03.
- Why this work cannot be undertaken as part of the regular Programme and Budget for 2004-05.
- Why this approach or strategy has been chosen over alternatives.
- What the “value added” of this proposal is in relation to the Programme and Budget for 2002-03 and 2004-05.

Appendix III

Detailed proposals for expenditure under the 2000-01 surplus

World Commission on the Social Dimension of Globalization

Background/context

The Commission is a major, high profile opportunity to alter the terms of the current globalization debate and to demonstrate that the ILO has an essential role in shaping the globalization process. The Commission was established by the Governing Body at its 282nd Session (November 2001) and not foreseen in the Programme and Budget for 2002-03. The recommendations of the World Commission will be addressed to a global audience. Full support to the Commission is therefore essential to guarantee a report of requisite quality.

Objective

Policy recommendations on the increased incorporation of social justice into the globalization process are widely disseminated and used.

Precise indicators and targets will be developed for this objective once the report of the Commission is available.

Links to the programme and budget framework

2002-03: The World Commission builds on work described in the Programme and Budget for 2002-03 in relation to the Governing Body's Working Party on the Social Dimension of Globalization which prepared the ILO to play a stronger role in defining how to make globalization work for everyone.

2004-05: The work of the World Commission will be concluded in 2003, after the Programme and Budget proposals for 2004-05 are formulated. It will be necessary to make adjustments to these proposals in order to incorporate proposals of the Commission that directly inform and support development of the ILO's future work priorities under all four strategic objectives.

Budget for the item: US\$2,800,000.

Already allocated: US\$2,800,000 – Start of work on the World Commission.

International labour standards

Background/context

Promotion and realization of standards and fundamental principles and rights at work is a strategic objective of the Organization. The Governing Body has indicated that a fundamental contribution to this is the development of a new, integrated approach to standard setting involving analysis of the broader context and assessment of the impact of existing standards. Additional resources have therefore been allocated for more comprehensive preparation of Conference discussions including review of national policies and the impact of standards, as well as considering complementarity between standard setting and other ILO means of action across the four sectors, particularly in the regions. In particular, it is anticipated that the process of preparing a single instrument to be adopted at a Maritime Session of the International Labour Conference in 2005 would involve greater efforts than foreseen, due to the number of instruments to be consolidated and their complexity. Constituents have both defined this need, and moved proactively to respond, by financing additional developmental meetings of constituents, officers and experts in preparation for the formal preparatory conference scheduled for 2004. These meetings are in turn placing new

demands on the Office for supporting technical work and ensuring that constituents from less developed countries are able to take part.

The successful ratification campaigns during the last decade (166 first reports due for Conventions Nos. 138 and 182), as well as a 15-20 per cent increase of complaints submitted to the Committee on Freedom of Association between 2001 and 2002 have placed unprecedented demands on standards supervision.

Objective

Improved impact of standards through enhancement of integrated approaches and strengthened standards promotion.

Indicator	Targets
ILO develops integrated approaches in four technical areas.	Technically sound integrated approaches prepared with constituent participation: (i) OSH; (ii) migrant workers; (iii) employment policy; (iv) maritime are endorsed by ILC in 2003, 2004 and 2005.
A plan is developed for enhanced standards promotion.	Action plan prepared on improved approaches to standards promotion by March 2004.
The Office services the supervisory machinery without delays.	Bottleneck of reports eliminated by November 2004.

Links to programme and budget framework

2002-03: These proposals support Strategic Objective No. 1 by strengthening the standard-setting process and enhancing the likelihood of successful new integrated standards. The proposals also address the Office's increased workload in response to ratifications targeted under operational objectives 1(a) and 1(b).

2004-05: The preparation of several integrated standards in parallel exceeds the ILO's resource levels in a zero-growth budget context. This item is linked to standard-setting items for 2004-05 as well as strengthening of the supervisory machinery and making it more visible and effective in the context of national decent work programmes.

Budget for the item: US\$2,000,000 (adjustment proposed to US\$2.9 million to include an amount for maritime standards).

Already allocated: US\$111,590 – Urgent processing for the 2002 Committee of Experts of first reports received under article 22 of the Constitution.

Earmarked: US\$759,950 – Preparation of four integrated approaches and enhancement of databases.

Under development: Regional promotional activities.

Response to crisis and emergencies

Background/context

The ILO is committed to responding rapidly to crises and emergencies in different regions. Experience has shown that early action has a real impact on prospects for long-term development. This impact depends on a capacity to respond immediately with local representation, project development, pilot activities and advisory services. Moreover, crisis response needs to cover the full range of the ILO's objectives, requiring a cross-sectoral approach, and it needs to go beyond conflict and disasters to include economic and social emergencies. The meetings in late 2001 on the implications of the 11 September tragedy for civil aviation and for hotels and tourism open a new means of ILO response to crises.

Objective

ILO member States and institutions include a decent work approach in their post-crisis policies and programmes.

Indicators	Targets	Time frame for results	Already allocated (US\$)	Earmarked (US\$)
Crisis responses include:	Africa			
– attention to fundamental principles and rights at work;	Greater Great Lakes region: Vocational training and labour market entry for ex-combatants and their families leads to socio-economic reinsertion and contributes to peace in the subregion.	End 2004	200 000	100 000
– employment policies that are influenced by recommendations of ILO policy advice;				
– policies and investment in improvements in the quality and effectiveness of skills development and training and employment services;	Sierra Leone and Guinea Bissau: Vocational training and labour market entry for ex-combatants are at the centre of a peace and reconstruction strategy.	End 2004	200 000	100 000
– strategies to ensure that women in general, and persons with special needs, such as disabled, displaced and young and older workers, have access to training and skills development;	Southern Africa: Employment generation and vulnerability reduction strategy established and assets created through jobs in labour-based infrastructure, SMEs and microfinance and in the local economy through multiplier effect.	End 2004	150 000	200 000
– the ILO approach to employment-intensive investment;			550 000	400 000
– establishment or strengthening of legal frameworks, institutions, machinery or processes for social dialogue;	Americas			
– policy or practical initiatives to extend representation of employers' and workers' organizations.	Colombia: Mechanisms established that will safeguard the lives of trade union leaders and ensure the practice of freedom of association and the right to organize and enable social dialogue.	End 2003	520 000	385 000
	Argentina: Economic and social crisis attenuated through reduced unemployment and improved income distribution.	End 2003	100 000	700 000
			620 000	1 085 000
	Arab States			
	Palestine: Employment and Social Protection Fund launched (potentially over US\$100 million – to be sustained by external donors) that supports decent work at the local level.	Fund established 2003	200 000	800 000
	Palestine: Basic employment policy development and labour statistics capacity re-established in the Ministry of Labour.	End 2003	300 000	–
	Palestine: The Palestine General Federation of Trade Unions is strengthened to be an effective participant in tripartite employment development work.	End 2002	51 500	–

Indicators	Targets	Time frame for results	Already allocated (US\$)	Earmarked (US\$)
	Palestine: The Chamber of Commerce and Industry has the capacity to participate effectively in tripartite employment development work.	End 2002	51 500	–
			603 000	800 000
	Asia			
	Afghanistan: Institutional capacity established for social dialogue and employment generation. Increased income-generating opportunities developed for women and assistance provided for their re-entry into the labour force.	End 2005	118 000	335 000
	East Timor: Productive and remunerative employment opportunities generated for unemployed population, especially youth, war veterans and war widows.	End 2004	255 000	145 000
	Sri Lanka: Wider and improved use of labour-based technology in the infrastructure rehabilitation programme of Sri Lanka.	End 2004	140 000	–
			513 000	480 000
	Europe			
	Belarus: Independent Belarus trade union capacities in policy development, training, information and communication improved to maintain their autonomy and advance their restructuring process.	End 2004	300 000	–
	Kyrgyzstan, Tajikistan and Uzbekistan: Crisis response action plans of constituents to address issues confronting youth in the informal labour market lead to medium and longer term strategies	End 2004	–	150 000
			300 000	150 000
	Sectoral implications of insecurity after 11 September 2001			
	Ports: A globally accepted code of security that protects workers' rights and can be universally implemented is adopted jointly by the IMO and the ILO.	December 2002 and early 2004	–	250 000
	Maritime transport industry: An international labour standard for seafarers' identification that protects access to employment for workers from less developed countries whilst increasing security is adopted and widely implemented.	End 2003	–	150 000
	Civil aviation sector: Employment practices are included in a major policy-setting process.	March 2003	–	100 000
			–	500 000
	Total		2 586 000	3 415 000

Links to programme and budget framework

2002-03: To respond to situations that either arose or generated new demands for ILO assistance after the 89th Session of the International Labour Conference discussion and for which programmed resources were inadequate.

2004-05: To respond to crisis and emergency situations arising during the 2004-05 biennium in addition to what can be done under the regular budget.

Budget for the item: US\$6,500,000 (adjustment proposed to US\$8,000,000).

Already allocated: US\$2,586,000.

Earmarked: US\$3,415,000.

Under development:

Africa	<p>Greater Great Lakes region: Vocational training and labour market entry for ex-combatants</p> <p>Sierra Leone and Guinea-Bissau: Vocational training and labour market entry for ex-combatants</p> <p>Southern Africa: Employment generation and vulnerability reduction</p>
Asia	<p>Afghanistan: Practical projects for skills development and microfinance project implemented with the participation of constituents and stakeholders</p> <p>Nepal: Integrated and participatory approaches developed for the implementation of employment-intensive and environmentally friendly small-scale infrastructure projects</p> <p>Solomon Islands: Additional employment opportunities created through rehabilitation of industries at risk and identification of emerging industries</p>
Sectoral implications of insecurity after 11 September 2001	Establish global approach to tourism labour accounts

Investments in building and accommodation

It is proposed to transfer an amount of US\$2,750,000 from the 2000-01 surplus to the Building and Accommodation Fund to cover recent withdrawals and to maintain the Fund at a level that would enable it to meet other potential uses. As stated in the document any use of this Fund would require prior approval by the Governing Body in accordance with the Financial Regulations.

Security and safety of staff

Background/context

A resolution adopted by the UN General Assembly in December 2001 concerning strengthening of the UN Security Management System (UNSMS) requires each member organization to take a much higher level of responsibility for the security of its staff wherever they are located and to strengthen security arrangements within its own premises and areas of operating responsibilities. The ILO is therefore obliged to incur one-off expenditure directed particularly towards strengthening the physical security of field, residential and office premises and ensuring adequate communication links between staff at all times. Inter alia, the resolution increased the total amount of the UN Security Coordination Office (UNSECOORD) budget subject to cost-sharing among the member organizations and endorsed new cost-sharing arrangements. The ILO's contribution in the 2002-03 biennium amounts to US\$1,470,000. Fire detectors are being installed and electrical distribution improved to ensure better protection of the headquarters building.

Objective

Improved security and safety preparedness of ILO management and staff.

Indicator	Targets
ILO complies with the cost-sharing arrangement of UNSECOORD.	ILO's share of UNSECOORD costs paid by early 2003.
ILO implements UNSECOORD requirement that member organizations comply, by 1 January 2003, with the mandatory minimum operating security standards (MOSS) and minimum security telecommunications standards (MISTS) it has recently promulgated.	(i) Compliance achieved by 36 ILO field offices with MOSS/MISTS requirements by 1 January 2003; (ii) estimate established for remaining 27 offices, situated in less hazardous duty stations, by end October 2002.
ILO security safety materials are up to date.	Security and safety policy, rules, procedures and guidelines reviewed and updated by 30 June 2003.
The awareness and understanding of management and staff across the Office improved in respect of general security and safety matters and of the UNSMS arrangements.	By 30 June 2003: (i) training materials on basic security and safety awareness developed and disseminated to field offices; (ii) a security and safety component included in induction courses for newly recruited staff; (iii) training of security and safety trainers from HRD and regional offices completed; (iv) security and safety training of line managers and field office directors completed; (v) certification of all ILO officials on basic security and safety awareness completed.
Fire detection equipment installed in the headquarters building.	By January 2003.

Links to programme and budget framework

2002-03: To give effect to an element of the Work/Life agenda approved by the Governing Body under the HR Reform strategy which required that a review of field security be undertaken with a view to making recommendations for change. The review was completed earlier this year. Prior to the decision by the UN General Assembly in December 2001 a financial provision of US\$59,803 was made in the 2002-03 programme and budget to give effect to the cost-sharing arrangement governing the apportionment of UNSMS costs between member organizations.

2004-05: The Programme and Budget for 2004-05 and successive biennia will include provision to maintain this commitment.

Budget for the item: US\$2,800,000 (adjustment proposed to US\$3,450,000 to include fire detection equipment).

Already allocated: US\$1,750,000 – compliance with MOSS/MISTS, installation of fire detection equipment.

Earmarked: US\$1,500,000 – UNSECOORD costs and development of safety materials.

Under development: Staff training.

Investment in management capacities

Background/context

The institutional capacities of the ILO for implementing results-based management as foreseen under the Strategic Policy Framework have not been adequately supported under the constraints of zero budget. The surplus paper identified three areas where existing regular budget provisions needed reinforcement. Areas identified were: design and full implementation of organizational systems and processes related to results-based management; organizational reform;

and investment in the skills and capacities of staff. The recent reforms in human resource development will require particular emphasis.

Objective

Results-based improvements in effectiveness and efficiency, a better organized and more coherent Office, improved performance management and evaluation, strengthened human resource management, skills upgrading and rejuvenation.

The following table sets out indicators for the whole investment in management capacities area, with targets reflecting only the immediate investments. Additional and expanded targets will accompany the elements still in development.

Indicator	Targets
ILO has a modern, effective human resource management system	Reforms approved by the Governing Body are successfully implemented.
Progress towards a fully functioning results-based management culture within the ILO, including fully implemented target setting, performance management and effective, independent evaluation.	(i) More in-depth IPEC evaluation completed in 2004 with additional external inputs. (ii) Participatory design process to develop minimum standards and core processes for setting targets and programming for results at the country level. To be completed by the end of 2003.
ILO supports basic technical and language training for its staff.	(iii) New approach to language training tested in 2003.
ILO has a proactive staff recruitment and development policy and programme.	(iv) Current commitments to the Young Professional Programme are met pending further development of the overall approach.
ILO has a comprehensive programme for developing staff capacity to manage projects, including all phases of TC, and to build and sustain effective staff teams.	(v) Initial development of basic project management reference materials and curriculum by the end of 2003. (vi) Immediate launch of the TC management module, with 10 per cent of Professional staff trained in project cycle management by the end of 2003. (vii) Development and launch of a module of the staff management component focusing on positive working relationships, conflict resolution and grievance processes by mid-2003.

Links to programme and budget framework

2002-03: There is no specific allocation for these elements in the Programme and Budget for 2002-03, but they support the capacity of the ILO to deliver on its objectives, and to manage staff so as to obtain the best possible performance.

2004-05: Related objectives and the value added of action under the surplus will be identified in the Programme and Budget proposals for 2004-05.

To ensure the best possible use of ILO funds and expertise, the Turin Centre's capacity to deliver staff development programmes, as a whole and for individual modules, will be explored in the development of each programme.

Budget for the item: US\$6,000,000.

Already allocated: US\$0.

Earmarked: US\$1,930,000.

In development: External evaluations for all IFPs and for strategic budgeting; full development, testing and launch of all modules of staff development programmes; full implementation of language, young professional and skills upgrading programmes; work planning and progress reporting under the Integrated Resource Information System (IRIS).

Regional services

Background/context

In order to enhance the ILO's presence and action in member States, the Director-General has made a commitment to the Governing Body to transfer resources for a number of posts and related responsibilities from headquarters to the regions, in particular regarding technical cooperation. This item covers resources for the development, on the basis of constituents' priorities, of new technical cooperation approaches and products to position the ILO as a key player on UN system initiatives, including PRSP. It also includes pilot operations organized in collaboration with donors to support major initiatives within an integrated decent work framework, including follow-up to the China Employment Forum, Jobs for Africa, ILO/AIDS, poverty reduction, the informal economy, enterprise development and support to regional cooperation.

Objective

Increased field capacity to ensure that constituents' priorities as well as regional and local conditions are fully reflected in integrated programmes and projects which demonstrate the potential of new approaches within the framework of the Decent Work Agenda.

Indicator	Targets	Time frame for results	Already allocated	Earmarked	
ILO project proposals and implementation demonstrate: – better responsiveness to overall UN system approaches such as PRSP, sustainable development, MDG; – a more integrated approach within the decent work framework.	Africa				
	Regional: Jobs for Africa country action programmes for employment generation and poverty reduction designed.	2004		300 000	
	Regional: Capacity of social partners is strengthened to address HIV/AIDS in the workplace.	2004		288 000	
	Eight member States: Workers representation is extended to the informal economy.	2004		100 000	
	Regional: Enhanced private sector capacity in analysis and policy development.	2004		100 000	
				–	788 000
	Americas				
	Regional: National, subregional and regional networks established for the promotion of decent work and employment development policies.	2004			155 000
	Regional: Investigation on labour market reform, productivity, competitiveness and decent work published and disseminated to ILO constituents.	2004			120 000
	Regional: Increased capacity of employers' organizations to adopt policies and strategies for the promotion of more and better jobs with more and better enterprises.	2005			120 000
Regional: Increased capacity of workers' organizations to participate actively in the promotion, defence and development of social security issues which are central to social justice.	2003			120 000	
				–	515 000

Indicator	Targets	Time frame for results	Already allocated	Earmarked
	Arab States			
	Gulf Cooperation Council: Improved statistical and standards implementation capacity.	2002-03		100 000
	Lebanon: Labour market survey completed by National Employment Office.	2003		50 000
			-	150 000
	Asia			
	China: National SafeWork Programme including mining safety training strategy is developed with the participation of constituents.	2003		100 000
	Iran (Islamic Republic of): Policies and strategies to revitalize existing labour market institutions using an integrated approach introduced by constituents and key stakeholders.	2003		170 000
	Regional: National institutions provide improved services to meet employment challenges especially of the working poor through sustainable regional capacity for skills development, vocational training and human resource development (APSDEP).	2004		250 000
			-	520 000
	Europe			
	Russian Federation: Social impact assessment of accession to the WTO and globalization supports development of policy measures on mitigating transitional social costs.	2003	100 000	100 000
	Turkey: Working conditions in small and medium agroenterprises for women and children is documented to influence implementation of new labour law.	2003	-	50 000
			100 000	150 000
	Total		100 000	2 123 000

Links to programme and budget framework

2002-03: Strengthening of regional capacities, particularly in relation to technical cooperation is in line with the Director-General's decision to decentralize resources and responsibilities. The proposal covers the development and testing of new approaches in support of the full range of objectives of the ILO technical cooperation programme.

2004-05: The Programme and Budget proposals for 2004-05 will identify the value added of the surplus under the relevant operational objectives. Success in expanding extra-budgetary technical cooperation will be enhanced.

Budget for the item: US\$10,000,000.

Already allocated: US\$100,000.

Earmarked: US\$2,123,000.

Under development:

Africa	<p>Regional: Capacity of social partners to combat HIV/AIDS.</p> <p>Regional: Jobs for Africa country action programmes for employment generation and poverty reduction designed.</p> <p>Regional: Decent work and the informal economy.</p> <p>Regional: Supporting regional integration.</p> <p>Eight member States: Representative organizations of workers are developed in the informal economy.</p> <p>Regional: Enhanced private sector capacity in analysis and policy development.</p> <p>Regional: Strengthening social partners.</p>
Americas	<p>MERCOSUR and Chile: Knowledge of young workers' leaders on decent work and other labour-related themes improved through training in new technologies.</p> <p>Andean countries: Workers' organizations strengthened in social dialogue and negotiation processes.</p> <p>Argentina, Chile, Uruguay, Paraguay: ILO constituents provided with means to better integrate active labour market policies and social protection policies.</p> <p>Regional: Regional network established for the promotion of social dialogue and decent work within the academic community.</p> <p>Central America: Increased social dialogue capacity of subregional tripartite institutions for the adoption of the "Agenda Laboral".</p> <p>MERCOSUR: Strengthened structural capacity of the "Observatorio del Mercado de Trabajo".</p> <p>Peru: Increased capacity of the "Consejo Tripartito del Trabajo" to formulate labour policies and implement strategies to promote decent work.</p> <p>Mexico: Increased capacity of institutions dealing with mediation, negotiation and dispute settlement.</p> <p>Regional: Mechanisms/instruments developed for the follow-up of labour agreements which may arise within the context of NAFTA.</p> <p>Bolivia, Colombia, Ecuador, Peru: Safety and health and working conditions in the mining industry are improved.</p> <p>Brazil: Increased institutional and technical capacity of social actors to promote employment and social inclusion of youth, women and other vulnerable groups through training programmes and skills certification.</p> <p>Caribbean countries: Increased capacity of tripartite constituents in social dialogue, economic analysis, governance, income and productivity.</p> <p>Regional: Research on regional labour-related issues is disseminated.</p>
Arab States	<p>Syrian Arab Republic: Up-to-date OSH training is delivered by workers' institute.</p> <p>Regional: Staff in national institutions are able to give actuarial advice.</p> <p>Regional: Constituents' capacity to deliver HIV/AIDS awareness information in Arabic is increased.</p> <p>South Lebanon: Employment creation in occupations less sensitive to border closure in crisis-affected country.</p> <p>Region: Ratification and application of core labour standards – expansion of existing DECLARATION programme.</p> <p>Gulf Cooperation Council: Improved statistical and standards implementation capacity (Part 2).</p>
Asia	<p>China: Support towards decent work in China.</p> <p>Regional: Strengthening regional capacity to meet employment challenges through skills development, including new approaches to the working poor. Proposals under this item include APSDEP.</p> <p>Papua New Guinea: Start your business/Improve your business (SYB/IYB).</p> <p>Regional: Support towards developing integrated approaches to decent work. Proposals include action for Bangladesh, India, Indonesia, Pacific Island countries, Philippines, Sri Lanka.</p>

Europe	Turkey: Working conditions in small and medium agroenterprises, particular focus on women and child labour. Central Europe: Labour market flexibility and social security. Regional: Proposed issues paper for presentation at European Regional Meetings in 2004. Kazakhstan: Decent Work Pilot Programme. NW region of Russian Federation: Decent Work Pilot Programme. Caucasian region: Capacity building for gender mainstreaming; Russian constituents, employers' organizations.
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Statistics

Background/context

The Strategic Policy Framework for 2002-05 emphasizes the need to strengthen the ILO's statistical capacities. The Director-General's Report to the 2001 International Labour Conference noted: "In order to effectively promote the goal of decent work for all, the Office must be able to measure and monitor progress and deficits." This requires a coordinated Office-wide effort in which all sectors at headquarters as well as the regions, work together. A framework for doing this was provided in the recommendations of the Advisory Group on Statistics (AGS) to the Director-General in 2001. An agreed set of statistical indicators to measure decent work is needed. This will enable ILO constituents to monitor and evaluate the situation in their countries and measure progress. It will also strengthen the ILO's capacity to advise constituents and show how decent work relates to poverty and other major development concerns. A set of integrated programmes will be undertaken Office-wide to improve the effectiveness and coordination of statistical data collection, storage and dissemination.

Objectives

- (1) ILO constituents are better equipped to measure decent work and assess progress towards reducing decent work deficits.
- (2) ILO's capacity to effectively collect and disseminate labour statistics enhanced, better coordinated and more relevant to decent work.

Indicators	Targets
1(a) Framework for measuring decent work dimensions is developed and a core set of statistical indicators is identified and applied to member States.	1(i) Three countries adopt the ILO framework for measuring decent work and core decent work statistical indicators collected for all ILO member States.
1(b) Prototype modules of future decent work surveys developed and tested in ILO member States.	(ii) Methodology and modules of future decent work surveys are developed and tested in three countries.
1(c) Methodology for computing regional and world estimates of selected decent work components produced and disseminated.	(iii) Methodology for computing decent work estimates for all ILO regions and the world is developed and disseminated.
1(d) Prototype analytical country reports on decent work provided to member States.	(iv) Five prototype national reports describing and analysing decent work are completed and disseminated.
2(a) Regular collection of data from member States is improved.	2(i) E-questionnaires developed for all ILO data collection activities.
2(b) Recommendations and operational methods for a new dissemination strategy for ILO's regular statistics are approved for implementation.	(ii) New ILO system for collecting data in collaboration with the field structure operational in three subregions.
	(iii) CD-ROM version of LABORSTA in circulation and the ILO <i>Yearbook of Labour Statistics</i> reviewed, redesigned and streamlined.

Time frame for results: All work items will be initiated and draft methodologies and frameworks tested by the end of 2003. Work will be concluded by the end of 2005.

Links to programme and budget framework

2002-03: The need to strengthen the ILO's statistical capacity was outlined in the Strategic Policy Framework 2002-05.² The work described is additional to that included in the Programme and Budget for 2002-03.

2004-05: The statistical activities funded by the surplus will contribute to achieving the following cross-cutting objectives being proposed for the 2004-05 biennium: (a) the development of coherent national policies for achieving decent work; (b) a strengthened national and international capacity to develop, measure and use statistics on decent work including how they relate to poverty; and (c) support to member States preparing decent work policy papers and Poverty Reduction Strategy Papers (PRSPs).

Budget for the item: US\$2,000,000.

Already allocated: US\$477,000 – Initiating development of framework for and measurement of a core set of decent work indicators including collection of regional and country-level data, capacity building in the Office through STAT and AGS, and preparation of decent work country statistical profiles.

Earmarked: US\$523,000 – Further development of initiated activities. Initiation of organization and development of regional databases and regional data centres, world reports and manuals, organization of regional and subregional decent work workshops and conferences, development of methodology for decent work surveys and testing it in the regions, and improved data collection.

Under development: Completion of all initiated activities, in particular this will involve organization and conduct of labour force survey-based decent work surveys in member States; preparation of country-specific and world decent work reports; preparation of a comprehensive manual on concepts, definitions and methods of decent work data collection through surveys and other techniques.

Gender equality

Background/context

During 2000-01 the ILO piloted a gender audit, the first of its kind in the United Nations system. While the audit mainly involved ILO staff, constituents participating in the field audits indicated their interest in further developing their own capacity on gender equality issues and gender mainstreaming. They also requested guidelines and tools that would enable them to better promote gender equality in member States, as well as further opportunities to engage in tripartite dialogue on gender issues. Given that women are often more disadvantaged in the labour market and make up a majority of the poor, particularly in the informal economy, visible achievements in relation to gender equality are essential for the successful implementation of the ILO decent work strategy at the country level. Moreover, strengthening the capacity of ILO constituents on gender will increase their influence and the quality of their contribution in relation to poverty alleviation strategies at the national level. It would also enhance the constituents' possibilities to reach out to women in the informal economy and so contribute to follow-up work of the ILO on the 2002 ILC conclusions on the informal economy.

² GB.279/PFA/6.

Objective

ILO constituents strengthen their capacity to increase gender equality in the world of work and within the tripartite organizations.

Indicator	Targets
Constituents adopt a gender strategy and plan of action to promote gender equality.	Africa (Uganda, Rwanda); Americas (Andean Community and MERCOSUR countries); Arab States (Yemen); Asia (China, the Islamic Republic of Iran); Europe (Armenia, Georgia, Azerbaijan).
Tripartite partners establish a mechanism or institutional arrangement at the national level for social dialogue on gender equality issues in the world of work and strengthen institutional arrangements on gender, commitments to support associations linked to gender equality and take measures to increase representation of women in all fields.	
Tripartite partners promote and integrate gender issues in national socio-economic policy and planning processes, employment policy and planning, poverty alleviation strategies, PRSP processes, etc.	

Time frame for results: End 2005.

Links to programme and budget framework

2002-03: The surplus funds provide the ILO with an opportunity to respond to the wishes of the constituents in a timely manner. The proposed work would enhance the quality of tools already being created by enabling field pilot testing. In addition, it would enable the Office to replicate best practices learned from capacity-building programmes on gender mainstreaming for ILO constituents using extra-budgetary funds.

2004-05: Specific objectives, indicators and targets will be established on gender equality in the Programme and Budget proposals for 2004-05. The value added through the surplus will be clearly identified.

Budget for the item: US\$2,000,000.

Already allocated: US\$0.

Earmarked: US\$965,000 – Strengthened constituent capacity in gender equality in targeted countries mentioned above.

Under development: Strengthened constituent capacity in gender equality in additional countries.

External communications

Background/context

The ILO as a whole is implementing a more strategic communications policy. The aims will be to raise the visibility of the ILO throughout the world and with a variety of audiences as one of its means of action for change, and to more effectively communicate the value of its important work to donors, constituents and the public at large. Expanded capacity and services are being built into the 2004-05 regular budget. Surplus funds are proposed to “jump-start” this process in the current biennium. The focus of investment is on tools and staff capacity, the results are focused on significant improvement in recognition of the ILO and its key objectives globally and at the national level.

Objective

- More effective worldwide publicity campaigns and targeted media outreach.
- More effective regional capacity for advocacy and media outreach.

Indicator	Targets
Improved coverage of ILO in regional media.	(i) Positive references to key ILO positions, objectives and values in media that influences national decision-makers.
Improved inclusion of regional issues, and successes in ILO's global information.	(ii) Increase specific regional focus of ILO communication materials, methods and campaigns.
Improved donor and constituent understanding of and practical support for ILO's strategic objectives.	(iii) References to ILO in national and international development agendas.
	(iv) Improved donor relations.

Time frame for results: December 2003.

Links to programme and budget framework

2002-03: The surplus funds provide the ILO with an opportunity to make a significant improvement in its profile and ability to influence global and national policy-makers by having more effective media outreach capacity in the regions and in headquarters.

2004-05: Specific objectives, indicators and targets will be established on external communications in the Programme and Budget proposals for 2004-05. The value added through the surplus will be clearly identified.

Budget for the item: US\$3,500,000.

Already allocated: US\$303,736 – Provision of background resource materials to the regions.

Earmarked: US\$2,148,300 – Development of communication resource materials and infrastructure.

Under development: Further outreach information, partnerships with media and journalists and resource materials developed for ILO-wide use.

Investment in information technology

It is proposed to transfer an amount of US\$5,000,000 to the Information Technology Systems Fund to finance the information technology needs of the Office. Under a separate agenda item, the Committee is requested to recommend to the Governing Body that it authorize use of the Fund to upgrade the electronic voting system used at the Conference. Further proposals for use of the Fund are under development and will be submitted to the Committee for its consideration once detailed cost estimates have been obtained.

2000-01 surplus: Status of resources
as at 22 October 2002 (US dollars)

Items	Already allocated	Earmarked	Total (already allocated and earmarked)	Under development
1. Maritime Session of the International Labour Conference	–	–	–	–
2. World Commission on the Social Dimension of Globalization	2 800 000	–	2 800 000	–
3. International labour standards	111 590	759 950	871 540	2 028 460
4. Response to crisis and emergencies	2 586 000	3 415 000	6 001 000	1 999 000
5. Investments in building and accommodation	–	–	–	2 750 000
6. Security and safety of staff	1 750 000	1 500 000	3 250 000	200 000
7. Investment in management capacities	–	1 930 000	1 930 000	4 070 000
8. Regional services	100 000	2 123 000	2 223 000	7 777 000
9. Statistics	477 000	523 000	1 000 000	1 000 000
10. Gender equality	–	965 000	965 000	1 035 000
11. External communications	303 736	2 148 300	2 452 036	1 047 964
12. Investment in information technology	–	–	–	5 000 000
13. Tripartism and social dialogue (new item)	–	–	–	2 900 000
Total	8 128 326	13 364 250	21 492 576	29 807 424