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Governing Body

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Programme, Financial and Administrative Committee

PFA

THIRTEENTH ITEM ON THE AGENDA

Matters relating to the Joint Inspection Unit

(c) Reports of the Joint Inspection Unit

1. In accordance with the established procedures, the system-wide reports of the Joint Inspection Unit of the United Nations (JIU) are submitted to the Governing Body when the comments of the Chief Executives Board for Coordination (CEB) on the reports are available. The Office has contributed to the preparation of the following JIU reports:

(a) "Enhancing governance oversight role: Structure, working methods and practices on handling oversight reports" (JIU/REP/2001/4).

(b) "Involvement of civil society organizations other than NGOs and the private sector in technical cooperation activities: Experiences and prospects of the United Nations system" (JIU/REP/2002/1).

(c) "The results approach in the United Nations: Implementing the United Nations Millennium Declaration" (JIU/REP/2002/2).

(d) "Support costs related to extra-budgetary activities in organizations of the United Nations system" (JIU/REP/2002/3).

(e) "Extension of water-related technical cooperation projects to end-beneficiaries: Bridging the gap between the normative and the operational in the United Nations system (case studies in two African countries)" (JIU/REP/2002/4).

(f) "Reform of the administration of justice in the United Nations system: Options for higher recourse instances" (JIU/REP/2002/5).

(g) "United Nations system revenue-producing activities" (JIU/REP/2002/6).

(h) "Managing information in the United Nations system organizations: Management information systems" (JIU/REP/2002/9).

(i) "Evaluation of United Nations system response in East Timor: Coordination and effectiveness" (JIU/REP/2002/10).

(j) "Implementation of multilingualism in the United Nations system" (JIU/REP/2002/11).

(a) "Enhancing governance oversight role: Structure, working methods and practices on handling oversight reports" (JIU/REP/2001/4 and A/57/58/Add.1)

2. This report aims at enhancing the effectiveness and quality of the oversight role exercised primarily by the Governing Body and subsidiary bodies responsible for oversight issues. It concerns the structure, working methods and practices of legislative organs relating to oversight (excluding oversight of technical programme management) and, in this regard, the procedures of the legislative organs for handling reports prepared by oversight mechanisms.

3. The members of the CEB see the promotion of oversight as an instrument for improving the performance of policies, programme planning, budgeting, administration and management as an important growth area, building on successful initiatives taken by some of the organizations of the UN system. The recommendations contained in the report met with varied reactions. While members accepted the JIU recommendations in principle, some pointed out specific concerns regarding the feasibility and/or practicality of the implementation strategies, while others commented on the relevance and/or applicability of some recommendations to currently established practices.

4. The report finds the handling of reports prepared by oversight mechanisms, in particular those of the JIU, unsatisfactory. In this regard, the report underscores "the need to ensure specific decision-making on each of the relevant [JIU report] recommendations requiring legislative action, as the basis for implementation".

Recommendation 1

The legislative organs may wish to adopt, as a matter of principle, the following *modus operandi* for enhancing the effectiveness of their oversight function (paragraphs 19-24):

(a) following the intent of the General Assembly, as expressed in its resolution 50/233 of 7 June 1996 and its decision 55/461 of 12 April 2001, list thematic oversight reports, as far as feasible and practical, under the appropriate substantive agenda items, with any other relevant reports listed under the same agenda item;

(b) when more than one report (including an oversight report) is listed under a specific agenda item, review all the relevant parts of the reports listed in a comprehensive and coordinated manner;

(c) link fully the review made in (b) above to setting policy and/or management directives on the issue (under the agenda item) in question, with specific legislative actions on the strategic policy matters whenever required;

(d) in addition, make organizational arrangements to ensure the consideration of programme matters is linked systematically to the consideration of administrative/budgetary/financial matters;

(e) furthermore, consider/verify, either separately or as part of the review exercises in (b) above, secretariat compliance with approved oversight recommendations while ensuring, at the same time, reinforcement of a system of secretariat accountability and responsibility.

5. As noted in paragraph 12 of the CEB's comments, the proposed *modus operandi* does not follow the method of consultation used by the ILO's Governing Body. The proposed method of consultation with legislative organs is quite detailed for the ILO and thus not very efficient. However, adequate consideration and follow-up of all relevant recommendations in the ILO is assured by the secretariat.

Recommendation 2

In applying the *modus operandi* in recommendation 1 above, the legislative organs, depending on the existing arrangements, may wish to adopt measures to rationalize or strengthen governance structures as well as their working methods along the lines indicated below (paragraphs 25-31 and 46-48) [only paragraph (b) applies to the ILO]:

(b) for the organizations with a single committee (ILO, UNIDO, Universal Postal Union (UPU), World Intellectual Property Organization (WIPO), World Meteorological Organization (WMO) and International Atomic Energy Agency (IAEA)), maintain the single committee, but fully embody the *modus operandi* in recommendation 1 in respect of its organization and working methods, and for that purpose, broaden, when necessary, its terms of reference and enhance its authority regarding all oversight matters excluding purely technical areas …

6. The Programme, Financial and Administrative Committee of the ILO's Governing Body has authority over all oversight matters, so this recommendation is already applied in the ILO.

Recommendation 3

In the interest of efficiency, effectiveness and economy in governance oversight, and drawing on practices in some of the United Nations organizations, the legislative organs, where applicable, may also wish to review the following questions (paragraphs 32-44):

(a) numerical composition of the "executive" legislative organs and/or their subsidiary committees, including an option of maintaining a limited/elected core membership of the committees where such is the practice, while allowing wider participation as observers by interested members of the "executive" legislative organs;

(b) expertise and experience of the members of the "executive" legislative organs and/or their committees covering oversight, which should be represented or accompanied, to the extent possible, by individuals having managerial expertise in administrative and financial matters in addition to technical knowledge of the work of the organizations concerned;

(c) frequency and duration of the sessions, including, inter alia, the possibility of less frequent and shorter sessions, with more streamlined agendas and focused considerations on issues requiring legislative actions;

(d) **travel and subsistence allowance to be paid to the delegates, as far as practices are in existence, including the possibility of abolishing such practices (entirely, or partially, e.g., maintain travel allowance only) as a matter of principle with due regard, however, to the capacity of countries, in particular the least developed countries, to finance their representation.**

7. With respect to part (a) of the recommendation regarding the numerical composition of the Governing Body, its composition is dictated in article 7 of the ILO's Constitution. Amendments to the Constitution require adoption by the Conference by a majority of two-thirds of the votes cast, and then take effect only when ratified or accepted by two-thirds of the Members of the Organization, including five of the ten Members of chief industrial importance. Thus, any such change would require substantial efforts.

8. At the Governing Body's request, the ILO is undertaking a review of its structure and operations. The areas touched on in the JIU's recommendation could be included in this review, as appropriate.

Recommendation 4

As a supplement to the measures being/to be taken to improve handling reports prepared by oversight mechanisms, the executive heads, following the practice mandated by the General Assembly of the United Nations in section II of its resolution 52/220 (paragraph 8), should include in the individual sections of the programme budget a summary of the relevant recommendations and related follow-up actions taken (paragraphs 68-70).

9. As the ILO is endeavouring to shorten all documentation, it does not feel that it would be appropriate to increase the length of the programme budget by including recommendations and follow-up actions.

(b) "Involvement of civil society organizations other than NGOs and the private sector in technical cooperation activities: Experiences and prospects of the United Nations system" (JIU/REP/2002/1 and A/57/118/Add.1)

10. This report concerns collaboration with civil society organizations (CSOs) in recognition of the growing role of this category of development partners. Members of the CEB generally support the overall conclusions and recommendations of the report. They agree that CSOs are increasing in significance, and that there is an advantage in working with them, especially in the field of technical activities in developing countries.

11. In general, the ILO supports the conclusions and recommendations of the report. The report's endorsement of the value of involvement of CSOs in technical cooperation activities in developing countries is especially valid at local levels and in rural areas in those developing countries with resource constraints and poor administrative capacities.

12. The report deals with the need for and the implications for the UN system of the involvement of CSOs in UN technical cooperation activities. The ILO would like to reiterate its unique feature – its tripartite structure, and particularly the presence of representatives of employers' and workers' organizations, which are important components of civil society – and the implications this has on the involvement of other

CSOs in ILO activities. The UN and the other specialized agencies do not have this feature, as they are all organizations of governments.

13. One issue for the ILO is which CSOs other than employers' and workers' organizations can contribute to ILO activities; and, where CSOs in the areas of ILO activities are identified as capable of positive collaboration, what policies and processes need to be put in place to facilitate such collaboration, while preserving the integrity of the ILO's tripartite structure and involving the social partners, especially at the country level. Examples of such CSOs are cooperatives and other self-help organizations that work on cooperative principles. Cooperatives are CSOs that are based on values such as voluntary and open membership, democratic member control, member economic participation, autonomy and independence, and concern for community. Previous technical cooperation work carried out by the ILO's Cooperative Branch has shown a significant advantage in working with cooperatives at the local level while at the same time improving policy environment at the national level. Often self-efficient cooperatives turn out to be the most sustainable forms of CSOs in poor rural areas where there are no NGOs or other types of CSOs. Cooperatives and other self-help organizations reach out to specific population and social groups, including indigenous and tribal peoples, youth and the rural poor. Cooperatives offer alternative forms of resource mobilization and income generation in areas that suffer from resource constraints and where there is a weak presence of state structures and facilities and even of NGOs.

14. The report speaks either of a bipartite UN body and CSOs, or a tripartite UN body, Member State (Government) and CSO collaboration. The role of the ILO social partners is broadening with the blurring of the line between labour and non-labour market matters. Employers' and workers' organizations may be interested in collaborating with CSOs. The ILO may wish to strengthen the capacity of the social partners for such collaboration. However, any such collaboration should be subject to the agreement of the ILO social partners and follow an agreed framework.

Recommendation 1

CSOs should be involved in technical cooperation activities during all stages of programme planning, which includes design, sustainability, implementation/ execution, monitoring and evaluation as well as follow-up (paragraph 55).

15. A partnership between a UN body and a CSO would mean joint agreement and involvement of the CSO in the implementation and appraisal of a project or programme. The collaboration can be initiated by either party. Either partner can formulate the project or programme, but both should agree on it. However, per the ILO Constitution and its tripartite structure, CSOs may be involved only in the implementation of specific projects defined by the Office in collaboration with social partners. CSOs cannot be associated with ILO programming.

Recommendation 2

(a) A standard framework, which is sufficiently flexible, could be usefully established to be adapted to the different situations and needs of United Nations organizations. This should include the assessment of the legitimacy of representation of any particular CSO, as has been provided for through the guidelines and selection criteria of NGOs, but specific to the nature of CSOs (paragraph 44).

    (b) **Organizations particularly active in technical cooperation without a focal point for CSOs should consider appointing one as part of the existing structure (paragraph 48).**

    (c) **In connection with meetings of the United Nations System Chief Executives Board (CEB) for Coordination (formerly the Administrative Committee on Coordination (ACC)), consultations among focal points, either directly or through the existing network of the United Nations Non-Governmental Liaison Service (UNGLS) as appropriate, could be envisaged when relevant issues on sustainable development are examined (paragraph 49).**

16. The ILO believes in maintaining focal points for handling relations with CSOs; however, there is no central point which tracks exactly which NGOs are working on which technical cooperation projects at any time. In the ILO at least three departments interact with CSOs: the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP), dealing with our mandates; and the Bureau of External Relations and Partnerships (EXREL) for linking headquarters' departments with international NGOs, managing requests for representation at the ILC and other tripartite meetings, and orienting organizations other than international NGOs towards the ILO offices they depend on geographically. Concrete cooperation on projects is decentralized either at the level of specific technical programmes (for example, the International Programme on the Elimination of Child Labour – IPEC) or at the level of national or regional offices.

Recommendation 3

    (a) **Accountability and reporting procedures must be taken into account in the partnership between the United Nations system organizations and CSOs (paragraph 45).**

    (b) **Even in cases where such a requirement is already pragmatically satisfied in existing agreements, contracts and Staff Rules and Regulations, a policy should be recommended by the legislative organs to develop a common set of principles to guide United Nations system engagement with CSOs (paragraph 45).**

17. In the criteria for CSOs qualifying as partners for collaboration, apart from requirements like internal structures, accountability and transparency, there is the need for the CSO to respect the tripartite structure of the ILO. In choosing areas for collaboration with CSOs, there is a need to ensure that these areas do not encroach on those covered by the ILO social partners and/or erode their standing. It is possible to allow the social partners at the country level to agree to NGO involvement in technical cooperation projects.

Recommendation 4

    (a) **Recognize and institutionalize such cooperation to be reflected permanently in its agenda of work and periodically report the results to the Economic and Social Council (paragraph 64).**

    (b) **Sensitize its High-Level Committee on Programmes (HLCP) in order that, when economic and social issues are considered, the role of CSOs is taken into account (paragraph 64).**

18. This recommendation is not addressed to the ILO.

Recommendation 5

(a) **In order to enable national CSOs to assume further their increasing roles as partners of the system, each organization should make it part of their objective to train and empower CSOs as well as strengthen their organizational structures in terms of legal and managerial capacity, and inform the legislative organs as appropriate (paragraph 57).**

(b) **The United Nations system organizations should assist women in general, and those in the developing countries in particular, with appropriate action on training and resource mobilization to enhance their organizational and managerial skills including information technology. Member States and donors should provide financial resources intended for this purpose (paragraph 88).**

19. It is correct to suggest that a CSO should be trained and empowered, and its management strengthened to improve performance. It is equally correct to suggest that a CSO must be qualified, i.e., be properly managed and have the necessary expertise/experience in the area for collaboration, before it can qualify to be a partner for collaboration. In other words, the CSO must be responsible for its own organizational effectiveness and competence. This position makes sense in an organization like the ILO, where against the perennial background of the scarcity of resources there is a key priority to strengthen its two CSO constituents – employers' and workers' organizations.

20. Some selected CSOs could be involved in ILO training activities, it being understood that they would finance their participation. Benefits would be twofold: the participation of CSOs in the implementation of ILO projects would be improved and a better outreach to ILO mandate and activities would be given.

21. With regard to recommendation 5(b), it should be noted that the new technical cooperation strategy of the Bureau for Employers' Activities (supported by the group last November) is geared towards encouraging sustainable organizations. This recommendation should not be made system-wide, but be qualified by adding a proviso "where appropriate".

Recommendation 6

(a) **The prevailing informal and pragmatic cooperation with CSOs should be better structured through the definition of policy guidelines. This development will give further input to ongoing initiatives by the secretariats and should be translated into policy actions by legislative organs (paragraph 5).**

(b) **The financial autonomy of CSOs and their entities, including access to credit, should be encouraged by donors and recipient countries to reduce their dependence on sporadic donations and contributions which undermine their sustainability and potential effectiveness of action (paragraph 17).**

22. The ILO does have guidelines for dealing with CSOs, as elaborated in the paragraph entitled "Establishing alliances and relationships with civil society associations" from the Director General's 1999 *Decent work* Report, as follows:

Establishing alliances and relationships with civil society associations

The ILO has a clear policy and mandate to work with employers' and workers' organizations to establish practical alliances and working relationships with these actors, based in each instance on a definition of common goals and shared principles. Workers, employers and governments are the mandated constituents of the Organization. They determine its representative and governance structures. That has never been, and is not now, in

question. Trade unions and employers' organizations are themselves the largest and best organized social actors. They are intimately linked to the production process itself. They are representative organizations. They have, in general, elected governance structures, and they are publicly accountable for their activities. These characteristics give them a special role in society. At the same time, they can greatly benefit from the advocacy skills and resources of civic associations, particularly in development activities at the field level, often in areas where the ILO's own constituents are less represented or not directly involved. NGOs, for example, implemented fully a third of IPEC's programme in 1996-97. At the national level, trade unions and employers' organizations often work with NGOs in the pursuit of common goals – in reaching out for potential sources of membership, or working with business and government in development partnerships at the local level. It is important for the ILO to establish such working relationships at the field level with organizations which promote voice and action in areas of ILO concern, such as development, labour rights, gender, children, the disabled, and the elderly.

23. It is true that new social partners, other than the usual ILO constituents, are beginning to play an increasing role for technical cooperation programmes, such as with the International Programme on the Elimination of Child Labour and the Cooperatives Branch. Cooperatives are highly linked to the production process as well. Sometimes CSOs engage in partnerships with ILO constituents as, for example, between cooperatives and trade unions; the Cooperatives Branch has a project on poverty alleviation for unprotected informal economy workers through trade union – cooperative joint action.

Recommendation 7

(a) **Specific staff training is required in development programmes to be approved and implemented at the national level involving CSOs. The responsibility of training the trainers could also be envisaged (paragraph 83).**

(b) **For improvements in United Nations staff training, the United Nations System Staff College in Turin could be one appropriate structure (paragraphs 52 and 83).**

24. Specific staff training at the country level could be developed and directed at meeting the particular needs as identified by the CSOs themselves. The ILO Training Centre in Turin organizes project management training sessions at the regional and national level, and CSOs could be invited to attend with their own funding. This would be an opportunity for CSOs to learn how to work with ILO mandates.

Recommendation 8

The existing mechanism at the country level has to be revised and amplified, shifting from limited and sporadic consultations to involvement of CSOs during the planning and execution process of technical cooperation activities in synergy with governments (paragraph 76).

25. It is up to the social partners, in cooperation with the Office, to define the planning of activities. The involvement of CSOs should only be in the implementation phase.

26. Within the overall framework of the technical cooperation strategy of the Bureau for Employers' Activities, employers' organizations are consulted individually and are subject to a needs analysis before moving ahead with specific interventions. National workshops and training could be organized with the participation of UN staff, government officials, representatives of CSOs and other stakeholders involved in the planning and implementation of technical cooperation activities. The ILO-INDISCO Programme (Inter-Regional Programme to Support Self-Reliance of Indigenous and Tribal Communities

through Cooperatives and Self-Help Organizations) has experience with organizing national committees (INDISCO National Advisory Committees, INACs) that have been fruitful in integrating all stakeholders, including the most important CSOs involved as social partners, in the planning and implementation of TC activities. This initiative is something that also strengthens partnerships and networking at the field level.

Recommendation 9

(a) Those United Nations organizations dealing with economic and social development should be encouraged to include in their web sites selected information on CSOs engaged in technical cooperation activities for the benefit of CSOs in general, and in particular, for those which do not have a web site. For CSOs already equipped with a web site, it would be useful for United Nations system organization web sites to have these CSO hyperlinks embedded, thereby making it possible to connect readers to the web sites of relevant CSOs.

(b) Major conferences, meetings, seminars/workshops organized by the United Nations system and of special interest to CSOs should be part of the appropriate printed word, radio and web site information.

27. EXREL includes, on its web page on relations with civil society, links to the web sites of international NGOs on the ILO Special List. EXREL could also add information on cooperation with CSOs if the information was provided to EXREL by the regional or national offices and technical departments.

28. Regarding recommendation 9(b), this is the case for international NGOs included on the ILO Special List. Only international NGOs can request to be invited to the ILC or selected tripartite meetings. Moreover, on the ILO's web site there is information on the ILC and on how to request an invitation for international NGOs. A link to this information could be added on EXREL's web page on relations with civil society. Concerning tripartite meetings in which international NGOs may be invited, EXREL is willing to add them on its web site. However, as far as the ILO is concerned, there is no need to further promote this information for other CSOs since they cannot participate in an official capacity.

(c) "The results approach in the United Nations: Implementing the United Nations Millennium Declaration"
(JIU/REP/2002/2 and A/57/372/Add.1)

29. This report is addressed to the UN and was circulated to the ILO for information only. Its first part discusses the use of results-based budgeting and planning in the UN, its shortcomings, and explains why and how it could be improved. The second part of the report endeavours to show how a realistic and meaningful results approach could apply in the medium term and be used to chart progress towards the attainment of the UN's Millennium Declaration.

30. The members of the CEB appreciated the information and analysis contained in the report, but found it too wide-ranging, particularly in relation to Part two and the linkages it endeavours to establish between the two parts to permit an overall assessment that could lead to concrete follow-up action on the totality of the report.

31. The recommendations are addressed to the UN or the CEB; however, the ILO could be implicated in the implementation of recommendation 4.

Recommendation 4

> **At the world level, a report synthesizing the country-level debates, complete with best practices and lessons learned and conclusions drawn, should be prepared by the United Nations every five years. This report, to be called Medium-Term Strategic Review Report, should, as far as possible, establish a typology of comparable economic and social development and poverty situations in the various countries, and propose strategies applicable to each type (see paragraph 135). The aim would be to set out for the medium-term period a coordinated, coherent, if not common, strategic framework for the United Nations system, the Bretton Woods institutions and other major players that would assist Member States in reaching the Millennium Development Goals.**

32. The ILO supports this recommendation to produce a UN system-wide Medium-Term Strategic Report at the country level. The ILO's field structure would be able to contribute to the preparation of such a report. Some UNDP offices are already preparing such reports, with ILO collaboration.

(d) "Support costs related to extra-budgetary activities in organizations of the United Nations system" (JIU/REP/2002/3 and A/57/442/Add.1)

33. The report's stated objective is to review the formulation and application of extra-budgetary support cost policies in the UN system, and to propose measures to harmonize these policies. The members of the CEB found the study informative and a useful framework for revising, re-evaluating or fine-tuning prevailing policies on support costs related to extra-budgetary activities of the organizations of the UN system.

34. The report states it is intended to focus on support costs related to extra-budgetary activities and does indeed place the major emphasis on this issue. However, it also raises other issues that are much larger, including the integration of extra-budgetary resources with core resources in budget presentations and the programmatic prioritization of extra-budgetary resources. Although this is a complex issue, it is dealt with rather summarily in the report and is then made part of the recommendations. The subject should either have been addressed in a more comprehensive manner or it should have been removed, as least as far as the recommendations are concerned.

35. The ILO particularly welcomes the section on competition. There are standard rates that have been set for the UN system, but as noted in the report, some of the UN funds or units do not adhere to them. The report appears to recommend changing the standards, but the recommendations are vague. The principle of transparency is advocated in general, yet to deal with the issue of competition it is suggested that specialized agencies recover a larger proportion of support costs as direct and internal project or programme costs. This seems to go against the principle and it is not clear how this would be justified or managed (yet new systems are recommended that should be "straightforward and … easy to administer").

36. The discussion on the granting of exceptions seems to assume that agencies do not apply consistent policies. But the case for this is not made, and examples are not given. The report does not seem to make a link between the policies on exceptions (which can be consistent, coherent, and part of a policy) and their own recommendation to differentiate support cost rates by type of activity, conditionality and volume of resources, which some organizations may in fact do through a policy of exceptions.

37. There is an explicit statement, repeated several times, that Member States and other donors are dissatisfied with the 13 per cent support cost rate. The ILO has not encountered widespread dissatisfaction with the system among its multi-bilateral donors; indeed, those who have questioned it have been few in number, and one major donor, who was new to the system, accepted it fully after explanation. The report seems to go in the direction of finding alternatives to the 13 per cent rate, but does not propose many concrete and manageable options (except for one or two adjustments, i.e., keeping interest earned), yet states that executive heads should ensure that a larger proportion of support costs do not fall on core resources.

Recommendation 1

With a view to ensuring the effective use of extra-budgetary resources in support of mandated programmes, legislative organs may wish to request the executive heads of each organization to:

(a) **integrate extra-budgetary resources with core resources in budget presentations (as far as they have not already done so) and subject these resources, at least on terms of broad programmatic prioritization, to legislative approval;**

(b) **accept extra-budgetary resources for activities beyond the reach of core budgets in line with the broad programmatic prioritization approved by legislative organs.**

38. With the introduction of a strategic programme and budget, the ILO does provide an indication of extra-budgetary activities in its presentations of the regular core budget. Moreover, in the discussions of the Governing Body Committee on Technical Cooperation, the ILO informs the Governing Body on a systematic basis of its resources, expenditures and activities related to extra-budgetary activities. The Office has also indicated in its proposals what could be done should additional extra-budgetary resources be made available.

Recommendations 2 and 3

Executive heads should ensure that all incremental cost-measurement exercises clearly define what share of the costs associated with existing administrative and other support structures are appropriately borne by core resources and what must be borne from extra-budgetary resources.

Executive heads should give careful prior consideration to the costs and benefits associated with potential approaches to incremental cost measurement. The validity of the findings of all cost-measurement exercises, including the resulting projections of support-cost income requirements, should be verified using historical expenditure-income analysis.

39. The most recent cost-measurement exercise undertaken by the ILO did attribute costs on something other than a simple time-work survey. The methodology allocated fixed and partially fixed costs in an appropriate manner.

Recommendation 4

Legislative organs may wish to consider permitting United Nations system organizations to retain the interest earned on extra-budgetary resources contributed to multi-donor activities where resources are commingled and separate donor-specific

accounting is not possible. They may wish to determine that this income should be used to reduce extra-budgetary support costs and that appropriate reporting is made to legislative organs on the relationship between such interest income and support-cost rates.

40. It is not for the legislative organs to determine what can or cannot be done with interest earned on extra-budgetary funds. Extra-budgetary funds are donor funds. Any interest earned on such "funds in trust" belongs to the donor unless the donor specifically agrees otherwise. It is possible that some organizations' financial regulations may not provide for this, but this is not the case in the ILO.

Recommendation 5

Executive heads should review the extra-budgetary support-cost legislation applicable to their respective organizations and present proposals to their legislative organs aimed at eliminating contradictions in this legislation.

41. Member States have been informed and have tacitly accepted that incremental extra-budgetary support costs exceed support cost reimbursement levels.

Recommendation 6

Executive heads of the organizations which have not yet done so, should explore the possibility of including, as direct and internal project or programme costs, identifiable elements presently covered by percentage-based support-cost charges.

42. The ILO's Finance Department encourages technical departments and regional offices, when preparing technical cooperation project budgets, to include certain identifiable administrative and operational backstopping charges as direct charges. The flat percentage rate for support costs is used to cover costs that cannot be readily identified or where it would be administratively inefficient for the ILO to attempt to identify expenditure as direct project costs.

Recommendation 7

43. This recommendation is not addressed to the ILO.

Recommendation 8

Executive heads should ensure that exceptional support-cost rates, and the grounds on which they are permitted, are consistent. They should only be granted on the basis of justifiable substantive priorities or a genuine determination that lower support-cost rates are appropriate. Furthermore, executive heads granting exceptional support-cost rates on a relatively frequent basis should revise the extra-budgetary support-cost policies to which they are approving exceptions.

44. Any exceptional support costs approved by the Office are consistent with established precedents and are based on clear arguments put forward by the programme manager. The average rate of support cost earned during 2001 was 12.4 per cent. This indicates that exceptional rates are clearly an exception.

Recommendation 9

Legislative organs should enact support-cost policies to ensure that extra-budgetary resources continue to be mobilized and deployed effectively to further the mandated activities in developmental, humanitarian and other substantive areas. These policies should be straightforward, transparent, easy to administer and must provide for a consistent and equitable approach to special arrangements. To this end, legislative organs may wish to consider that:

(a) **extra-budgetary support-cost rates should be established in accordance with the following principles:**

■ **they should recognize and reflect the relative centrality, and direct benefits, of an extra-budgetary activity to the mandated programme;**

■ **they should be differentiated to take into account the cost of support as influenced by type of activity, conditionality and the volume of resources;**

(b) **the authority to establish extra-budgetary support-cost rates in accordance with the principles in (a) above may be delegated to executive heads, with appropriate reporting thereon to legislative organs.**

45. The acceptance by Member States that incremental extra-budgetary support costs exceed reimbursements is a recognition of the relative centrality, and direct benefits, of the extra-budgetary activity to the mandated programme. The principle that support-cost rates should be differentiated by type of activity, conditionality and volume of resources coincides with existing ILO practice on exceptions or special arrangements. However, the recommendation seems to be hinting at something much broader than existing ILO practice, but neither the report nor the recommendations give much guidance as to how the agencies should proceed.

46. The requirement in the ILO's Financial Regulations prohibiting the use of core funds for purposes not provided for in the approved programme and budget is very broad in its application. The setting of support-cost rates within the framework that has been established over the years by the UN, the UNDP, and debated in the Governing Body, provides sufficient mandate for the Director-General to establish and apply exceptional rates as appropriate. There is no need to return to the Governing Body at this stage.

Recommendation 10

In implementing new extra-budgetary support-cost policies and rates established along the lines indicated in recommendation 9 above, executive heads should give careful prior consideration to the effect of these changes upon support-cost income, ensuring that a larger proportion of the costs associated with supporting extra-budgetary activities does not fall upon core resources. Any reduction in support-cost income due to reduced support-cost rates should be offset in principle through the achievement of more efficient administrative services.

47. The Director-General is committed to maximizing efficiency in the delivery of administrative and operational services, as evidenced by successive reductions in the budgets of administrative units. The ILO is committed to ensuring that a larger proportion of the costs associated with supporting extra-budgetary activities does not fall upon core resources.

Recommendation 11

48. This recommendation is addressed to the CEB.

Recommendation 12

Legislative organs should continue to monitor overall administrative and other support expenditures and to review these components in the budgets of United Nations system organizations. In doing so, Member States should ensure that administrative and other support requirements in core budgets do not increase in proportion to overall core resources.

49. This is a welcome recommendation, and it confirms the views of the UN system finance community. Support costs are a common system issue and should be discussed and negotiated with a view to obtaining a common approach. This requires a coordinated effort between technical and financial representatives. It would be helpful to have a very strong and firm recommendation to all agencies that their policies must be harmonized and that this should be overseen by specific CEB machinery, within a specified timetable. Otherwise, this recommendation risks being ignored by those agencies that are benefiting from the lack of coordination within the UN system.

(e) "Extension of water-related technical cooperation projects to end-beneficiaries: Bridging the gap between the normative and the operational in the United Nations system (case studies in two African countries)"
(JIU/REP/2002/4 and A/57/497/Add.1)

50. None of the recommendations in this system-wide report are applicable to the ILO.

(f) "Reform of the administration of justice in the United Nations system: Options for higher recourse instances"
(JIU/REP/2002/5 and A/57/441/Add.1)

51. The objective of the report is to consider "the possibility of establishing a higher instance in respect of the binding decisions of the two main international administration jurisdictions, namely, the International Labour Organization Administrative Tribunal (ILOAT) and the United Nations Administrative Tribunal (UNAT) ...". The report lists the internal recourse procedures in several UN agencies, including the ILO. The second section provides views of selected UN organizations regarding the JIU's proposal to institute a second tier recourse to the Administrative Tribunals.

52. The members of the CEB found the report a useful compilation of the issues related to the provision of options for higher recourse instances as part of the reform of the internal administration of justice in the UN system. They believe that any reform should take into account the needs of the UN system organizations without compromising the importance of adequate mechanisms for the swift and fair administration of justice.

53. The ILO emphasized to the CEB that the ILOAT serves many organizations that do not belong to the UN system. The JIU inspectors did not appear to have considered this when formulating their recommendations.

Recommendation 1

Every effort should be made to ensure the independence of all bodies concerned with the administration of justice; whenever appropriate, organizations might wish to consider establishing independent offices grouping all bodies and institutions dealing with the administration of justice, as recommended by the Inspectors for the United Nations.

54. As the JIU report notes, the ILO has reviewed its grievance procedure and established an independent ombudsperson, as well as a permanent Joint Panel, presided over by a jurist from outside the ILO.

Recommendation 2

(a) The organizations' capacity for informal conciliation, mediation and negotiation should be strengthened. Every organization that has not yet done so is encouraged to establish an independent, central ombudsman function performed by a senior official appointed by the executive head, in consultation with the staff representatives, for a single, non-renewable five-year term. This function should be complemented, at every major duty station, by a person or a panel responsible on a part-time basis for informal conciliation, mediation and negotiation functions under the overall guidance and supervision of the ombudsman.

(b) Following the example of certain judicial instances in the Member States, the ILO Administrative Tribunal and the United Nations Administrative Tribunal should be enabled to mediate between parties. This power should be expressly attributed to the tribunals so that, whenever deemed appropriate, they may resort to conciliation to resolve disputes, particularly those where no major legal issues are involved.

55. The ILO has established the office of an ombudsperson and this matter is dealt with adequately in the JIU report. There does not seem to be sufficient justification to introduce a uniform five-year non-renewable term for all organizations involved.

56. As noted in the report, the ILO has established a grievance procedure which contains elements promoting mediation. As this procedure is still in an experimental stage, it is not yet clear to what extent it will be effective in "preventing litigation". However, the ILO would not agree that the ILOAT should perform a mediation function. The purpose of the ILOAT is dispute resolution by judicial means. To extend the Tribunal's mandate in the way suggested would not only necessitate a complete revision of its Statute but would call into question the system of the Tribunal's holding two sessions a year and the notion of part-time judges, and would have significant cost implications. There should not be confusion between adjudicatory and mediation bodies. The function of the Tribunal, crucially the body that makes final decisions, is fundamentally adjudicatory. The ILO does not accept this part of the recommendation.

Recommendation 3

In considering the desirability of eventually merging the ILO Administrative Tribunal and the United Nations Administrative Tribunal, the competent legislative organs of the United Nations and ILO may wish to require the harmonization of the statutes and working procedures of the two tribunals in question, with special emphasis on the procedures for selecting their members, their competencies and

jurisdictions as well as case laws; a detailed timetable for such a merger should be developed by the two tribunals in consultation with their participating organizations as appropriate.

57. Some 20 years ago the ILO and the UN embarked on a study of the feasibility of the harmonization of the Statutes of the two Administrative Tribunals. Following a significant investment of time and resources, the UN General Assembly in November 1989 postponed indefinitely any further consideration of this question.

Recommendation 4

(a) **Adopt as a general operating principle the practice of accepting the unanimous recommendations of these bodies, without prejudice to the authority of the executive heads in the discharge of their administrative responsibilities.**

(b) **Publish annual reports containing summarized information on the number and nature of the cases heard before joint appeals boards, joint disciplinary committees and similar advisory bodies, as well as general statistics on the disposition of such cases; the confidentiality of their proceedings should be preserved.**

(c) **Give appropriate consideration to the holding of oral hearings before all appellate bodies when these hearings could contribute to the settlement of disputes and expedite the disposition of cases.**

58. The ILO believes that, notwithstanding any recommendations provided to the Director-General through the grievance procedures, it is only correct that the Director-General retain the authority to make a final decision, which would then be subject to the competence of the ILOAT. To bind himself in advance to follow a recommendation from the grievance procedure would in itself constitute an abandonment of his duty which could be considered as a violation of article 8(1) of the ILO Constitution.

59. With respect to oral hearings in internal proceedings it should be the review body itself which decides in each case if they are appropriate. Otherwise, any attempt to impose it could be interpreted as a limitation on their independence.

Recommendation 5

The General Assembly may wish to request the Sixth Committee to study the desirability of establishing an ad hoc panel that would be responsible for reviewing the judgements of the existing two tribunals or a future single tribunal (see recommendation 3 above); the panel in question could include the following features:

(a) **it should be composed of a Chairperson designated by the President of the International Court of Justice and two members designated one each by the Presidents of the ILO Administrative Tribunal and United Nations Administrative Tribunal/legislative bodies of the International Labour Organization and the United Nations. The persons proposed to serve on this ad hoc panel should be eminent jurists, internationally recognized. Their term of office shall not exceed that of the members of the tribunals. A screening procedure should be established to avoid that this panel becomes inundated with unfounded appeals;**

(b) **applications for review of the judgements of the tribunals may be founded on the following criteria: first, that the tribunal has exceeded its jurisdiction or**

competence; second, that the tribunal has failed to exercise jurisdiction vested in it; third, that the tribunal has erred on a question of law relating to the provisions of the United Nations Charter; fourth, that the tribunal has committed a fundamental error in procedure which occasioned a failure of justice; and fifth, that the tribunal has deviated substantially from its jurisprudence;

(c) the determinations and conclusions of the ad hoc panel shall be binding on the executive heads of the organizations and on the tribunals. The ad hoc panel shall not reopen the procedure but only review, as appropriate, a judgement, so that the tribunal that has issued it shall confirm or revise it in the light of the ad hoc panel's determinations and conclusions.

60. This issue is not new and is again under discussion in the ILO and the other organizations having accepted the jurisdiction of the ILOAT. However, as noted by the JIU, the Administrative Committee on Coordination (ACC) only in 2001 took note of a recommendation of the Legal Advisers of the UN system that the introduction of a second-tier appellate mechanism should not be further pursued. Moreover, the JIU raises the fundamental issue of a "screening procedure" without offering guidance as to how this could be achieved.

Recommendation 6

The executive heads of the organizations should ensure collaboration with the staff associations in the development of comprehensive legal insurance schemes covering legal advice and representation for staff in these procedures, on the understanding that the organizations shall contribute towards these schemes only until such time as they are self-financing.

61. The ILO does not see how such schemes could ever be "self-financing".

(g) "United Nations system revenue-producing activities"
(JIU/REP/2002/6 and A/57/707/Add.1)

62. The objective stated in the report's Executive summary is to "review United Nations system policies and practices relating to revenue-producing activities with a view to establishing a coherent policy framework for these activities and improving their management efficiency and effectiveness".

63. In general, the members of the CEB regard the report as informative, and it serves as a useful overview of the policy frameworks and prevailing practices for undertaking revenue-producing activities in the various organizations of the UN system. They find the recommendations relevant in enhancing the revenue-producing activities, although some could have been more specific regarding the means of implementation.

64. The ILO does not believe that the level of sales is the only or necessarily the best measure of the effectiveness of the Organization's publications. The ILO maintains a substantial and very important free distribution policy to its core mandate of employers' and workers' organizations, and developing country governments. While it is true that most of ILO revenue from publication sales comes from select high-income countries, and that sales might therefore reflect a broader interest in ILO material, the value of the technical material contained in the publications and sent free of charge to its core mandate could not be valued.

65. The ILO continues to review its publications and information management policies to ensure that the first objective of information dissemination is maximized while maintaining a coherent and comprehensive policy on promoting ILO publications to a target audience in high-income developed countries who can afford, and who actively seek, information on the work of the ILO.

A.   Recommendations to the United Nations

66. The first five recommendations of the report are addressed to the UN only, not the ILO.

B.   Recommendations to all the organizations

Recommendation 6

Policy objectives

The competent legislative organ of each organization should further strengthen, within a coherent policy framework, existing directives for revenue-producing activities, including, inter alia, the following objectives:

(a)   **to promote the legislative mandates and global public image of the organization while also maximizing revenue, where appropriate, for the discretionary allocation of the Member States;**

(b)   **to ensure the long-term financial sustainability of the activities through the reinvestment of an appropriate percentage of their proceeds in the organizational and author units directly concerned (to support their enhanced information technology needs, further research and development, production and reproduction, as well as marketing and sales efforts); to that end, self-financing mechanisms, such as special revolving funds, should be established where non-existent at present, and some flexibility may be given to the services concerned to mobilize their own resources, in kind or cash, from public and private sources to meet their needs for start-up capital, working capital, or operational reserves, in keeping with the financial regulations and rules of each organization;**

(c)   **to encourage organizational creativity and performance measurement based on financial results;**

(d)   **to tap the financial benefits of intellectual property protection rights;**

(e)   **to strengthen the comparative advantages of each organization concerned;**

(f)   **to adhere to ethical standards consistent with United Nations system values and the ethical framework existing in each organization for cooperation with the international business community (paragraphs 56-61).**

67. The ILO agrees that publications can be used to promote the legislative mandate and global public image of the organization, while also increasing revenue (recommendation 6(a). These goals are mutually consistent. The ILO's Bureau of Publications is pursuing the former through making texts fully browsable on the Internet, developing low-cost or no-cost means of disseminating publications to poor countries, and tapping "the financial benefits of intellectual property rights protection" (recommendation 6(d)), while currently

undertaking a complete re-examination of the way it markets and sells ILO publications, with a view to turning around the recent decline in revenues. The ILO has operated a special Publications Revolving Fund (PRF) (recommendation 6(b)) for many years now, the revenues from which support most of the editorial and production costs and all the marketing sales efforts at headquarters and in the field.

Recommendation 7

Increasing revenue from publications

The executive heads of the organizations should, where this is not already the case, aim to increase revenue from publications by raising the visibility of their publications programmes in terms of budgets and staff allocations while also taking into account best practices mentioned in this report, and introducing the following measures, inter alia:

(a) **achieving a more judicious balance, as may be determined by each organization, between free distribution (including free access over the Internet) and paid distribution of publications;**

(b) **further expanding the geographical coverage of marketing and sales operations;**

(c) **more widely promoting licensing rights for translations and the reproduction of low-cost local editions, especially in the developing countries;**

(d) **holding, on a more regular basis, and at different duty stations, existing informal inter-agency meetings of the heads of publications programmes in the context of the annual Frankfurt Book Fair, and focusing the agendas of these meetings on the sharing of best practices in publishing and marketing activities, including cost and royalty issues relating to co-publishing activities;**

(e) **establishing common printing services wherever appropriate as outlined in this report, especially with a view to combining limited resources to upgrade plant capacities and technologies for processing high-quality or special printing tasks now generally outsourced to commercial printers (paragraph 103).**

68. While supporting the aim to increase revenues from publications, the International Maritime Organization benchmark revenue target of 16.8 per cent of regular budget is unrealistic for the ILO. Currently, the percentage of publications revenue posted by the ILO has fallen below the 0.8 per cent mark in 1998-99. While the ILO supports the call in recommendation 7(a) for further expansion of the geographical coverage of marketing and sales operations and the wider promotion of licensing rights, it does not agree that this necessarily implies a more measured approach to the free distribution of publications as stated in the report. It is clear, however, that free distribution is paid for, with the costs either carried on the regular budget or subsidized by the revenue from the sale of publications. As regards periodic meetings of the heads of publication programmes (7(b)), this has already been instituted. Every year, prior to the start of the Frankfurt Book Fair, the heads, together with marketing and sales officers, meet to examine best practices in the production, marketing and sale of publications. Last year the ILO was invited to prepare the agenda and chair the meeting.

Recommendation 8

Public information products

> **In order to generalize policies and practices already existing in some organizations, the executive heads should identify, among the public information materials of their respective organizations, those products with marketable value, especially audio-visual productions, that could be purposely developed for the twin objectives of advocacy and income-generation, without prejudice to the free distribution of all other public information materials (paragraphs 104-106).**

69. This recommendation points to the need to identify public information materials with marketable value, especially audio-visual productions. Last biennium the Bureau of Publications began to identify videos that could be marketed and sold. Videos represent a product line whose production, marketing and sale could be reinforced.

Recommendation 9

Electronic databases and related products

> **(a) The organizations should emulate best practices by the United Nations and the International Civil Aviation Organization (ICAO) in the online marketing of their databases, and may also give consideration, as appropriate, to the Food and Agriculture Organization of the United Nations (FAO) formula of free, but limited, public access, and paid unlimited access to electronic databases.**
>
> **(b) Similarly, the organizations should adopt to the extent feasible the United Nations Industrial Development Organization (UNIDO) Computer Model for Feasibility Analysis and Reporting (COMFAR) in the development and marketing of software programmes that promote their mandates and generate income in the process (paragraphs 107-112).**

70. Electronic dissemination will become an increasingly important component for publishing and promoting an organization's material. The ILO would wish to examine innovative ways to make its databases more accessible, both in terms of paid subscriptions but also as part of a free service. Drawing on the experience of the OECD and its electronic "*SourceOECD*" service, the ILO, in partnership with a commercial information library supplier, is developing a searchable electronic ILO "library". The service will be sold to libraries and institutions principally in high-income countries, and discounted or offered free of charge to other countries, depending on their level of development, as defined by the World Bank International Country Classification. While there might be some value in developing computer models that promote an organization's mandate, the ILO has no current plan to pursue this suggestion, preferring to use media communication and public relations strategies to bring the mandate of the ILO to a broader audience and the general public.

Recommendation 10

Procurement for third parties

> **(a) The executive heads of the organizations should, where necessary, introduce and sustain measures designed to strengthen and maintain their respective comparative advantages in the international procurement of goods and services along the lines set forth in this report.**

(b) **In order to financially support, albeit partially, the objective of recommendation 10(a) above, the organizations should study the desirability of charging appropriate bidding or registration fees to private sector entities submitting proposals to tender for the organizations' procurement and outsourcing contracts (paragraphs 113-115).**

71. This is a good idea in that the suppliers partially cover costs. The ILO used to charge companies $50 to $100 to bid, but stopped this practice as it was too cumbersome to administer. It would be necessary to find an easier way to implement the system.

Recommendation 11

Research and development (R&D) in science and technology

72. This recommendation is addressed to the CEB.

Recommendation 12

Substantive training and public lectures

(a) **The executive heads of the organizations should consider extending or establishing substantive training and public-lecture programmes for non-state actors on a fee-paying basis, with a view to promoting policy and technical dialogue and other forms of interactions with civil society.**

(b) **The potential and cost benefits should also be studied of fee-paying courses which some organizations might wish to offer over the Internet or otherwise on subjects related to their core competencies, in partnership or not with credit-granting educational institutions (paragraphs 121-123).**

73. As noted in paragraph 20 above, some civil society organizations could be involved in ILO training activities, it being understood that they would finance their participation.

Recommendation 13

Reinforcing the marketing function

The executive heads should ensure that the marketing and sales functions for revenue-producing activities in their respective organizations are reinforced as follows:

(a) **the conduct of periodic market research studies, particularly for publications, as may be appropriate for each activity;**

(b) **except for price discounts in the developing countries, the pricing of activities should be guided by a mark-up pricing method and the cost to be considered should include both direct and overhead cost elements of the activity unit concerned, subject to (c) below;**

(c) **the subscription fees for databases online should be guided by a value-pricing method that takes into account their generally exclusive nature, demand potential and the income brackets of the customer segments concerned; the fee-discount policy for favoured user groups should be harmonized; and fee rates should differentiate between institutional and individual customers;**

(d) the further strengthening of cooperative strategies and mechanisms for distribution and sales services, especially for publications and gift items, including cross-selling of one another's products on a voluntary basis, and extending distribution and sales networks in the developing countries. To that end, full use could be made of United Nations system field offices (paragraphs 124-127).

74. In terms of point (a), the ILO agrees that the more complete and comprehensive the market information for a specific title, the more likely it will be to reach the intended audience and expand market penetration. The ILO *Book proposal form* sent to author units includes a section that requires a substantive response concerning the market potential, size and composition of the target audience of the manuscript, including a review of the subject matter by other technical specialists, a review of existing publications in the subject area, and why the proposed manuscript fulfils a need in the technical domain. The marketing strategy is developed as a result of this information. The ILO is examining, with a view to adopting as best practice, the approach used by the World Bank which classifies all publications into three distinct categories, each with individual but clearly defined editorial and production input, and each with a predetermined marketing and sales component which emphasizes the marketability of the titles.

75. The inclusion of both direct and overhead cost elements in a mark-up pricing method to determine the price of a title or subscription products increases the risk that the product is priced beyond the market's potential to pay, not only reducing sales but, by inference, adversely affecting dissemination (recommendations 13(b) and (c)). Recognizing that the main objective of a publications policy is dissemination of information, not revenue generation, the ILO would wish to avoid a situation where major research and analytical projects were disadvantaged compared to individual and less costly research initiatives. The ILO will continue to price its products on a value-pricing method that incorporates at least the editorial, production, and sales and marketing cost elements. Final pricing will continue to be based as well on comparative product pricing in the market segment targeted. A comprehensive but simple discount policy is used to adjust prices in countries classified into low and lower middle-income countries and upper middle-income countries. There is no currency discount in high-income countries. Individual versus institutional rates are being implemented.

76. The ILO uses its own extensive network of field offices to disseminate its publications but agrees that strengthening cooperation and coordination between UN agencies could further enhance overall dissemination (recommendation 13(d)). The ILO is moving progressively toward more open and frequent contact with sister organizations not only in terms of promotional efforts but also in terms of cross-selling of the others' products.

(h) "Managing information in the United Nations system organizations: Management information systems"
(JIU/REP/2002/9 and A/58/82/Add.1)

77. The objectives stated in this report are to review the UN system organizations' experience in implementing management information systems (MIS) as well as to provide a set of guidelines to strengthen information management and improve the design and implementation of MIS as effective management tools.

78. The members of the CEB concur that the report provides a good overview of the experience in management systems in the UN system, although some of the information may already have been overtaken by subsequent developments. CEB members generally

agree that while there may be room for MI standards in terms of policy and procedures in certain managerial areas, UN system organizations have very specific mandates and that in those domains, standardization across the system may not prove beneficial.

Recommendation 1

> *Legislative organs* **should request the executive heads of the United Nations system organizations that have not yet done so to prepare and submit, for review and appropriate action, a comprehensive strategy for information management/MI systems (including indication of required resources for development and implementation), with due regard to a full introduction of a results-based management approach (paragraphs 12, 14, 15, 17, 23, 24, 27, 28, 30 and 31).**

79. This recommendation is reflected in an Enterprise Resource Planning Project, which has been implemented in the ILO under the name of Project IRIS.

Recommendation 2

> *Legislative organs* **should request the executive heads of the United Nations system organizations that have not yet done so to take the following measures (paragraphs 17 and 18):**

(a) **designate/appoint a senior official to serve as Chief Information Officer (CIO). The Chief Information Office would have the functions indicated in subparagraphs (i), (ii), (iii), (iv) and (v) below. Depending upon organization-specific circumstances, however, the CIO functions could be performed by an appropriate unit or, in the case of small organizations that cannot afford a CIO, by a senior official with organization-wide coordinating responsibilities as well as some IT knowledge:**

> (i) **keep the organization's information management strategy and IT in alignment with its corporate business plan;**

> (ii) **ensure that information management policies and standards are strictly followed and that the IT infrastructure is well managed;**

> (iii) **ensure that key decision-makers on both substantive and administrative matters have proper and timely information;**

> (iv) **facilitate developing and maintaining a culture for improving information management in the organization by exploring new technological possibilities as required;**

> (v) **seek compatibility, to the extent possible, of MI systems-related policies and practices with those of other organizations in the United Nations system, and represent the organization in the inter-agency meetings and consultations (see recommendation 5(1));**

(b) **in the context of (a) above, the CIO or the official (including the chief of "an appropriate unit") who has CIO functions should report directly to the executive head or, if so warranted in view of the size of an organization, to the deputy executive head in charge of programmes.**

80. This recommendation first came out of the now defunct ISCC (Information Systems Coordination Committee) in 1997, but received a lukewarm reception from the

organizations of the UN system. It would appear that only a handful of organizations have created the post of CIO, with the majority, including the ILO, after some consideration, deeming it to be inappropriate for their environment. However, the ILO does have a cross-sectoral Information Technology Advisory Committee, chaired by the Treasurer, which coordinates many of the functions proposed for a CIO.

Recommendation 3

Legislative organs **should request the executive heads:**

(a) **to take, insofar as they have not yet done so, the following steps prior to introducing and/or developing a new MI system (paragraphs 16, 22, 24, 26, 28-31, 34, 37, 40 and 41):**

    (i) **streamline existing work processes, procedures and practices in such a way as to support results-based management, and identify functional requirements for meeting their mission-critical objectives on the basis of streamlined work processes/procedures/practices, with due consideration of a possible outsourcing of support functions such as payroll, accounting etc. (see recommendation 5(1)(c));**

    (ii) **establish a plan for integrating various management systems (such as financial and human resources management systems), with a view to introducing/developing an integrated and organization-wide management information system, such as ERP;**

    (iii) **carry out an in-depth review of the functionality that ERP applications can provide, and make a cost-benefit analysis of various options available to each organization (such as developing in-house sharing services with other United Nations entities, and buying a commercial package, including the possibility of changing procedures to adapt to the best industry practices rather than "customizing" commercial products to adapt to the requirements of the organizations), bearing in mind the need, to the extent possible, for inter-agency cooperation and coordination (see recommendation 5);**

(b) **to report, for review and appropriate action, on the measures taken on the above, and, on a regular basis, on the progress made in MI system project implementation.**

81. Regarding each point in part (a) of the recommendation:

(i) Project IRIS has worked closely with users to develop and implement streamlined processes, procedures and practices. Other initiatives in the Office (notably Strengthening Management for the Delivery of Results) are also focused on streamlining and modernizing procedures. Project IRIS is also working closely with the Bureau of Programming and Management to support results-based management and other mission-critical systems.

(ii) The ILO plans to implement a fully integrated ERP system covering all core areas of finance and human resource development.

(iii) The ILO carried out an in-depth assessment of ERP packages and involved approximately 80 users from around the Office in the evaluation of the final three vendors short-listed for selection. A guiding principle of project IRIS is to change

procedures to adapt to best industry practices wherever possible. Customization has only been allowed where it has been necessary to conform to unique UN or ILO requirements in such areas as payroll, multi-currency accounting, and strategic budgeting. The ILO continues to be in regular contact with other UN and international agencies and has benefited greatly from sharing experiences and lessons learned (including FAO, WFP, UNDP, WMO, WHO, ICAO, WTO and OSCE).

82. As regards recommendation 3(b), the Office reports progress on the ERP project to each session of the Governing Body, and an extensive internal governance and project management structure is in place.

Recommendations 4 and 5

83. These recommendations are addressed to the UN Secretary-General in his position as Head of the CEB.

(i) "Evaluation of United Nations system response in East Timor: Coordination and effectiveness" (JIU/REP/2002/10 and A/58/85/Add.1)

84. The JIU states that the objective of this report is to evaluate the UN system response in East Timor in order to derive lessons learned to improve UN organization coordination, and take full advantage of the impact and effectiveness of operations in emergency and post-conflict situations.

85. The members of the CEB found the report's analysis of the essential components of the UN system response in East Timor useful, especially the information on the capabilities of the UN system organizations for emergency operations, and for coordination and effectiveness during emergency situations. The CEB members note that many of the recommendations concern actions that have already been taken, thus rendering them slightly misleading and outdated.

86. Of the recommendations in the report, only numbers 5 and 6 are system-wide and addressed to organizations such as the ILO.

Recommendation 5

The legislative organs of participating organizations may wish to encourage the executive heads of their respective organizations to make more use of the Consolidated Appeal Process (CAP) as a planning and programming tool, and to enhance their organizations' capacities to achieve this, in the framework of the ongoing efforts within IASC to strengthen the CAP as a tool for strategic planning and coordination.

87. This recommendation may need reviewing in the light of the Berne meeting on CAPs for 2003, held late November 2002.

Recommendation 6

The legislative organs of those participating organizations that have not yet done so may wish to support the establishment of an emergency revolving fund in their respective organizations.

88. The important issue regarding funding is that the ILO is not a donor agency and it needs to mobilize funds for its various interventions.

(j) "Implementation of multilingualism in the United Nations system"
(JIU/REP/2002/11 and A/58/93/Add.1)

89. The objective stated in the beginning of this report is "to assist legislative bodies and secretariats in their efforts to address the challenges of maintaining and improving the multilingual content of services required by the universal character of UN system organizations".

90. The members of the CEB generally concur with the report's findings and conclusions, and in principle accept the recommendations. The guidelines for reviewing the status of multilingualism in the respective organizations as well as the possible courses for action were found useful. The concept of a shared responsibility by the Member States with the secretariats to improve multilingualism was also appreciated.

Recommendation 1

On the basis of data to be submitted by secretariats indicating for each language the level of language services being currently provided in relation to meetings and for the dissemination of information, legislative bodies may wish to review and clarify the status of the different languages used in their organization so as to provide further guidance on Member States expectations thereof, along the following principles:

(a) within the framework of applicable rules governing the use of languages, the prime objective of language arrangements for any meeting should be to provide to all participants an equal opportunity to contribute to the legislative process or to the formulation of the meeting's outputs as the case may be;

(b) for meetings of governing bodies and other intergovernmental meetings, language arrangements as called for in the rules of procedure should be strictly adhered to, unless otherwise decided by the membership; when secretariats are unable to provide pre-session documents in all prescribed languages for reasons beyond their control, they should exceptionally submit such documents temporarily in abridged format or executive summary in the concerned languages within the established deadlines;

(c) other categories of meetings such as expert group meetings or seminars should be organized taking into account the language proficiency of those called upon to attend;

(d) while languages used for the dissemination of information should aim at outreaching to the largest extent possible targeted audiences in the framework of the mandate of each organization, their scope should include all languages normally used by each organization, due regard being given to those applicable at field level.

91. The ILO agrees in principle with the recommendation. In practice, the ILO operates for both translation and interpretation with seven working languages, encompassing three official languages. With the agreement of the Governing Body, priority is given to the three official languages (English, French and Spanish). Every effort is made with respect to

the other four. By separate funding arrangement, it organizes interpretation in two additional languages on a needs basis determined by respective clients.

92. In respect of documents and in particular Governing Body documents, the ILO must make a judgement call as to the appropriateness of releasing some language versions earlier than others, or holding until all language versions are released simultaneously, thus giving recipients less time to consider them. It is not always practical or feasible to produce abridged or summarized versions of late documents for distribution on time with other completed documents. To do so would inevitably make the final document even later. The practice has developed and appears to have been accepted that documents will be posted on the Web as soon as they are available in any particular language so as to be accessible to participants with the target being to release all of the printed versions together on time.

93. In organizing experts' meetings, whilst participants should be selected to ensure an appropriate spread of input, financial reality requires more attention to achieving that with a minimum number of language requirements.

Recommendation 2

As part of their reporting on the use of languages, executive heads should submit to their governing bodies information on the status of languages used for work within the secretariat and, in that connection, they should indicate:

(a) the requirements for establishing an enabling environment to foster the strict application of rules concerning the use of mandated working languages, including the availability of databases and research tools;

(b) the implications of using or not being proficient in a de facto working language in terms of recruitment policies and career development;

(c) the extent to which other languages are used by staff from all duty stations to perform their official functions and incentives which may be provided to that effect.

94. Regarding incentives for multilingualism, measurable performance standards need to be reinforced and emphasized.

95. In order to project the ILO's international character and ensure an honest and equitable selection of candidates, particularly from among developing countries, the importance of using a de facto working language in terms of recruitment policies and career development should be emphasized.

Recommendation 3

For the sake of transparency and to give every candidate as fair a chance as possible of winning a post, heads of secretariats should ensure:

(a) that the rules as to the languages which it will be considered essential or advantageous for candidates to know are uniform and take into account the linguistic requirements of the post in question;

(b) that the mother-tongue requirement is, where appropriate, replaced by a principal-language-of-education requirement;

(c) **that posts in the Professional category and above are classified by the language requirements they entail and that the classification is reflected in the periodic reports on human resources management or the composition of their secretariat that they submit to their governing bodies;**

(d) **that, in accordance with the rules on the use of languages within the secretariats, the possibility of early access to vacancy announcements via the Internet does not give any language group an unfair advantage; to that end, and save in exceptional circumstances to be justified by the recruitment unit, all vacancy announcements should be issued simultaneously in, as appropriate, at least two of the secretariat's working languages or two of the organization's languages;**

(e) **that candidates who do not have access to the Internet are able to consult vacancy announcements and submit job applications online at the organization's local office or the office of the United Nations system's Resident Coordinator.**

96. The important point of this recommendation is to offer all candidates the same opportunities to apply for vacant posts and to encourage the participation of candidates with the proper linguistic capabilities that match the language capacities required in the position.

Recommendation 4

Heads of secretariats are invited to ask evaluation and/or internal monitoring bodies to include in their programmes of work for 2004:

(a) **a comprehensive inventory of staff's language skills, an evaluation of language-training programmes in terms of their contribution towards their stated aims and a report in the most appropriate form to governing bodies on those activities;**

(b) **a survey both internally and among the beneficiary countries most directly concerned in order to check, particularly when a beneficiary country's official language is not the secretariat's usual working language or a language known to project implementation officers, that the level of language skills in relevant departments does not delay the approval and efficient implementation of projects.**

97. An inventory of language skills among staff would aid in targeting the needs and objectives of language programmes in a multicultural professional setting. As regards the delays in the approval of projects, it is important to not only take into consideration the linguistic capabilities but also many other aspects not covered by this report.

Recommendation 5

As appropriate, executive heads should undertake a survey to better assess user satisfaction with the services provided in different languages in the context of meetings and for the dissemination of information; targeted groups for such a survey should include not only linguistic groups of Member States, but also representative groups of NGOs and accredited representatives of news media.

98. The ILO is already undertaking informal surveys of customer satisfaction and is working towards formalizing the same. It is important to identify the users and their needs to ensure that they are sufficiently broad-based and represent different purposes: translation or interpretation for meetings and conferences, or communication for public information.

Recommendation 6

> **In order to maintain or improve the quality and multilingual content of outputs provided in the different languages of the organizations:**
>
> **(a) executive heads should keep under constant review the workloads and other working conditions of language units and take required corrective measures within their prerogative while submitting to their governing bodies other issues requiring their consideration, guidance or decision;**
>
> **(b) governing bodies may wish to reassess their needs for recurring documentation and to reconsider current provisions related to the submission of documents originating from Member States in order to supplement efforts made by secretariats towards the overall reduction of documentation and their timely submission.**

99. The need for identifying success standards and evaluation criteria/measures for each functional unit on what constitutes quality translation or interpretation work has not been satisfactorily addressed or stressed in the report (reference has been made to benchmarking WIPO standards). These should be identified first in order to move forward on improving quality.

100. The ILO is in the process of developing a note to all member States reminding them of the desirability to submit all material in one of the seven ILO languages.

Recommendation 7

> **Legislative bodies may wish to:**
>
> **(a) decide that, as a matter of policy, the regular budget should be the prime source of funding to support efforts aimed at reducing current imbalances in the use of languages, in conformity with approved resolutions and decisions;**
>
> **(b) request that, for future budget cycles and through appropriate consultations with Member States, executive heads should submit in the proposed programme budget predefined objectives for improved multilingualism and expected results derived from phased priorities, due regard being paid to all opportunities for partnerships and from extra-budgetary sources of funding;**
>
> **(c) request executive heads to indicate in particular in their budget proposals the languages in which planned publications will be issued as well as languages in which information materials will be posted on the different web sites; in that connection, they should demonstrate that languages and related resources used for these outputs are linked to the attainment of expected accomplishments;**
>
> **(d) to monitor progress made when considering either specific reports on multilingualism, or reports on programme performance in which pertinent indicators should be included.**

101. The use of extra-budgetary funds to finance translation is interesting, but would appear difficult to implement. Reduction of volume of documentation, making papers more concise and focused could be established as an important goal in this context, which could be facilitated through extensive training on effective writing and drafting skills for authors of Governing Body documents.

Recommendation 8

Executive heads should encourage or continue to encourage their staff and particularly their senior staff to foster a cultural change within secretariats by making fuller use of their linguistic capabilities which should be translated into more visible indicators in the workplace.

102. Reinforcing a culture to foster multilingualism in the different functional units is to a large extent dependent on the commitment of functional and executive heads, whether they actively encourage their staff members, and what importance they give to their developmental efforts.

Recommendation 9

103. This recommendation is addressed to the UN Secretary-General, as Chairman of CEB, and not the ILO.

Geneva, 25 September 2003.