



EIGHTH ITEM ON THE AGENDA

**Programme and Budget proposals
for 2006-07****Director-General's proposals for adjustments
to the Programme and Budget proposals for
2006-07**

1. Attached are two appendices summarizing the proposed adjustments to the original proposals and the revised budget totals resulting from these adjustments.
2. Appendix I details the adjustments to the budget in constant dollars. There is a net reduction of \$17,104,292 compared to the initial proposals.
3. Appendix II summarizes the revised proposals taking account of the absorption of cost increases and the programme adjustments indicated in Appendix I. The net effect of these adjustments is to reduce the nominal level of the proposals by \$23,270,598 from \$591,860,537 to \$568,589,939.
4. The Director-General will present his explanation of these adjustments prior to their discussion by the Committee.
5. *The Committee may accordingly wish –*
 - (a) *to propose that the Governing Body recommend to the International Labour Conference at its 93rd Session (June 2005) a provisional programme level of \$568,589,939, estimated at the 2004-05 budget exchange rate of 1.34 Swiss francs to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference;*
 - (b) *to submit to the Governing Body for proposal to the Conference at the same session a resolution for the adoption of the programme and budget for the 70th financial period (2006-07) and for the allocation of expenses among member States in that period in the following terms:*

The General Conference of the International Labour Organization, in virtue of the Financial Regulations, passes for the 70th financial period, ending 31 December 2007, the

budget of expenditure for the International Labour Organization amounting to \$..... and the budget of income amounting to \$....., which, at the budget rate of exchange of Swiss francs to the US dollar amounts to Swiss francs....., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.

Geneva, 16 March 2005.

Point for decision: Paragraph 5.

Appendix I

Adjustments to the Operational Budget

	Revised budget 2004-05	Budget proposals 2006-07	Proposed adjustments	Revised Budget proposals 2006-07
(in constant 2004-05 US \$)				
PART I				
Policy-making Organs				
International Labour Conference	11 863 443	10 110 203	250 000	10 360 203
Governing Body	4 795 632	4 770 632	-	4 770 632
Major Regional Meetings	615 467	783 118	-	783 118
Legal Services	2 734 660	2 597 927	(16 700)	2 581 227
Relations, meetings and document services	45 069 591	42 816 111	(246 867)	42 569 244
	65 078 793	61 077 991	(13 567)	61 064 424
Strategic Objectives				
Technical Programmes				
Standards and Fundamental Principles and Rights at Work				
Fundamental Principles and Rights at Work	6 330 491	6 075 397	(33 500)	6 041 897
International Labour Standards	19 731 815	18 986 242	(110 064)	18 876 178
Executive Director's Office and Central Support	1 776 413	2 100 993	(10 073)	2 090 920
Regular budget technical cooperation	1 288 424	1 288 424	-	1 288 424
	29 127 143	28 451 056	(153 637)	28 297 419
Employment				
Employment Strategy	11 884 722	11 492 166	(62 299)	11 429 867
Skills, Knowledge and Employability	6 388 447	6 215 635	(34 528)	6 181 107
Job Creation and Enterprise Development	12 725 043	12 329 304	(69 168)	12 260 136
Executive Director's Office and Central Support	5 185 367	5 278 757	(27 850)	5 250 907
Regular budget technical cooperation	2 102 040	2 102 040	-	2 102 040
	38 285 619	37 417 902	(193 845)	37 224 057
Social Protection				
Social Security	8 747 725	8 548 548	(54 276)	8 494 272
Labour Protection	14 624 857	14 291 866	(83 675)	14 208 191
HIV/AIDS and the World of Work	1 282 995	1 253 783	(7 826)	1 245 957
Executive Director's Office and Central Support	1 504 984	1 429 739	(7 883)	1 421 856
Regular budget technical cooperation	1 160 607	1 160 607	-	1 160 607
	27 321 168	26 684 543	(153 660)	26 530 883
Social Dialogue				
Employers' Activities	4 228 606	4 177 863	(26 410)	4 151 453
Workers' Activities	10 694 733	10 566 396	(58 032)	10 508 364
Social Dialogue, Labour Law and Labour Administration	7 719 254	7 546 330	(45 867)	7 500 463
Sectoral Activities	10 333 044	10 101 565	(372 159)	9 729 406
Executive Director's Office and Central Support	2 277 140	2 155 426	(12 423)	2 143 003
Regular budget technical cooperation	7 479 881	7 479 881	-	7 479 881
	42 732 658	42 027 461	(514 891)	41 512 570
Cross-cutting programmes				
Communication and Public Information	20 441 149	20 212 209	(101 010)	20 111 199
External Relations and Partnerships	5 090 936	4 989 117	(27 569)	4 961 548
Gender Equality	2 314 833	2 270 308	(11 313)	2 258 995
ILO Contribution to Fair Globalization	941 504	894 429	-	894 429
International Institute for Labour Studies	4 942 004	4 843 164	-	4 843 164
International Training Centre of the ILO, Turin	5 874 277	5 874 277	-	5 874 277
Policy Integration	6 648 812	6 482 609	(359 600)	6 123 009
Statistics	6 655 921	6 557 979	(35 334)	6 522 645
Technical Meetings Reserve	1 791 751	1 541 751	-	1 541 751
	54 701 187	53 665 843	(534 826)	53 131 017
Total Technical Programmes	192 167 775	188 246 805	(1 550 859)	186 695 946

	Revised budget 2004-05	Budget proposals 2006-07	Proposed adjustments	Revised Budget proposals 2006-07
(in constant 2004-05 US \$)				
The Regions				
Development Cooperation	2 602 220	2 472 109	(15 965)	2 456 144
Field Programmes in Africa	47 141 362	46 547 730	593 632	47 141 362
Field Programmes in the Americas	40 698 403	40 187 567	510 836	40 698 403
Field Programmes in Arab States	9 748 246	9 624 267	123 979	9 748 246
Field Programmes in Asia and the Pacific	43 630 219	43 081 006	549 213	43 630 219
Field Programmes in Europe and Central Asia	15 326 077	15 132 164	193 913	15 326 077
	159 146 527	157 044 843	1 955 608	159 000 451
Support Services				
Information Technology and Communications	11 601 627	22 607 639	(61 640)	22 545 999
Internal Administration	35 011 020	35 011 020	(113 515)	34 897 505
	46 612 647	57 618 659	(175 155)	57 443 504
Total Strategic Objectives	397 926 949	402 910 307	229 594	403 139 901
Management Services				
General Management	7 541 470	7 164 397	(33 323)	7 131 074
Human Resources Development	19 355 855	18 388 062	(97 152)	18 290 910
Financial Services	13 130 378	12 473 859	(80 545)	12 393 314
Programming and Management	3 847 253	3 654 890	(23 009)	3 631 881
Internal Audit and Oversight	1 237 836	1 273 912	(7 826)	1 266 086
Evaluation		849 676	(4 998)	844 678
Executive Director's Office, Management and Administration	678 310	1 003 750	(6 565)	997 185
	45 791 102	44 808 546	(253 418)	44 555 128
Other budgetary provisions	24 459 087	24 459 087	(65 970)	24 393 117
Adjustment for staff turnover	-4 540 931	-4 540 931	-	-4 540 931
TOTAL PART I	528 715 000	528 715 000	(103 361)	528 611 639
PART II. UNFORESEEN EXPENDITURE				
Unforeseen expenditure	875 000	2 000 000	(1 125 000)	875 000
PART III. WORKING CAPITAL FUND				
Working Capital Fund	-	-	-	-
TOTAL (PARTS I-III)	529 590 000	530 715 000	(1 228 361)	529 486 639
PART IV. INSTITUTIONAL INVESTMENTS AND EXTRAORDINARY ITEMS				
Security		3 770 000	(1 100 000)	2 670 000
Accommodation		6 610 000	(6 010 000)	600 000
Information and communication technology		3 300 000	(2 260 000)	1 040 000
Maritime session of the International Labour Conference		3 465 000	(1 965 000)	1 500 000
Adjustment for staff turnover		4 540 931	(4 540 931)	-
TOTAL PART IV		21 685 931	(15 875 931)	5 810 000
TOTAL (PARTS I-IV)	529 590 000	552 400 931	(17 104 292)	535 296 639

Appendix II

Provisional programme level resulting from the adjustments proposed by the Director-General (in constant US\$)

	(US\$)	2006-07 provisional level (US\$)
Part I Ordinary budget		
Initial proposals	528 715 000	
Net programme adjustments as per Appendix I	<u>-103 361</u>	
New proposal		528 611 639
Part II Unforeseen expenditure		
Initial proposals	2 000 000	
Net programme adjustments as per Appendix I	<u>-1 125 000</u>	
New proposal		875 000
Part III Working capital fund	-	-
Part IV Institutional investments and extraordinary items		
Initial proposals	21 685 931	
Net programme adjustments as per Appendix I	<u>-15 875 931</u>	
New proposal		5 810 000
Cost increases		
Initial cost increases	39 459 606	
Absorption of cost increases	<u>-6 166 306</u>	
New proposal		33 293 300
<i>Total adjustments</i>	-23 270 598	
2006-07 Provisional programme level		<u>568 589 939</u>

Comparison with 2004-05 Programme and Budget

	2004-05 Budget (US\$)	2006-07 Provisional level (US\$)	Increase/ (Decrease) compared with 2004-05 (US\$)
Part I Ordinary budget	528 715 000	528 611 639	-103 361
Cost increase		33 129 062	33 129 062
Part II Unforeseen expenditure	875 000	875 000	-
Part III Working Capital Fund	-	-	-
Part IV Institutional investments and extraordinary items	-	5 810 000	5 810 000
Cost increase	-	164 238	164 238
Total budget (Parts I - IV)	529 590 000	568 589 939	38 999 939