



TENTH ITEM ON THE AGENDA

**Reports of the Programme, Financial and  
Administrative Committee**

**Third report**

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1. The Programme, Financial and Administrative Committee of the Governing Body met on 7 November 2000, chaired by Mr. C.L.N. Amorim, Chairperson of the Governing Body. Mr. D. Willers (Government representative, Germany) was the Reporter.

## **Strategic policy framework, 2002-05, and preview of the Programme and Budget proposals for 2002-03**

(document GB.279/PFA/6)

(Sixth item on the agenda)

## **Programme and Budget for 2000-01: Performance indicators and targets**

(document GB.279/PFA/7)

(Seventh item on the agenda)

## **ILO evaluation strategy**

(document GB.279/PFA/8)

(Eighth item on the agenda)

2. The Committee had before it the above documents for its information and observations. At the suggestion of the Chairperson, the Committee agreed that the detailed discussion on item 6 should be taken as the last of these three papers.
3. The Committee's discussion was opened by a statement from the Director-General, which is reproduced in the appendix to this report.

## **Programme and Budget for 2000-01: Performance indicators and targets**

4. Mr. Marshall, speaking on behalf of the Employer members, said that from the Director-General's introduction it was clear that the Organization had been going through a learning process in terms of the strategic budgeting framework activities. Although the subject was very new, the paper being discussed was considered a very sound starting base although it would probably take some time to verify whether the indicators and the targets were in fact the most suitable. In time it would be possible to determine whether the targets and indicators were in fact backward-looking in terms of past performance or forward-looking in terms of achievable objectives. The Employer members welcomed the Director-General's confirmation concerning performance reporting and looked forward to its introduction. Indicator 1b.4 (ILO extra-budgetary technical cooperation expenditure supporting the elimination of child labour) showed a target of US\$44 million which they hoped referred to projected delivery. With regard to indicator 6a.2 (timeliness of project documents and reports submitted to donors), the target shown was for 60 per cent to be submitted by the agreed date. This target was too modest, and on the basis of the Office's contractual responsibility to report to donors should surely be set at 100 per cent.
5. Mr. Blondel thanked the Director-General for his statement, which put into perspective the three documents before the Committee. He noted that it was a new experience for the

Committee, as budgetary questions had never been presented to it before in the strategic framework of a medium-term action.

6. The list of indicators and targets for operational objectives in 2000-01 raised a number of questions in the Workers' group. With regard to Strategic Objective No. 1, they were concerned that the Office was setting as a performance indicator the ratification of at least one Convention in each of the four categories of fundamental principles and rights. This proposal seemed to run counter to current efforts aiming at universal ratification of the eight fundamental Conventions. By giving the choice to the government of a country to ratify one or other of the Conventions in each category, it was no longer eight Conventions but four which it was being called upon to ratify. The Workers' group would have preferred the Office to issue a clear and unambiguous message and encourage the ratification of the eight Conventions, even if the target of 122 member States had to be reduced as a result.
7. The Workers' group as a whole expressed its astonishment at the systematic absence of any reference to international labour standards in the indicators and targets defined under Strategic Objective No. 2. How could employment policy be referred to without mentioning Convention No. 122? What explanation could be found for Convention No. 111 on discrimination (employment and occupation) not being cited in the context of work done to promote equality between men and women in employment?
8. These deficiencies were a source of concern to the Workers' group, which wanted reassurance regarding the ILO's intentions concerning normative action.
9. The Workers' group also wondered why the targets referred to a number of member States without naming them. It would have liked to know which were the States or regions in question. It therefore asked for additional information to be supplied to the Committee at a future session of the Governing Body or at least sent to the Bureau of Programming and Management for monitoring purposes.
10. In addition, the adopted targets seemed too modest in a number of fields. This was the case, for example, with tripartism (Strategic Objective No. 4), where the target was ten additional member States, or with the fight against AIDS, where the stated objective was ten member States. Was there not a risk of causing frustration in those who wondered whether their countries were among those referred to?
11. As regard the fight against child labour, the Workers' group expressed its concern at the target of 260 million children. This human desire and political will to put an end to child labour and in particular to its worst forms must find its expression in the stated objectives and targets. As militants, the Workers would never be content with such a modest target, no matter how realistic it was.
12. Finally, Mr. Blondel asked for clarification regarding the nature of the institutions mentioned, for example, under Strategic Objective No. 2. Which institutions were involved? Was it to be understood that the ILO was preparing to finance the direct or indirect setting up of non-governmental organizations? He wondered whether such initiatives came within the tripartite mandate of the Organization.
13. The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, expressed his gratitude for the amount of work that had gone into the preparation of the Office paper. It was a vital document as it was against these targets and indicators that the ILO would be judged when it came to assessing performance in the current biennium. The document as a whole was a significant improvement on its predecessors but some parts could be further improved. It was difficult to judge how

ambitious some of the targets were. For example, in 1a.1, it was difficult to assess whether 122 countries was an appropriate benchmark for ratifications unless it was known how many had been ratified already. Some targets also seemed to consider success in terms of activity rather than output, most notably the targets in 1b.4 and 4c.1. Expenditure was not an end in itself; outputs needed to be identified and some target performance indicators, for example those in 3c.3 and 3c.4, should be rewritten to take more account of what had already been achieved. Much of the terminology could be made more precise: reaching a goal of ten member States might be a great achievement if the current figure were zero but less so if the current figure were 11. It might have been useful if the word “new” had been inserted before the words “member States” to describe the targeted figure.

14. Other targets seemed to the IMEC group to be rather bureaucratic in nature, looking at internal processes rather than outwards at what could be described as the customer base. Three examples of this were 5a.1, 5b.1 and 6b.1. Instead of a target which in essence concentrated on internal deadlines it might have been better if it referred to the issuing of documents translated on time, perhaps with an executive summary setting out the main points and the points for decision. There were also examples where targets seemed to confuse quantity with quality, such as performance indicators 7a.1 and 12a.1. In the latter case it was not enough to have references to the ILO in the World Bank documents or indeed in the press: the ILO’s information strategy was only succeeding if they were positive and not negative references. With these reservations the IMEC group was prepared to signify their approval to the list of indicators and targets.
15. The representative of the Government of Portugal thanked the Office for a paper which described clearly the new performance indicators and targets. The concepts of strategic budgeting, decent work and strategic objectives deserved full support but indicators should enable the Office to measure the relevance of objectives in the light of its mandate and to determine whether it was functioning efficiently. Unfortunately, it would seem that the indicators shown in the paper did not meet this requirement because they did not measure the real impact the ILO’s programmes had on individuals, institutions and communities. One example was objective 1b (child labour), where even if all indicators were positive one could still not be absolutely sure that final objectives had been reached. To do this would require the use of indicators to measure real impact such as, in the above case, statistics showing a reduction in the number of working children, both on an international level and on a regional level. Such indicators would not be easy to implement but the ILO should nevertheless consider introducing them in the medium term. The proposals in the Office paper, together with the comments made by the IMEC group, deserved full support.
16. The representative of the Government of Malaysia welcomed the Office paper detailing performance indicators and targets for the 2000-01 biennium. It would have been helpful, however, if the document had also provided information on the criteria that were applied in determining those targets. Nevertheless, it was a good starting point and ensured that the activities carried out were on track to meet their targets. An important area that seemed to have been overlooked in determining the success of those activities concerned external factors such as member States’ capacity to comply with the requirements set out by the Office. The Committee should receive an evaluation report at the end of the biennium on progress towards the attainment of strategic objectives.
17. The representative of the Government of Algeria, speaking on behalf of the African group, thanked the Director-General for his statement and the Office for the quality of the documents submitted, while regretting their belated distribution.
18. The African group fully supported the guiding principles behind the strategic framework for the period 2000-05 and it welcomed in particular the incorporation of the sections on decent work. It noted with satisfaction the performance indicators and targets set by the

Office, which were intended to consolidate the strategic approach of the budget. The speaker asked for clarification to be made with regard to the institutions and States targeted. In order to ensure optimum management of the budgetary resources allocated to the various projects, the African group stressed the need to take account of the priorities already set for anti-AIDS activities and the operations envisaged under the "Jobs for Africa" programme. In this regard, it wished to be given further details on the progress of the programme.

19. The African group proposed that the budgetary surplus achieved in previous financial years be allocated to priority programmes. It would be good to undertake a medium- and long-term analytical forecast of the possible impact of the principle of a zero-growth budget on the Organization's future activities. It also thought that the strategic framework should be established taking account of evaluation operations and, in particular, of ideas that would be the driving force behind this evaluation.
20. As regards technical assistance, the African group was concerned at the cut in extra-budgetary resources allocated under technical cooperation. It therefore proposed that the Office adopt suitable measures to mobilize the extra resources needed to complete major projects that were already under way.
21. With regard to project evaluation, the African group backed the principles set out by the Office. Nevertheless, it stressed the importance of internal and external evaluation. It therefore favoured the case-by-case approach proposed by the Office, at the same time feeling that external evaluation should be used appropriately, enabling its cost to be limited without it being discarded altogether. The African group wished to receive clarification on the criteria that would be adopted for external evaluation with a view to placing projects in rank order according to their degree of priority.
22. The representative of the Government of New Zealand also considered the document under discussion to be a respectable first effort to set measures and targets. He endorsed the IMEC group's comments on the detail of some of the targets and suggested that the Office carry out a survey to measure satisfaction with the timeliness and content of the various reports and questionnaires. He wondered whether the operational objectives outlined in the paper were exactly the same as those presented to the Governing Body in Volume I of the Programme and Budget proposals for 2000-01.
23. The representative of the Government of Germany fully supported the IMEC group's comments and agreed with the Employers' group regarding indicators 1b.4 and 6a.2. There was also some doubt as to how some targets had been formulated. Indicators 1c.3 and 1c.4, for example, were based on an assessment of the implementation by the Committee of Experts. This was perhaps too arbitrary and was unlikely to provide a true indication of performance.
24. The representative of the Government of Japan thanked the Office for the paper and welcomed the presentation of performance indicators and targets which would be reviewed and improved in the evaluation process of the strategic programme and budget. In addition to the points raised by the IMEC group, she believed it would be useful to have details of indicators and targets by region made available to the Governing Body in future.
25. The representative of the Government of China thanked the Office for a very useful document, and expressed appreciation to the Director-General for his introductory comments. To implement the Office's strategic objectives it would be necessary to establish valuable and measurable performance indicators and targets. Many of them also served as a measure of value but it was still necessary to use them in order to identify the most realistic indicators and targets. The progress of implementation of labour standards in

member States should not be measured only by the number of Conventions ratified because there was a possibility that against the wishes of member States this would result in a link between technical cooperation and labour standards. It was also difficult to determine the criteria used in the identification of indicators shown in the document, but on a more positive note, the addition of a fifth strategic objective was a welcome development.

- 26.** The ultimate strategic objective of the International Labour Organization was to provide a more timely and a better quality service for member States, and the technical cooperation delivery rate was an important indicator of such a service. In the past one-and-a-half years, however, delivery rates of these programmes had slowed. The document under review did not address this question and in fact the only reference to the level of technical cooperation delivery was in indicator 3b.3. It was not clear therefore how the ILO could ensure that technical cooperation programmes were carried out as planned and what level the delivery rate would be in the current biennium. The delivery rate for 1999 was six percentage points down when compared to that of the previous year, and it was worrying that no information was available on whether this downward trend had been reversed or even stopped. One could only hope that rising delivery rates would be reported to the Governing Body during its next session in March 2001. The inclusion of time limits for the printing and distribution of International Labour Conference documents under Strategic Objective No. 5 was a welcome development, but such provisions had not been extended to other conferences and meetings.
- 27.** The representative of the Government of France supported the paper under discussion and expressed her appreciation for the Director-General's frank and clear introduction. With regard to the current paper, as mentioned by the IMEC group, the representative of the Government of Portugal and the Employers' group, some indicators were based on monetary values rather than results. Although replacing them might prove difficult, it should be possible in specific cases, such as standard setting and Conventions, by utilizing data already available to the Office. Indicators relating to employment would be more difficult to formulate but more use could be made of the ILO's employment statistics database after ensuring that results not attributable to the ILO had been excluded.
- 28.** The representative of the Government of Namibia joined with previous speakers in thanking the Office and the Director-General for a very interesting document, which was a valuable first step in the right direction. The indicators and targets should however be more closely linked to grass-roots considerations. The list of targets and indicators involved States and institutions rather than people and, with the ILO being a value-based organization, reaching the people should be a priority. With regard to standard-setting activities, and even the wider normative process in general, the ILO appeared to the outside world as a very legalistic and impersonal organization. There seemed to be little effort by the ILO to popularize its activities with regard to decent work and it would be worthwhile to examine this issue in more detail when the opportunity arose. On a related topic, experience had shown that there was a need to strengthen links between headquarters and the regional offices. Recipients of technical assistance had found that responsiveness to requests had, on occasion, been rather slow.
- 29.** The representative of the Government of India thanked the Office for a very informative document. For Strategic Objective No. 5, the management and support services needed for the ILO to achieve the first four objectives, it was important to ensure that the costs of monitoring and evaluation were kept to a reasonable level. Performance indicators and targets often specified a number of member States but it might be useful if they could be identified by name as well. On activities related to the elimination of child labour the best indicator to assess the success of the programme would be the number of children withdrawn from the workplace and rehabilitated into family and society. Whether such a

number was commensurate with the resources provided for it was another issue. Similarly, the performance indicators and targets in operational objective 2c should be more specific.

- 30.** The representative of the Government of the United States also thanked the Office for its work in preparing the document. In addition to the points in the IMEC statement there was a need for the Office to focus on results-based indicators and targets which would provide a true understanding of the progress that had been made towards achieving operational goals. The Office should reformulate these targets and indicators as a matter of urgency. The first performance report would be considered by the Governing Body in less than four months and it would be important to develop a uniform reporting format as a basis for informed discussion of progress achieved.
- 31.** The representative of the Government of South Africa expressed appreciation to the Office for the quality of the documents before the Committee. She supported the statement made on behalf of the African group and welcomed the inclusion of the new Strategic Objective No. 5, but stressed that more resources should be made available in future for printing and distribution of ILO documents as there seemed to be an ever-increasing delay in the submission of Governing Body and Conference reports. The strategic base now in place for ILO activities was an encouraging development but the capacity of field structures to cope with the ever-increasing demand for technical cooperation assistance was a concern to many member States. She welcomed the establishment of the delivery task team but would be more interested in the follow-up report because day-to-day interaction with the ILO occurred at field level and the African continent was where the most technical cooperation was needed.
- 32.** The document on the performance indicators and targets for 2000-01 contained no discussion of the issues or steps needed to achieve targets set, but in future it might be useful to highlight cases where targets were not met as a means of evaluating the implementation of activities. The reduction of operational objectives from 16 to ten was a sensible move and aimed at developing a strategic focus for the Organization rather than reducing the programmes envisaged in the next biennium.
- 33.** The negative impact of resource constraints on important programmes, such as the report of the follow-up to the Declaration on Fundamental Principles and Rights at Work, Jobs for Africa, HIV/AIDS-related programmes, IPEC and many others, was very disappointing and would lead to further marginalization of the African continent. The slow response of the ILO to follow up the Declaration on Fundamental Principles and Rights at Work could lead to serious questions being raised about the relevance of the Organization in an increasingly global economy, and she asked the Office to strengthen its resource mobilization strategy and develop innovative solutions to correct these problems. With regard to the evaluation strategy, the Organization should encourage independent evaluation of activities and technical cooperation programmes should be reorganized so that these exercises could be more easily carried out. Internal evaluation alone was not sufficient to assess the impact of activities and although more information on general strategy was clearly needed she supported the proposed case-by-case evaluation suggested by the Office.
- 34.** The representative of the Government of the Islamic Republic of Iran expressed his appreciation to the Office for the documents now before the Committee. Further improvement was however needed and he endorsed earlier comments regarding criteria that were easily measurable and targets that were more explicit. He echoed the comments by the representative of Namibia that the ILO should do more to improve its image and he expressed strong support for the statement by the representative of India. He was confident that the forward-looking and strategic long-term objectives proposed by the Director-General were right for the future of the Organization. While a zero growth budget was

usually associated with increases in operational efficiency, it usually meant a reduction in spending on technical programmes, and he observed that this would not satisfy the expectations of developing countries nor of many of the developed ones.

- 35.** The representative of the Government of Chile welcomed the adoption by the ILO of strategic planning on operational activities and results-oriented management. It was important however not to confuse desire and realism with desire and possibility. The Director-General had tried to put forward a plan for the medium- and long-term objectives of the Organization, but for this new direction to be effective, cultural changes had to be made throughout all levels of the ILO. It was important to remember that such changes were often difficult to implement and that it often took longer than expected to achieve results. The performance indicators and targets presented in the document should be realistic and should focus more on results and the subsequent impact on the operational objectives to which they related. Targets that were impossible to achieve invariably produced a negative impact on the Organization and it was therefore critical to ensure that ambition was tempered by realism.
- 36.** She shared the concerns expressed by the Workers that there should be greater reference to Conventions and Recommendations, and the impact of the ratification or the application of normative instruments could be viewed in terms of the effects on the rights of the individual within the ratifying country. Strategic Objective No. 5 should be made clearer and more specific in order for it to be more relevant to the four other strategic objectives, and it should focus more on the internal functioning of the ILO so it could be more valuable to the internal user.
- 37.** The Chairperson noted that it was important to make a clear distinction between objectives and targets. A target set too low could give the impression that the objective was too easily attainable but, on the other hand, if the distinction between target and objective was not clear, it would be impossible to achieve and would ultimately be interpreted as a failure of the ILO to achieve its objectives. Finding the precise compromise between the ideal and the possible was a difficult task. Referring to an earlier question concerning reporting formalities for ILO-managed projects, it was of course important for proper and accurate reporting to the donor country or institution, but other member States of the ILO and certainly members of the Governing Body should also have the right to know how the project was progressing, and he asked for information on ILO practice for reporting to other members besides the donors.
- 38.** A representative of the Director-General (the Director of the Bureau of Programming and Management) thanked the Committee for the comments made in respect of the document. He emphasized that this was the first time such an exercise had been undertaken and that this represented a learning experience for the Office as well. It had been a challenging process and it was clear that further improvements could still be made, although he was grateful for the positive comments so far. The issue relating to the impact of the operational objectives was of course critical and would determine whether the ILO had been successful or not in improving working conditions overall, but impact was something that tended to come out of evaluations rather than out of the simple measurement of whether targets had been achieved or not. The paper was not concerned with impact in itself because these types of indicators were only one yardstick by which impact could be measured. In March 2001, the Office would present to the Governing Body an implementation report which would show whether the targets identified in this document were being achieved. Some clarification of terms and improvement in presentation was clearly needed. The word "institution" had been used because it summarized the various types of bodies with which the ILO worked and the use of generic terms made the document less cumbersome. Concerning the request that the document name the countries targeted, there were two reasons why this was not done. Firstly, in order to achieve a target

of ten countries for a specific performance indicator, it was likely that the Office would have to concentrate on as many as 30 countries and it could not know which ten would ultimately adopt the policy or approve a ratification. Secondly, in some cases, member States might not wish to be singled out in such a public way. One solution might be for the Office to list in a separate document those countries which had met the targets.

39. He agreed with several speakers who had called for a results-based emphasis for certain targets and said that a review would be undertaken to ensure that targets were reflected in this way. The comments of the IMEC group and others on some of the inconsistencies with the targets had also been noted. Some speakers had referred to the importance of improving the delivery of technical cooperation activities. This was a priority of the Director-General and a number of special measures had already been established to enhance the delivery rate. Some speakers mentioned the need to make the operational objectives, performance indicators and targets more people-centred, and this was a laudable objective. The work of the ILO, however, was often conducted through intermediaries such as governments, trade unions, employers' organizations, research institutes and the like, and it was by influencing the policies and activities of these bodies that the Organization hoped to improve the conditions of people worldwide.
40. Concerning the differences between objectives, targets and indicators, he explained that as used in the ILO an objective was a desired end result, for example, an improvement in the living and working conditions of people in member States. An indicator was a scale of measurement for an objective containing a range of possible values, and a target was the desired value within that range. With respect to reporting on donor contributions, the Committee on Technical Cooperation, which reported to the Governing Body, received regular reports on project implementation and project delivery.
41. The exercise of identifying operational objectives, establishing performance indicators and setting targets was both complex and difficult and the Office was still only in November of the first year of the present biennium. It was important for the Office and the Governing Body at this stage to continue with the present document and to evaluate progress at the end of the biennium. The remarks made during the discussion would of course be taken into account for the further development of indicators and targets for the current biennium.
42. A representative of the Director-General (the Executive Director, Standards and Fundamental Principles and Rights at Work Sector) noted that the ratification campaign of all fundamental Conventions that was started in 1995 would continue at least through to the end of the present biennium, but that at some stage it would be important to transform it into, or complement it by, an implementation campaign. The specific target under objective 1a should be seen as a subcategory of the universal ratification campaign. It was important at the moment to focus specifically on member States that had not ratified any Convention in any of the categories, and this was where the target of 122 came from. Since there were currently 99 States which had ratified at least one of the two instruments in each of the categories, this left 23 States for this biennium if the ILO was to meet its target. With an increase in ratification resulting from the worst forms of child labour Convention, it was highly likely that this target would be surpassed. Turning to the ratification of the worst forms of child labour Convention, 1b.1(ii), the target for the biennium of 87 member States represented half of the member States of the Organization. With 44 States which had currently ratified the Convention, and with somewhere between 60 and 70 additional ratifications expected before the end of 2000, it was fair to assume that the target would again be not only met but surpassed.
43. The figure of \$44 million referred to in Strategic Objective No. 1, 1b.4, represented a doubling of the actual expenditure on the elimination of child labour compared with the biennium 1998-99, that is a doubling of delivery, and this target should also be met.

44. In 1b.5, the figure of 260,000 children referred to by Mr. Blondel represented a 100 per cent increase over the biennium 1998-99. The Organization was to focus on eradicating the worst forms of child labour by developing rational and realistic programmes over the next ten to 15 years. The final target, of course, would be all the worst forms of child labour, and this meant up to 60 million children. It might be possible to derive concrete targets for some countries where time-bound programmes for the elimination of the worst forms of child labour were now introduced. As to the targets relating to the supervisory bodies, they should indicate real improvement in the countries concerned, as established by the supervisory bodies in their conclusions. This had to be achieved through broad cooperation, involving all sectors of the Office and not only directly standards-related activities.
45. A representative of the Director-General (the Executive Director of the Employment Sector) thanked the speakers for their contributions. As Mr. Marshall had indicated, the essential task was to ensure that the activities and programmes of the Organization were managed and executed as efficiently as possible and within the time period and budgetary constraints imposed. An assessment of the value of these activities was what the Governing Body could now expect from the Office.
46. The document on performance indicators and targets should however not be considered in isolation from the actual Programme and Budget for 2000-01, since the relationship between the formulation of the performance indicators and targets and the current execution of programmes might easily be lost. The aim of the Employment Sector was to be a source of information and technical knowledge on employment issues worldwide. Through the provision of technical advice and advocacy to member States in the conception and design of employment policies and the promotion of employment programmes throughout the world, it aimed to improve the capacity of member States to allow the strategic objectives set by the Organization to be realized. One of the most important and challenging tasks was the need to integrate international labour standards and the whole normative framework in developing employment policies for specific countries. The programme and budget texts which incorporated the targets and the indicators contained references to the relevant Conventions pertaining to employment, and the Employment Sector was currently developing an extensive database on Conventions Nos. 122 and 142 which would be published in CD-ROM form in the middle of next year.
47. A representative of the Director-General (the Executive Director, Social Protection Sector), replying to the questions asked by Mr. Blondel, on behalf of the Workers' group, and by the representative of the Government of Algeria, on behalf of the African group, stated that the AIDS programme had only been operational since the beginning of November 2000. The management team had been established but account had to be taken of the time needed for implementing the management apparatus. Approximately US\$10 million, originating from the Government of the United States and from the ILO, had been allocated to this programme. The programme illustrated the Director-General's wish to give effect to the resolution on HIV/AIDS and the world of work which was adopted in June 2000 by the International Labour Conference.
48. At the initiative of the Director-General, a memorandum of understanding had also been signed with the Joint United Nations Programme on HIV/AIDS (UNAIDS) so that activities could be developed in the field and in the workplace, in addition to what was being done by other United Nations agencies. The target of the member States might appear insignificant in view of the stakes involved but this was a minimum which would concern only the second part of the biennium. In addition, 20 applications had already been registered and the programme had set itself the objective of registering 15 further countries each year.

49. The speaker also welcomed the attention given to the AIDS scourge by the Governing Body. He recalled that, of the 34 million infected people who were under sentence of death, 24 million were Africans.
50. The impact of the AIDS epidemic was even more severe on women than on men, and the data relating to Zambia showed that currently one in two pregnant women was HIV-positive. The speaker underlined that AIDS was certainly the biggest obstacle today to the development of the African continent. Replying to the question on the indicator and the target set for action against hazardous conditions in and around the workplace (operational objective 3b), the speaker stated that the intended objective was to raise the level of resources allocated both to technical cooperation activities and to the rate of implementation thereof. In the case of indicator 3b.3, he recognized that the level of allocation, currently 3.3 million, and the rate of implementation of technical cooperation activities, currently 44 per cent, was low. He also reiterated that safety and health at work were major elements in decent work.
51. The Director-General expressed appreciation for the comments of all speakers. The Office was trying to implement new techniques and methodologies and it was important for there to be a joint effort between the Governing Body and the Office on this exercise if the best possible results were to be obtained. The comments would be taken account of in the documents for the next biennium and the results would be seen when an evaluation of the first year was undertaken. The Office would be particularly interested to hear as well of the individual experiences of any members of the Governing Body concerning strategic budgeting, the fixing of targets or the analysing of indicators.
52. The issue raised by the representative of Namibia, who suggested that targets should be defined more in terms of people than in numbers, was pertinent. The whole emphasis of decent work focused on enhancing the life of individuals and their families, because in the end the source of human dignity was derived from the quality of work that they were engaged in. In principle the ILO had the technical capability and the structure to advance the decent work agenda in the world. If the ILO had not always been perceived as a major actor in the international policy arena, it could and should have a more prominent influence and its role in the development process was clear. The key issue was how ILO activities interacted with national and international policies, and what that meant, for example, in the case of child labour. Firstly, it was simply not feasible to believe that the eradication of child labour could be achieved through ILO activities alone. The elimination of child labour depended on more than the instruments the ILO had at its disposal. The ILO needed to demonstrate, through the implementation of its projects, that the eradication of child labour could be achieved in certain sectors, in certain areas, certain industries, or in certain regions; but the elimination of child labour also required an agreement and a commitment from governments, from employers and employers' organizations, from trade unions, from churches, from local NGOs and from society as a whole. The ILO was an advocate of this process due to its technical knowledge and its tripartite structure, but the sheer magnitude of the problem and the resources needed suggested that it could never achieve the end goal on its own. It had to use its comparative advantage and technical skill to convince counterparts worldwide that through appropriate policies and practices child labour could be eliminated. It was with this principle of collective action in mind that the ILO began proposing to countries that they make a national commitment for the eradication of the worst forms of child labour. The eradication of child labour and the economic development of a country were interdependent issues, which required the same commitment. Nepal, for example, had already decided that it was going to eradicate the worst forms of child labour by the year 2005 and child labour in general by the year 2010. If five countries met this target, that alone would be an incredible achievement.

53. Concerning the indicators and targets, it was important that they were formulated in such a way that an evaluation could be directly linked with the policies of the ILO alone. If targets depended significantly on intervention or collaboration from other agencies, institutions or social partners, an evaluation of the ILO component alone would be difficult to carry out. Equally, failure of projects might be related more to the inability of the other partners to fulfil their respective responsibilities. To be effectively accountable, the ILO had to establish targets for which it could assume its own responsibility.
54. Mr. Blondel noted the replies to his questions and in particular the explanation provided for justifying the lack of reference to certain crucially important Conventions, namely that the application of international labour standards formed part of the very definition of decent work.
55. The Director-General's message was clear. He was asking the ILO constituents to share their experience of strategic budgeting so that the ILO could learn from it. The speaker commended the Director-General's enthusiasm and determination. The Workers' group, which had always been opposed to pragmatism, could not fail to see itself reflected in an attitude of refusing to admit defeat in advance.
56. The ILO's ambition was to develop standards or regulations which obliged countries to observe, through their conduct, basic values intended to guarantee a normal life in a democratic society that set out to restrict injustice to a minimum. Seen in these terms, the target of 260,000 children to be achieved in the fight against child labour was a symbol. If 260,000 children were successfully removed from work, other countries would make it a point of honour to achieve the same result, with the ILO's assistance. That figure should therefore not be viewed as an end in itself, but as a spur to action, and this was why it was important to define clearly what the ILO meant by indicators, targets and objectives.
57. The Committee took note of the Office paper.

## **ILO evaluation strategy**

58. Mr. Marshall said that the Employers welcomed the explanations from the Director-General on the ILO's evaluation strategy and especially the way in which it would be coordinated with the InFocus programmes and the budgetary process. The Committee might find this information even more useful if it was possible for the Office to give a timetable indicating when these evaluations were expected to be completed.
59. Mr. Blondel stressed that any form of strategic budgeting must be combined with strategic evaluation. The Workers' group was therefore favourable to the proposed evaluation strategy, but wished to draw the attention of the Governing Body to the cost of conducting such an exercise. In that respect, the speaker had noted with interest the observation made in paragraph 6 of the document that there could be no question, on the grounds of cost, of having all evaluations carried out by external evaluators, regardless of the fact that independent evaluation indisputably presented certain advantages.
60. He welcomed the fact that the Office had conducted a survey of evaluation policies and practices in other international organizations. It was the first time that the concept of evaluation had been discussed in the context of the strategic budget at the ILO. The experience of other organizations more familiar with the process could but help it to improve its methods. The Workers' group was pleased to see the ILO's move towards procedures that it considered to be more effective, progressive and transparent.

- 61.** The representative of the United Kingdom, speaking on behalf of the IMEC member States, expressed appreciation for the Office paper. There was very little they could disagree with but they did wonder what was new in the document and whether this was the detailed evaluation plan that IMEC had asked for in the past. The brief assessment of evaluation in other international organizations contained some interesting information. IMEC noted that the ILO was out of step with other organizations in giving a direct role to the Governing Body in conducting evaluations. Evaluation work should be carried out by trained evaluation professionals and the results should be available to the Governing Body to guide their discussions. IMEC also welcomed the use of external evaluators and the information on estimated costs indicated in the Office paper, and thought it would be useful in due course to have the same information, including overhead costs, of internal evaluations. They expressed support for the Director-General's intention to evaluate the eight InFocus programmes and, although in principle they had no objection to an evaluation of the strategic budgeting process, it would be better undertaken once the system had completed a full cycle, including the evaluation of 2000-01 biennium performance against objectives.
- 62.** A representative of the Director-General (the Director of the Bureau of Programming and Management), in reply to queries raised earlier, confirmed that nine evaluations would be carried out during the period of the strategic plan. The particular timing of these evaluations would be announced in the Programme and Budget proposals for 2002-03 to be discussed at the March 2001 session of the Governing Body.
- 63.** The representative of the Government of the Netherlands expressed support for the IMEC statement. Parts of the document were rather obscure and he asked what was meant by the phrase "evaluation must be integrated into the strategic budgeting process and systematized". Moreover, if an evaluation plan was to be presented each biennium, it would appear that experience from the planning, programming and budgeting systems introduced 30 years ago was being overlooked. PPBS had gained widespread acceptance over the years and the main lesson from using them was that evaluation should be preceded by a fully integrated monitoring phase which allowed for interventions during the budgetary cycle. As previously mentioned, this might imply modifications to ILO reporting systems. The ILO should be cautious about the extent of evaluations. If they were to be integrated solely into the strategic budgeting process, policy officers would quickly lose interest because they would be regarded as too limited in scope. It would be useful to have further information on the general strategy behind the evaluations, the framework in which they would be set up and the scope of the evaluation exercise. For best results, they should be formatted in such a way that they would fit into the ILO's knowledge management system.
- 64.** The representative of the Government of the United States associated herself with the comments of the IMEC spokesman and the statement made by the previous speaker. She endorsed the proposal for evaluations of the InFocus programmes and suggested they should be carried out by independent external experts.
- 65.** The representative of the Government of Denmark also expressed full support for the statements of the IMEC spokesman and the Government representatives of the Netherlands and the United States. The evaluation proposals were a welcome development but major organizational changes would be needed if they were to be fully implemented. Performance management was also a welcome innovation but it should be supported by self-evaluation as well as independent evaluations. Furthermore, evaluation activities alone were not enough – monitoring activities should be introduced as well if performance management was to be effective.

66. A representative of the Director-General (the Director of the Bureau of Programming and Management), referring to paragraph 2(a) in the Office paper, explained that systematizing evaluation activities and integrating them into the strategic budgeting process essentially meant that programmes could be and would be changed as a result of the evaluation process. Monitoring and reporting activities were part of a cycle for providing information to the Governing Body on what the ILO was doing and whether or not it was meeting its targets. Evaluations looked at other aspects of ILO activities: whether it was doing the right things, having an impact, and being effective. In reply to a query from the IMEC spokesman, he explained that the Office paper described the plan for the nine evaluations which were proposed for the period 2002-05. To facilitate comparisons it was intended that all evaluations would follow a standard format.

### **Strategic policy framework, 2002-05, and preview of the Programme and Budget proposals for 2002-03**

67. Mr Blondel welcomed the action strategy proposed by the Director-General to give concrete application to the concept of decent work. He nevertheless wished to draw his attention to the constraints he himself was placing on the programme and budget. These constraints, set out in paragraphs 161 and 163, could seriously undermine the effectiveness of the ILO's most promising programmes. The decision taken by the Director-General once again to propose a zero growth budget held little appeal from the point of view of the Worker members. They thought the time had come to ask whether zero growth was really the only conceivable solution and whether the circumstances that led the former Director-General to propose a zero growth budget eight years ago still applied. The question should be discussed in the framework of the preliminary discussion on a strategic policy framework for 2002-05. Several Government representatives had in fact questioned the appropriateness of blocking budgetary growth. It was clear that if the budget did not evolve it would shrink, and the Workers' group considered that such a trend would involve certain not insignificant risks.
68. The Workers' group hoped that the core resources would be increased so as to provide the ILO services with the means and capacities necessary to successfully complete the major technical cooperation programmes. IPEC and the team responsible for the promotion and follow-up of the Declaration were running out of steam due to a lack of resources. In addition, the number of officials in the International Labour Standards Department had been falling since 1998. It was not possible both to welcome the growing number of ratifications and to remove the means to ensure the proper operation of the supervisory mechanisms. Furthermore, there could be no question of recruiting additional personnel using extra-budgetary resources as in that particular case the very independence of the ILO would be under threat.
69. The Workers felt that paragraphs 7-12 presented an overly optimistic image of globalization and economic development. Should an organization with a social vocation not place greater emphasis on the inequalities arising as a consequence of this transformation of the economic landscape? It was perhaps true that some workers had been able to benefit from economic globalization; attention should nevertheless be concentrated on those suffering as a result, which was particularly true for women and unskilled workers. That was an indisputable fact which the ILO should duly note.
70. Regarding Part II of the document which focused on delivering decent work, the speaker stated that while he felt the concept had been well defined, its actual achievement still left much to be desired. He expressed the hope that efforts made for the concrete promotion of decent work at the national level would produce the desired effects.

71. He also wondered why the total number of strategic objectives had fallen in the four sectors, as had the number of indicators. With regard to normative action, the speaker deplored the fact that in the presentation of operational objective 1c, no indicator or target raised the possibility that new standards could be formulated. He sincerely hoped that the lack of any reference to new standards did not reflect a political stance. The Workers' group would be unable to accept an end to the formulation of new standards.
72. With respect to the struggle against child labour, the speaker recalled that the desired objective was to achieve the elimination of child labour as a whole. Certainly, it was a good thing to place particular emphasis on the worst forms of labour, but care should be taken not to make the mistake of appearing lax with regard to other forms.
73. He deplored the fact that there was no mention of trade union rights in the presentation of Strategic Objective No. 2 relating to the creation of employment and enterprise development. Trade union rights, dignity at work and secure employment with a decent wage were the essential components of decent work.
74. Concerning the particular attention to be given to the impact of HIV/AIDS on labour markets and the formulation of employment promotion programmes, as discussed in paragraph 56, the speaker stated that a worker awareness campaign had been initiated at the workplace level and that the Workers would support the Office's efforts in this area.
75. The speaker went on to insist on the notion of tripartism as the foundation of the Organization's mandate. It was most important to clarify that notion. Only governments, employers and workers were included in the definition of tripartism. The Workers were ready to collaborate with non-governmental organizations, but it was imperative that decision-taking remained tripartite. It was also necessary that the monitoring of the use of funds remained a tripartite matter, even in respect of resources provided by outside donors, as in the case of IPEC. That approach was paramount in order to preserve the independence of the Organization, which was inextricably linked to its tripartite nature.
76. A further problem of grave concern to the Workers involved the trafficking of human beings. The ILO should focus more closely on certain forms of neo-slavery that were present in all societies.
77. The Workers hoped that the ILO would increase its activities in the sphere of social dialogue at all levels – internationally and at the regional and subregional levels. If sectoral meetings were proving relatively successful, why not extend the experience further by organizing activities within existing sub-groups, such as MERCOSUR?
78. The speaker expressed the wish that the communication policy should be further developed by making greater use of modern techniques such as videoconferencing. Such technological means would help to strengthen ties between the constituents and ILO headquarters and would mean the number of missions to the field could be reduced.
79. Lastly, the speaker noted that the sentence in paragraph 57 that proposed the need for capacity building “for increased private sector execution of public works, and efforts at combining job creation with decent working conditions, without compromising on efficiency and productivity” had aroused considerable concern among the Workers. Was it to be understood that the private sector should replace the public sector? Such a scenario was unacceptable to the Workers. Employment creation should occur through other means, namely by boosting the dynamism of the market.
80. Mr. Marshall, speaking on behalf of the Employer members, remarked that strategic policy planning was a new development in the ILO and he expressed appreciation for a useful and

informative paper. It described in some detail the activities proposed under the four strategic objectives and summarized the implications for the programme and budget in 2002-03. In fact, the Office paper was so detailed that to keep it in perspective it might be useful to add a summary page describing where the ILO planned to be in 2005.

- 81.** The general theme of the document aimed at promoting the concept of decent work: a laudable objective, but the ILO should be careful not to overreach itself by striving to do too much. Its goals must be achievable and the proposals to improve ILO effectiveness through closer cooperation with other organizations were highly commendable.
- 82.** As the Director-General had rightly pointed out, work was the essence of man's self-respect and the Employers were strongly committed to job promotion in line with the Declaration on Fundamental Principles and Rights at Work. Happily, strategic policy planning was not a rigid process, but the ILO itself had to be more flexible in its choice of activities and response to changing circumstances. The ILO should not be too defensive in its response to change: it should meet new challenges with confidence and a sense of purpose if it was to adapt to change around the world.
- 83.** The Employers agreed with the principle of reducing the number of operational objectives and indicators for the purposes of measurement as long as the intent of the original 16 objectives was not undermined. This led logically to the question of whether a zero growth budget would continue to be appropriate for the Organization. Rather than simply fit activities to a certain budgetary amount, a more businesslike approach would focus first on reaching agreement on the full programme of activities for the budgetary period. This would determine the level of the budget and if it was thought excessive, decisions would be taken on which activities could be deferred. Not only was this approach more logical; it would lead to a more efficient use of resources.
- 84.** Mr. Marshall then turned to more detailed aspects of the Office paper. Paragraph 35 referred to a review in respect of standards-related activities and it was disappointing that there was no mention of it in table 1(c). Paragraph 21 stated "It is only natural that as part of this process the ILO standards system should come to the fore as a necessary social pillar of the global economy". But the ILO could not count on being in that position automatically. Unless standards were adapted to take account of the way the world was changing, the ILO could quickly find itself out of touch. It was vital for the ILO to adapt quickly to change so as to meet the needs of its constituents.
- 85.** Moving to employment-related activities, the Employers were concerned to ensure that the main emphasis was on employment creation and promotion. Certainly it was true that activities in one sector might yield benefits in another, but the primary focus should be the achievement of its own objectives. The Employers could agree that the number of operational objectives should be reduced, but it should be done carefully to ensure that those remaining were clear and achievable. Enterprise development, for example, was quite different from employment creation and promotion and it was confusing to see it subsumed under objective 2c. It should remain as a stand-alone objective.
- 86.** Another matter of concern was the workload proposed under Strategic Objective No. 3, dealing with social protection. There was a real danger that resources for this work would fall short of what was needed, especially if they were expected to cover the development of a world migration regulatory system, a huge subject on its own. At some stage hard decisions would be necessary to fix priorities. The Office paper made no reference to the general discussion on social security issues to take place in 2001; it should not be overlooked because the results of that discussion could have a profound effect on social protection programmes in ensuing years. On the question of HIV/AIDS the ILO's programmes should focus primarily on problems in the workplace, but of course it should

collaborate closely with other organizations which were dealing with other aspects of this problem.

- 87.** The Employers had a number of comments concerning Strategic Objective No. 4, dealing with the strengthening of tripartism and social dialogue. Paragraph 78 of the Office paper implied that the traditional approach to tripartite consultation had not worked well for several years now. If this were so, the ILO should be looking to see whether other approaches would be more effective. In respect of paragraph 82, which referred to civil society groups, the Employers agreed in large part with the comments made by Mr. Blondel. It was critically important that the ILO retain its clear tripartite structure. Outside the ILO, governments and employer and worker organizations were holding consultations with other sectors within society as appropriate, but the ILO should be extremely careful not to do anything which would undermine its unique tripartite structure. Some proposals in this sector seemed to advocate an increase in labour inspectorate activities but this appeared to go against recent trends towards self-enforcement in respect of legislative activities.
- 88.** Paragraph 105 of the Office paper referred to the integration of regular budget and extra-budgetary funding. In principle there was no argument with this concept, but a number of practical issues needed consideration. For example, budget presentation would probably have to be restructured so the two separate elements could be seen together for transparency. New procedures with appropriate protocols would have to be devised for the receipt and use of extra-budgetary funds. Other administrative issues would have to be determined, for example the allocation of overheads between regular budget and extra-budgetary activities.
- 89.** The Employers would appreciate some more information about the establishment of decent work teams. ILO programmes should aim first at recognizing constituents' needs, and it would be useful to have clarification on how these teams would operate alongside the MDTs in the regions. On the subject of statistics, the Employers acknowledged the value of accurate statistical data as a base for much of the ILO's work but asked for more information concerning the cost of developing the ILO's statistical capacity.
- 90.** The International Policy Group had been established and endorsed by the ILO to ensure there was a channel through which issues could be raised for consideration. There were two points to make which would help to ensure that the group worked effectively. First, those discussing policy should be drawn from a balanced range of specialties and backgrounds so that their recommendations would be fresh and original. Second, it was important to ensure that the Director-General was given the full support of the Governing Body on matters of policy. Recommendations from the policy group should be discussed by the Governing Body and adopted as organizational policy to act as a firm reference point for the Director-General in his external discussions. The Employers noted that the Office paper was silent on the subject of sectoral activities. One of the main benefits the ILO offered its constituents was the possibility for representatives from the major industrial sectors to meet at the ILO to discuss matters of common interest. These meetings were also a useful opportunity for the ILO to publicize its own activities. As a final comment, the Employers had found paragraph 147 of the paper rather confusing and would welcome some clarification from the Office.
- 91.** The representative of the Government of the United Kingdom, speaking on behalf of the IMEC group, welcomed the attempt to produce a medium-term strategic vision of what the ILO might achieve over the period 2002-05. It was right that the strategic policy framework should focus on the four agreed strategic objectives and on the intention to put the decent work agenda into practice. It was also right, as Mr. Marshall had pointed out, that the proposals should be reasonably flexible at this time.

92. In addition to the present discussion, the IMEC group would welcome another opportunity to express views and have a dialogue with the Office on this subject. They welcomed the refinement of the operational objectives which had been reduced in number from 16 to ten and the similar reduction in indicators. They also noted the Director-General's intention to submit a zero growth budget for the next biennium and welcomed his stated intention to look for further costs savings that could be used for priority activities. However, it seemed that apart from some minor amendments the format of the 2002-03 budget would be much the same as the 2000-01 budget. The budget for the present biennium was a major step forward but further improvements were possible and, in particular, there should be a full integration of regular and extra-budgetary funding in the budget document. The ILO should first decide what it wanted to achieve and then decide how much it would cost. Extra-budgetary funding should take place within this framework and should not simply be seen as an add-on.
93. Many IMEC group members had commented on the proposal in paragraph 107 to set up decent work teams in regional offices. It was difficult to see the added value of this extra level of staffing, and they would welcome further clarification in terms of the relationship with the MDTs. The IMEC group members also reminded the Office of their request at a previous meeting for a full review of the field structure of the ILO. They supported the three conferences identified as priorities by the Director-General and welcomed the suggestion concerning flexibility in this area. The ILO should seek to gain maximum impact from the limited resources available to it. Any proposal for a conference should be subject to rigorous scrutiny before it was agreed. Precedent was not a sufficient reason. The IMEC group welcomed the Director-General's intention to seek further extra-budgetary funding in key areas such as the follow-up to the Declaration and HIV/AIDS in the workplace. They had also taken note of the plea for core resources at headquarters to support extra-budgetary expenditure in the field. IMEC group members were ready to respond.
94. The representative of the Government of Italy agreed with the observations made by the representative of the Government of the United Kingdom on behalf of the IMEC group. Structuring the budget around the strategic objectives made it much easier to follow and also helped to pinpoint the resources earmarked for each type of activity.
95. In Part II of the document, the speaker noted with satisfaction the ILO's intention to develop a large number of intersectoral activities with strategies defined at the national level. The Government of Italy could but welcome this approach which it had in fact backed in the framework of the "Universitas" programme for the training of development officials.
96. She wondered, nevertheless, how the strategic framework presented in the document would translate in budgetary terms and how the additional topics could be integrated into the 2002-03 budget.
97. She welcomed with satisfaction the idea of an integrated budget combining regular budget resources and extra-budgetary resources. In her view, the Organization should be able to deal with the increase in voluntary contributions by donors, notably to finance activities in the field. For that purpose effective mechanisms should be established to channel such resources towards the intended activities, and the Organization's structure should be adapted to new needs both at headquarters in Geneva as well as in the various countries and at the regional level.
98. Mr. Anand, an Employer member, said that there was nothing in paragraph 57 of the Office paper to suggest that the ILO was contributing resources to the private sector, and its intention was only to improve access by poor populations to productive resources and

basic social services. This would involve capacity-building for increased private sector execution of public works together with efforts at combining job creation with decent working conditions without compromising efficiency or productivity. One of the greatest challenges facing the ILO was the promotion of employment in remote and inhospitable mountain regions where natural disasters such as landslides and floods were common. The ILO deserved to be commended for its collaboration with the Food and Agriculture Organization in developing a forestry commission for Asia, but its programmes should be expanded to create jobs on public works construction projects aimed at containing the impact of natural disasters in the region. The suffering of the people was aggravated by the conditions of extreme poverty in which so many of them lived. To have lasting benefit, reconstruction work had to include rebuilding the livelihoods of rural dwellers in remote areas where drug cultivation was unfortunately the main economic activity at the moment. The magnitude of the challenges in south Asia should not be underestimated. The cyclone in Orissa last year and recent flooding in Bangladesh, India and Nepal had imposed widespread hardship in the affected areas. Labour-based infrastructure programmes could make a valuable contribution to local economies if they developed schemes to rebuild the settlements and livelihoods of the poor in those regions. The InFocus Programme on Crisis Response and Reconstruction was ideally placed to take the lead in this work.

- 99.** The representative of the Government of Malaysia, speaking on behalf of the Asia and Pacific group, expressed appreciation for the Office paper and believed that it was a good beginning for a long-term perspective for the programmes and activities of the ILO. As the document said, employment promotion was at the heart of the decent work agenda. Employment generation was, in fact, a core objective and deserved an increase in both budgetary and non-budgetary resources.
- 100.** Asia and Pacific members believed that the most critical element of the Declaration was its promotional nature and there should be more resources and programmes devoted to this aspect of it. Programmes to alleviate poverty were succeeding in some areas of the Asia and Pacific region, but in others much more work remained to be done. The ILO should attach the highest priority to employment generation programmes, especially public works programmes in infrastructure in the informal sector, which had the greatest potential for creating jobs for the poor. These programmes could be especially useful when manpower was needed urgently, for example, in the aftermath of natural disasters. ILO programmes for the promotion of self-employment through development of micro-enterprises should also be given high priority. The Asia and Pacific members hoped that these suggestions would be included in the Programme and Budget proposals for 2002-03 to be considered at the March 2001 session of the Governing Body.
- 101.** The representative of the Government of Germany endorsed the statement by the IMEC spokesman, but to avoid confusion he emphasized that in the view of his Government zero growth meant zero nominal growth, not zero real growth. He subscribed to Mr. Blondel's statement concerning the shortage of staff for standards-related activities, and the campaign for ratification should not be undertaken without prescribing how the Office should carry out the work. It was disappointing also that the Office paper did not give more acknowledgement in paragraph 54 to the close cooperation that existed between UNESCO and the ILO.
- 102.** The representative of the Government of the Russian Federation expressed appreciation for the Office paper and endorsed the remark of the previous speaker that the Programme and Budget proposals for 2002-03 should be based on zero nominal growth. He supported the full integration of regular and extra-budgetary funding in the budget document which should contain all the information necessary for a decision-making process, including the data on the distribution of allocations by item of expenditure and the staffing table of the

Office secretariat. There should also be a description of major projects and other information on how objectives would be achieved.

- 103.** The representative of the Government of Japan endorsed the comments of previous speakers in support of a zero nominal growth budget. This did not mean maintaining the status quo – on the contrary there should be a rigorous examination of priorities and the Office should continue its search for administrative savings. On several occasions in the past, her Government had expressed itself in favour of the full integration of regular and extra-budgetary funding for programmes, and she supported the remarks on this subject by the Employer spokesperson. She expressed support for the ILO's efforts so far to develop gender mainstreaming and urged both the Office and the Governing Body to continue this work. The Office was also to be commended for its quick response to the resolution on HIV/AIDS at the last International Labour Conference. As others had remarked, this was a crucial issue which affected all regions of the world to different degrees. The ILO should bear in mind the divisions of responsibility between the different international organizations and its programmes should concentrate on the labour and employment aspects of this problem.
- 104.** The representative of the Government of India expressed support for the statement made on behalf of the Asia and Pacific group. As mentioned in the document, labour standards and workers' rights for association and collective bargaining were important in the workplace and should continue to be so. However, it was not correct to say that they had become important only as a result of globalization of the world economy and to do so would not promote fundamental principles and rights at work. The Office document attempted to give indicators for normative action which included reports examined by the Committee of Experts and the Committee on Freedom of Association. This appeared to overlap with existing arrangements and it would be interesting to know what further improvements were proposed if the Declaration and its Follow-up were to be promotional in nature. In today's world, job insecurity was a major problem and social security protection had become much more important. The scope, coverage and effectiveness of social security systems in a country depended on its level of development. Setting uniform standards and pursuing uniform social security policies and programmes would not be appropriate unless they took into account economic and social development at national level. ILO programmes should therefore aim at strengthening national capacities in phases. It was true that, despite a strong demand for ILO action on many fronts, the Director-General had no option but to submit a zero growth budget for the biennium 2002-03 and she expressed support for the proposals outlined in the Office paper. Proposals for meetings in 2002-03 should be kept as flexible as possible but should perhaps include a tripartite meeting on international migration in view of the urgent need for ILO action on this matter. She hoped these observations would be fully reflected in the detailed proposals for 2002-03 to be considered by the Governing Body next March.
- 105.** The representative of the Government of the United States expressed full support for the statement made on behalf of the IMEC group and thanked the Office for an excellent paper. The United States supported the four strategic objectives described in the paper and the strategic policy framework reflected the fact that these objectives would continue to determine the ILO's activities. The ILO was to be commended for its efforts to combat exploitative child labour, to promote fundamental workers' rights and to advance employment generation and social protection programmes. These efforts were gaining prominence and significant support around the world and it would be critical for the ILO to continue to build its record of success and its reputation as a centre of excellence in the labour field. To do so would require a careful consideration of which activities contributed most to the achievement of strategic objectives and might also mean a shift of budgetary resources to ensure that priorities were met. The ILO had been extraordinarily successful in obtaining extra-budgetary contributions for IPEC, follow-up to the Declaration and also

technical cooperation programmes and it should ensure that support was in place so that these extra-budgetary funds could be used efficiently and effectively. She expressed support for the plans for institutional capacity-building through the use of statistical data in policy formulation and evaluation, including the distribution of this information. Capacity-building was also required for the ILO to play its part in debate on economic questions. However, the United States was concerned about the recent proliferation of global conferences, and although it strongly supported ILO work on the informal sector, it would appreciate further information about the proposed conference on this subject before final discussion. Similarly, the ILO's work with migrant workers was very important but it was not clear that it had a role to play in the development of migration systems. Migration policy was more a matter for the individual countries themselves, although the ILO could of course be helpful on labour-related issues.

- 106.** She shared the concern expressed by Mr. Marshall about the proposals to establish decent work teams in the field and how their role fitted with that of the MDTs. This was part of the larger question of what the ILO field structure should look like and how it should be organized to ensure the most effective and efficient delivery of ILO services to its constituents. As a final point, she urged that the document to be considered next March be made available as early as possible to allow for a full consideration of crucially important issues. Perhaps the end of January would be a good target date to aim at.
- 107.** The representative of the Government of Denmark also endorsed the statement on behalf of IMEC and thanked the Office for a comprehensive paper containing excellent information on the decent work and the four strategic objectives. The ILO should have clear objectives and strategies to meet the challenges of a globalized world and this document showed how to go about it. The four strategic objectives were all conceptually interlinked and the Office had worked to strengthen this linkage in practical terms. She had listened carefully to the Director-General's opening statement but would like to receive further information on how management could ensure that the departments and InFocus programmes would cooperate technically to achieve their objectives. The decent work concept should be integrated in all ILO programmes but there should be no overlap with existing activities, and for this reason she expressed reservations about the proposal to establish decent work teams in the regional offices. As a concluding comment, she welcomed the Director-General's intention to submit zero growth programme and budget proposals for 2002-03.
- 108.** The representative of the Government of China endorsed the statement made on behalf of the Asia and Pacific group and thanked the Office for a very comprehensive discussion paper. He agreed with previous speakers who had spoken in favour of a zero-growth budget for 2002-03 and suggested that the Office should make greater efforts to mobilize extra-budgetary resources to attempt to meet the increasing demand for ILO services. Developing countries without exception had an urgent need for job creation and social security programmes, and in view of their benefits to poor people the ILO should do all it could to expand these activities. Of the four strategic objectives the first, which dealt with the promotion of standards and fundamental principles and rights at work and with the elimination of child labour, was the most important. Action proposed under this heading, particularly that in paragraph 33 on expanded employment opportunities for parents, especially single parents and mothers, and also the development of educational opportunities for children, should proceed without delay.
- 109.** Strategic Objective No. 2, dealing with the creation of greater opportunities for women and men to secure decent employment and income, would only be achieved if measures were taken to promote more flexible forms of employment and to stimulate small enterprise development. The activities described in paragraph 44 of the Office paper would go a long way towards achieving this objective. Strategic Objective No. 3 dealt with enhancing the

coverage and effectiveness of social protection for all. In many countries, social protection schemes were minimal or even non-existent, and the key priority should be the provision of at least minimal levels of protection for the widest number. Strategic Objective No. 4, strengthening tripartism and social dialogue, would be crucial in dealing with the undesirable aspects of globalization. Promoting ILO Conventions would give some assistance but the Office should ensure that the social partners were well equipped to take part in informed debate. Strengthening the work of the ILO in the regions was a high priority and the measures outlined by the Director-General in paragraph 105 of the Office paper deserved full support. Paragraph 107 of the paper described a proposal to establish decent work teams in the regional offices. The provision of support to the regions in planning and implementing the decent work agenda was a legitimate objective but the specific responsibilities of these teams should be clearly spelt out to avoid overlapping with the work of the MDTs.

- 110.** The representative of the Government of the Netherlands associated herself with the statements on behalf of IMEC and of Denmark. In the section of the Office paper dealing with the strengthening of institutional capacities, paragraph 102 referred to the low delivery rate of technical cooperation activities and to the recently established hotline to solve bottlenecks. It was therefore surprising not to be able to identify proposals to strengthen the development cooperation department and COMBI in particular. This section was staffed by highly qualified and hard-working officials who dealt with an extremely heavy workload. In view of the level of extra-budgetary funds being received the Office should increase the staff numbers in this section, especially if extra-budgetary technical cooperation activities were to be integrated with regular budget activities in the programme and budget.
- 111.** The changes described in the document and already set in motion would guarantee that the ILO played its role on the forefront of the global stage in the twenty-first century. Decent work was a commendable initiative to serve as the basis for changes under way and would have profound implications within the ILO. A cultural change would take place and the style of management would have to improve. The concentration on four strategic objectives and cross-cutting issues with result-oriented objectives opened the way for the ILO to use modern project management techniques, and would allow a more flexible use of staff resources.
- 112.** The representative of the Government of Trinidad and Tobago commended the Office for its efforts in setting out the objectives and strategies aimed at achieving decent work. This was a challenging task and had to be tackled at many different levels simultaneously. Paragraphs 13 to 18 of the document identified four of them but a fifth, the regions, should be explicitly recognized as well. The ILO's regional offices served member States not only individually but also in groups and they promoted and facilitated interregional activities. The regional groups were also located logically between national and global strata and they deserved more recognition and consideration from the Office with respect to their potential for promoting the concept of decent work.
- 113.** The Office paper also did not seem to give sufficient consideration to the need for development programmes by many of the ILO's constituents. Probably unlike any other international organization, the ILO had a unique relationship with its constituents but constant communication was needed if it was to work properly. As member States improved their IT infrastructure more of the communication between the Office and member States would take place electronically. Any IT development plan of the Office should take account of this factor, not only to ensure the necessary technological capacity for this form of communication, but also to develop appropriate rules and guidelines that would validate electronic media as an official form of communication.

- 114.** The Director-General, in reply, expressed his appreciation to Committee members for their contributions to the discussion.
- 115.** Many speakers had commented on the relationship with the regions. In the past, questions had been raised about the physical location of field offices but this tended to obscure their real purpose, which was to provide the best quality service to ILO constituents. To achieve this objective the decision had been taken to bring together the MDTs and area offices and, except for three, this had already been done. Ultimately, the MDTs and the area offices would be regarded as a single unit, but the aim was and always would be to provide the best possible service to constituents rather than to restructure the regions for its own sake. Providing better services for constituents was in fact one of the reasons, perhaps the most important, for reinforcing the links between headquarters and the regions. But there were two other good reasons as well. Firstly, all sectors needed to be present, although the demands from constituents for sector services would vary according to the circumstances of each region. Secondly, the maintenance of the identity of each sector had to be accompanied by better operational integration of their work. The document proposed to go a step further.
- 116.** Paragraph 13 described the four levels of action for promoting decent work but to persuade constituents it was worthwhile it was not enough simply to say that results would equal the sum of these components. Many, perhaps even most of the ILO's programmes, created benefits outside their immediate sphere of activity. These benefits were extremely difficult to quantify but they existed nonetheless. At headquarters, the Office was trying to take greater advantage of this synergy by integrating the internal work of the sectors themselves and by encouraging them to work in closer collaboration. This same philosophy was being extended to the regions. It would not be an easy process but the benefits of a holistic approach were worth striving for and this in fact was one of the main reasons for the creation of the decent work teams. Their success would depend in large part on the extent to which they were able to achieve closer integration and coherence across ILO programmes. It was not a question of simply adding more staff but of creating synergy through the more creative use of existing resources in the regions.
- 117.** On the other hand, greater integration carried with it the risk of losing focus. One of the problems with the creation of the Active Partnership Policy, despite the validity of the original concept, was that the technical competence and technical capacities of the Office were diffused too widely. With modern technology it was not necessary to have a major accumulation of technical expertise in the one location. To obtain the benefits of closer integration, however, each region needed a group of people thinking from an overall perspective, and the groups best placed to do it were the decent work teams. Together with their counterparts at headquarters these teams would be responsible for developing more integrated delivery of ILO programmes. The ultimate objective was better ILO services in the regions; not through a new bureaucracy but through a new capacity to think and work in a more holistic way.
- 118.** Some comments had been made about the role of the decent work teams vis-à-vis the MDTs. In fact, there was no conflict between the two – the MDTs had sectoral specialties and would continue to perform that work, but in each region there would be a group responsible for bringing a more holistic perspective to all regional activities.
- 119.** In conclusion, the Director-General reiterated his appreciation for the valuable contributions from so many speakers. They would be carefully assessed by the Office and responses would be incorporated in the Programme and Budget proposals for 2002-03 to be discussed at the March 2001 session of the Governing Body.

- 120.** The Chairperson expressed his appreciation to Committee members and to the Director-General for their contributions to a most interesting discussion.
- 121.** The Committee took note of the Office paper.

Geneva, 15 November 2000.

*(Signed)* D. Willers,  
Reporter.



## Appendix

### Introductory statement by the Director-General

1. At this session, the Office is submitting to the Programme, Financial and Administrative Committee a strategic policy framework covering the period 2002-05 – that is two successive budgets. It is presented for your comments, guidance and instructions. Your discussion will help shape the detailed 2002-03 budget that I will submit to our March session.
2. This document is a logical follow-up to the introduction of strategic budgeting in the ILO. It pursues a basic analytical, operational and management objective: to consolidate the decent work agenda.
3. Let me briefly recall some of the most important steps already taken to this end in the overall management of the Organization:
  - A consensus has been reached on the four strategic objectives that guide our action.
  - A strategic budget for 2000-01 has been approved, providing for the first time clear operational objectives accompanied by performance indicators and targets for the ILO's work.
  - The Office has been reorganized into four technical sectors corresponding to the strategic objectives.
  - Eight InFocus programmes have been established to show flagship priority and to provide critical mass.
  - A senior management team has been created to spearhead a more collegial and open approach to management.
  - A closer incorporation of the Turin Centre activities into the overall activities of the ILO has been promoted. The Centre has adapted its programme to the strategic objectives and the director is a member of the senior management team.
  - An agreement was signed with the Staff Union establishing channels for collective bargaining within the Office.
  - A human resource policy to promote simultaneously fairness and career opportunity for staff as well as efficiency and effectiveness for the Office as a whole is being progressively implemented.
  - A decision to upgrade our information and communication technological infrastructure in order to modernize financial services and other processes has been adopted.
4. Much more has been done and needs to be done to make our work more effective, in particular consultations and joint programming exercises with our colleagues in the regions and a general upgrading of our service approach.
5. I want to share with you a personal management preoccupation:
  - It is still difficult to develop a culture of teamwork. For too long the Office has had an archipelago mentality – each unit doing their own work with insufficient interaction and synergy with other parts of the House or the field. Yet, the overall commitment of the staff to the values and mandate of the ILO is a tremendous asset of the Organization. All of us with management responsibilities at whatever level must find the best ways to channel this positive energy.

- This tendency towards atomization of work is affecting our capacity to consolidate and renovate the critical mass required to deal with the policy challenges of today. Greater analytical integration is necessary in our activities.
- 6. I also want to share with you a sense of great satisfaction. Processes of change are always difficult. Yet, I observe so many of my colleagues working so hard to make your decisions become a reality. I want to highlight their dedication before you.
- 7. Improving our effectiveness is a long-term concern which requires sustained and in-depth changes in the way we work. You have before you two further documents that show what we are doing now, and what we will be doing in the future, to ensure that our progress continues.
- 8. Let me take first the document on performance indicators and targets to be applied under the Programme and Budget for 2000-01. I made a commitment to this Committee last November to ensure that the preliminary indicators and targets presented with the strategic budget would be completed and refined. The indicators and targets listed in this document result from extensive consultations with the units that will have to implement our programme. It constitutes a performance commitment to you. This commitment will be backed by performance reporting, starting with a document to be submitted to this Committee next March on the results of our work in the year 2000.
- 9. In addition to the complete set of targets for the technical sector, I would like to draw your attention to the service standards established for all of the internal support services.
- 10. Let me turn next to the paper on ILO evaluation strategy (GB.279/PFA/8). This paper shows our commitment to go beyond regular performance reporting to conduct in-depth evaluations of the ILO's key programmes. The InFocus programmes will all be subject to such evaluations. In addition, I propose that we evaluate the strategic budgeting process. This will provide an opportunity, at the end of the planning period, to take stock of how successful these innovations have been.
- 11. Let me come back to the Strategic policy framework, 2002-05, and the preview of the Programme and Budget proposals for 2002-03 (GB.279/PFA/6). I am eager to obtain the feedback and guidance that you will provide. Let me introduce the document by summarizing a few of the key ideas which contribute to its value added to our programming processes.
- 12. First, the document is intended to provide a more realistic time dimension to our action. Strategic and operational objectives will not be achieved in a single biennium. Biennial targets capture only a part of our performance. Almost all our work has its roots in research and practical experience that go back a long time. That is the knowledge base of the institution. What we do each biennium, if we do it well, will be the basis for advocacy and services for a number of years hence, and its impacts can only be fully appreciated over a longer period. This is expressed in the notion of consolidating the decent work agenda over this time frame.
- 13. Together with the need to measure our performance each biennium, we should not lose sight of our medium-term goals and the need for sustained action within a clear policy framework. Moreover, if there is agreement on the framework, the preparation and consideration of biennial programme and budget proposals are made easier and more coherent.
- 14. Second, you will have noticed that we have called it a "policy framework" rather than a "plan". While the need for a consistent framework is evident, we all know that the future will hold surprises which will require from us the necessary capacity to respond innovatively. It is already difficult to prepare a programme and budget for the next March meeting, specifying in detail our action and the way we will use the resources available through to the end of 2003. It would not be realistic to plan in detail up to the 2005 horizon. Yet we all need clarity in our sense of purpose and direction as we move towards it.
- 15. Third, the policy framework begins with a brief analysis of the implications of globalization for the ILO's overall goal of decent work. I believe that we are all convinced that the ILO must be a major player in the global framework that is now evolving. Without a social foundation and a strong

development component, global economic success cannot reach the developing countries and people living in poverty or social exclusion that need it most. A major part of the work of building that social foundation and more fairness in the distribution of benefits falls squarely within the ILO's mandate and capacities. In fact, the General Assembly of the United Nations has endorsed the decent work agenda and thus given it system-wide relevance. Among other dimensions, it is perceived as a key approach in the struggle to reduce poverty.

16. Fourth, the major part of the policy framework is devoted to the strategies that we propose to follow in order to help deliver – together with others – opportunities for decent work for individuals and their families at the local and national levels.
17. However, I am made aware every day how difficult a task we have before us. Without a strong sense of priorities to focus our work, and without strategies that are realistic and effective, we will not meet the goals we have set. This policy framework is conceived as a practical management tool which effectively links goals with means of action.
18. Under each of the four strategic objectives, and in addition in the integrating action that we are preparing on decent work, we have had to make difficult choices on priorities and strategies. That is why your reactions and guidance on this part of the paper will be especially valuable. We will make immediate use of your ideas as we finalize the programme and budget proposals that I will submit to you next March.
19. Fifth, you will note that under each strategic objective there is a specific identification of the contribution to decent work. This includes a listing of key cross-sectoral themes that will require Office-wide cooperation. There is a special effort to make technical sectors develop both a more integrated approach and a greater sense of team spirit. I have been promoting integrated thinking and more coherence within the United Nations system, but we also need it here at home.
20. The essence of the decent work agenda is its holistic approach based on the positive interaction between the four strategic objectives. We should fully back through budget, personnel policies and other incentives, those units and staff members who contribute to a more holistic and integrated knowledge base for the institution, who show team spirit and are prepared to share knowledge, experience and know-how. I believe in stimulating and rewarding innovation, creativity, new ideas, questioning old ways of doing. Your suggestions are particularly welcome on how best to achieve these ends.
21. Sixth, the paper also includes information on the steps we plan to take to strengthen the ILO's institutional capacities. There are many critical themes. These relate to the way we manage our resources, ensure that our knowledge is available and applied, communicate with our constituents and partners, and strengthen our human resources. Two points deserve special mention. First, we can and will do more in all the ILO's work to promote gender equality. Second, we must do a better job of ensuring that headquarters and the regional structures collaborate fully to improve services to our constituents and to enhance the rate of delivery of technical cooperation.
22. The conclusion of the paper points out its implications for the Programme and Budget proposals for 2002-03. These proposals will be a continuation of the strategic budgeting approach adopted by this Committee. The proposals will go further than before:
  - in providing an integrated view of both regular budget and extra-budgetary resources for each operational objective;
  - in establishing measurable targets within a streamlined set of objectives; and
  - in providing strategies explaining how we expect to achieve these targets.
23. In addition you will find next March the detailed information on resources that was delayed on an exceptional basis until November during the last programme and budget exercise.

24. I will propose a zero growth budget. However, I would be shirking my responsibilities if I were to tell you that such a budget can meet the legitimate expectations of our constituents. It cannot. The demands on the ILO are obviously greater than the resources available.
25. The ILO has before it the opportunity to prove that it can be a major global player in the achievement of decent work. Its programmes on child labour and the Declaration are expanding, but it is increasingly difficult to root them more deeply in the regular budget without affecting other priorities. It must undertake a comprehensive review of our standards activities, which are the core of our historical mandate and a cornerstone of the ILO's identity. It must respond to the pressing demands of developing countries for greater help in solving their employment problems, even as external resources for employment are declining. It is called upon to respond to different forms of insecurity at work and the need to protect workers in the formal and informal economy. It will launch, at your request, a new programme on HIV/AIDS at the workplace. And it has the constitutional responsibility of ensuring that all this and more is done in association with the people most concerned, through social dialogue and in particular through the strengthening of the social partners.
26. I hope that you will devote some of your time to innovative and forward-looking measures to enhance the resource base necessary for our mission.
27. Ultimately, opportunities to deliver decent work to the families that need it will be possible if all constituents, acting together, can raise the political visibility of the decent work deficit that the world is facing. An integrated approach to help reduce the decent work deficit is what this strategic policy framework is all about.