

Report II

**Draft programme
and budget 2002-03
and other
financial questions**



ISBN 92-2-111950-5
ISSN 0074-6681

First published 2001

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Preface

1. This report deals with the draft Programme and Budget for 2002-03 as examined by the Governing Body at its 280th Session (March 2001).
2. The full material relating to the draft 2002-03 programme and budget appears on pages 1 to 4. This material should be read in conjunction with the Director-General's Programme and Budget proposals for 2002-03 as indicated in paragraph 2 on page 1.
3. The Governing Body's recommendations concerning the scales of assessment of contributions to the budget for the 2002-03 financial period, the assessment of contributions of new member States, the review of the Financial Regulations governing cash surpluses and deficits, the composition of the Administrative Tribunal of the ILO and appointments to the ILO Staff Pension Committee, together with the related draft Conference resolutions, are set out on pages 5, 6, 7, 9 and 10 respectively.

Contents

	<i>Page</i>
Preface	iii
Programme and Budget for 2002-03	yellow pages
Consideration of the Director-General's Programme and Budget proposals for 2002-03 by the Programme, Financial and Administrative Committee and the Governing Body	1
Recommendations of the Governing Body to the Conference at its 89th Session (June 2001).....	2
Summary tables	
Proposed expenditure budget for 2002-03 (Parts I to III) (table A)	3
Proposed operational budget – Analysis of increases and decreases (table B)	4
Other financial and administrative questions	
Scales of assessment of contributions to the budget for the 2002-03 financial period.....	5
Assessment of contributions of new member States	6
Review of the Financial Regulations governing cash surpluses and deficits	7
Composition of the Administrative Tribunal of the International Labour Organization.....	9
Appointments to the ILO Staff Pension Committee.....	10
Annexes	
1. Third report of the Programme, Financial and Administrative Committee of the Governing Body at its 280th Session (March 2001) (GB.280/11/3)	blue title page
2. Report of the Government members of the Committee on Allocations Matters (GB.280/11/4).....	pink title page
3. Review of the Financial Regulations governing cash surpluses and deficits (GB.279/PFA/4)	green title page
4. Extract from the first report of the Programme, Financial and Administrative Committee (November 2000) (GB.279/10/1(Add. & Corr.)).....	golden title page
5. Composition of the ILO Administrative Tribunal (GB.280/PFA/14/2).....	orange title page
6. Appointments to the ILO Staff Pension Committee (GB.280/PFA/13/1)	lilac title page

Programme and Budget for 2002-03

Consideration of the Director-General's Programme and Budget proposals for 2002-03 by the Programme, Financial and Administrative Committee and the Governing Body

1. The Director-General's Programme and Budget proposals for 2002-03 were submitted to the Governing Body at its 280th Session (March 2001) in document GB.280/PFA/7. That document is being reissued as a supplement to the present report and circulated to those recipients of the report to whom the proposals in question have not already been sent.
2. The Director-General's proposals were considered in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. The Committee's discussion of the proposals was recorded in its third report to the Governing Body, which is reproduced in Annex 1 to the present report.¹ The Governing Body accepted the recommendations of the Committee and decided to propose to the International Labour Conference a resolution related to the adoption of the programme and budget for the 68th financial period, ending 31 December 2003, and for the allocation of expenses among Members in that period. The text of the proposed resolution is given below in paragraph 7.
3. It will be observed that the proposed resolution is incomplete as regards the final budget level. The Governing Body endorsed a provisional programme level of US\$472,488,505 estimated at the 2000-01 budget exchange rate of 1.53 Swiss francs to the US dollar. The final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessments will be determined by the Conference, on the recommendation of the Finance Committee of Government Representatives, at its forthcoming session.
4. The Director-General's proposed expenditure budget for 2002-03 (Parts I to III), which was endorsed by the Governing Body, is set out in table A on page 3 below.
5. Table B, which is set out on page 4 below, and is entitled "Proposed operational budget – Analysis of increases and decreases", permits the identification of changes in programme level – as distinct from changes due to cost increases and currency fluctuations. The second column shows the Director-General's proposals for 2002-03 costed in terms of constant 2000-01 US dollars, i.e. on the basis of cost levels and exchange rates used in preparing the 2000-01 programme and budget. These figures can thus be compared directly with those in the first column, which is headed "2000-01", so that programme increases and decreases in real terms can be readily identified. The figures in the penultimate column represent the 2002-03 budget proposals costed on the basis of estimated 2002-03 cost levels and the 2000-01 budget rate of exchange of 1.53 Swiss francs to the US dollar.

¹ See blue title page. This report for the Conference was prepared immediately after the 280th Session (March 2001) of the Governing Body so as to reach member States as early as possible in accordance with article 6 of the Financial Regulations. The discussion of the Programme, Financial and Administrative Committee's third report in the Governing Body will be reflected in the minutes of the 280th Session of the Governing Body, which were not available at the time of going to press.

Recommendations of the Governing Body to the Conference at its 89th Session (June 2001)

6. The Governing Body recommends to the Conference at its 89th Session (June 2001) that the final amount of the 2002-03 budget be based on the endorsed proposed expenditure budget of US\$472,488,505 estimated at the 2000-01 budget exchange rate of 1.53 Swiss francs to the US dollar, to be revalued at the rate of exchange set by the Conference.
7. The Governing Body also recommends that the text of the related resolution to be adopted by the Conference should be as follows:

The General Conference of the International Labour Organization,

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

Table A. Strategic budget: Proposed expenditure budget by appropriation line

Item	Revised strategic budget 2000-01	Adjusted strategic budget 2002-03	Adjusted strategic budget 2002-03
	(in constant 2000-01 US\$)		(recosted)
Part I. Ordinary budget			
A. Policy-making organs	60,896,671	59,220,340	59,902,366
B. Strategic objectives	351,728,503	350,759,606	356,426,551
Standards and fundamental principles and rights at work	69,711,745	77,055,365	78,300,287
Employment	130,005,263	121,614,800	123,579,635
Social protection	58,128,262	57,008,931	57,929,979
Social dialogue	93,883,233	95,080,510	96,616,650
C. Management services	37,694,107	38,029,597	38,301,942
D. Other budgetary provisions	20,243,879	20,549,417	20,997,464
Adjustment for staff turnover	-3,968,160	-3,968,160	-4,014,818
Total Part I	466,595,000	464,590,800	471,613,505
Part II. Unforeseen expenditure			
Unforeseen expenditure	875,000	875,000	875,000
Part III. Working Capital Fund			
Working Capital Fund	–	–	–
Total (Parts I-III)	467,470,000	465,465,800	472,488,505

Table B. Proposed operational budget – Analysis of increases and decreases

	2000-01	2002-03 estimates in constant 2000-01 dollars	Programme increases (decreases)		Cost increases (decreases)		2002-03	% of total budget
	US\$	US\$	US\$	%	US\$	%	US\$	%
PART I. ORDINARY BUDGET								
Policy-making organs	60,896,671	59,220,340	-1,676,331	-2.75	682,026	1.15	59,902,366	12.68
International Labour Conference	9,602,562	9,523,886	-78,676	-0.82	238,098	2.50	9,761,984	
Governing Body	3,729,458	3,704,891	-24,567	-0.66	49,307	1.33	3,754,198	
Major Regional Meetings	558,700	832,259	273,559	48.96	19,976	2.40	852,235	
Legal services	2,522,832	2,519,193	-3,639	-0.14	23,876	0.95	2,543,069	
Relations, meetings and document services	44,483,119	42,640,111	-1,843,008	-4.14	350,769	0.82	42,990,880	
Strategic objectives	351,728,503	350,759,606	-968,897	-0.28	5,666,945	1.62	356,426,551	75.44
<i>Technical programmes</i>	<i>157,881,091</i>	<i>159,981,385</i>	<i>2,100,294</i>	<i>1.33</i>	<i>1,971,946</i>	<i>1.23</i>	<i>161,953,331</i>	<i>34.28</i>
Standards and fundamental principles and rights at work	25,406,270	26,245,416	839,146	3.30	323,157	1.23	26,568,573	
Employment	36,200,027	35,047,048	-1,152,979	-3.19	423,689	1.21	35,470,737	
Social protection	25,281,168	24,576,616	-704,552	-2.79	324,625	1.32	24,901,241	
Social dialogue	39,200,687	38,583,544	-617,143	-1.57	446,067	1.16	39,029,611	
Decent work: Inter-sectoral operational support	-	2,925,374	2,925,374	n/a	27,905	0.95	2,953,279	
Gender equality	2,026,622	2,011,540	-15,082	-0.74	17,513	0.87	2,029,053	
Statistics	6,579,622	6,282,754	-296,868	-4.51	63,882	1.02	6,346,636	
International Institute for Labour Studies	4,931,020	4,849,222	-81,798	-1.66	77,587	1.60	4,926,809	
International Training Centre of the ILO, Turin	5,340,000	5,436,838	96,838	1.81	97,863	1.80	5,534,701	
External relations and partnerships	4,515,784	4,502,050	-13,734	-0.30	75,142	1.67	4,577,192	
International policy group	1,246,414	1,523,817	277,403	22.26	11,706	0.77	1,535,523	
Communications	5,599,375	5,658,538	59,163	1.06	58,031	1.03	5,716,569	
ILO Web development	-	790,281	790,281	n/a	10,699	1.35	800,980	
Technical meetings reserve	1,554,102	1,548,347	-5,755	-0.37	14,080	0.91	1,562,427	
<i>Regions and technical cooperation</i>	<i>138,281,517</i>	<i>137,452,946</i>	<i>-828,571</i>	<i>-0.60</i>	<i>3,020,526</i>	<i>2.20</i>	<i>140,473,472</i>	<i>29.73</i>
Development cooperation	3,057,272	2,991,190	-66,082	-2.16	29,897	1.00	3,021,087	
Field programmes in Africa	40,073,294	39,776,636	-296,658	-0.74	869,310	2.19	40,645,946	
Field programmes in the Americas	36,680,263	36,480,820	-199,443	-0.54	687,903	1.89	37,168,723	
Field programmes in Arab States	8,129,430	8,019,857	-109,573	-1.35	470,753	5.87	8,490,610	
Field programmes in Asia and the Pacific	37,960,606	37,892,278	-68,328	-0.18	325,357	0.86	38,217,635	
Field programmes in Europe and Central Asia	12,380,652	12,292,165	-88,487	-0.71	637,306	5.18	12,929,471	
<i>Support services</i>	<i>55,565,895</i>	<i>53,325,275</i>	<i>-2,240,620</i>	<i>-4.03</i>	<i>674,473</i>	<i>1.26</i>	<i>53,999,748</i>	<i>11.43</i>
Library and information services	7,397,379	6,939,436	-457,943	-6.19	144,217	2.08	7,083,653	
Information technology and communications	11,625,682	11,738,382	112,700	0.97	151,013	1.29	11,889,395	
Internal administration	31,150,832	29,664,053	-1,486,779	-4.77	185,142	0.62	29,849,195	
Publications	5,392,002	4,983,404	-408,598	-7.58	194,101	3.89	5,177,505	
Management services	37,694,107	38,029,597	335,490	0.89	272,345	0.72	38,301,942	8.11
General management	6,339,726	6,275,250	-64,476	-1.02	54,323	0.87	6,329,573	
Human resources development	15,002,862	15,231,064	228,202	1.52	92,474	0.61	15,323,538	
Financial services	11,554,763	11,837,417	282,654	2.45	65,950	0.56	11,903,367	
Programming and management	4,796,756	4,685,866	-110,890	-2.31	59,598	1.27	4,745,464	
Other budgetary provisions	20,243,879	20,549,417	305,538	1.51	448,047	2.18	20,997,464	4.43
Adjustment for staff turnover	-3,968,160	-3,968,160	-	-	-46,658	1.18	-4,014,818	-0.85
TOTAL PART I	466,595,000	464,590,800	-2,004,200	-0.43	7,022,705	1.51	471,613,505	99.81
PART II. UNFORESEEN EXPENDITURE								
Unforeseen expenditure	875,000	875,000	-	-	-	-	875,000	0.19
PART III. WORKING CAPITAL FUND								
Working Capital Fund	-	-	-	-	-	-	-	-
TOTAL (PARTS I-III)	467,470,000	465,465,800	-2,004,200	-0.43	7,022,705	1.51	472,488,505	100.00

Other financial and administrative questions

Scales of assessment of contributions to the budget for the 2002-03 financial period

1. At its 280th Session (March 2001), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee, to propose to the Conference at its 89th Session (June 2001) that it adopt the draft scale of assessments for 2002 and 2003 as set out in column 3 of Appendices A and B to the report of the Government members of the Committee on Allocations Matters.²
2. It will be for the Finance Committee of Government Representatives to consider the proposals put forward by the Governing Body concerning the draft scale of assessments for 2002 and 2003 and to make appropriate proposals to the Conference.

² GB.280/11/4, reproduced as Annex 2 to this report.

Assessment of contributions of new member States

1. On 24 November 2000, the Federal Republic of Yugoslavia, which joined the United Nations on 1 November 2000, became a Member of the ILO.
2. At its 280th Session (March 2001), the Governing Body decided, on the recommendation of the Government members of the Programme, Financial and Administrative Committee³ to propose to the Conference at its 89th Session (June 2001) that, in accordance with the established practice of harmonizing the rates of assessment of ILO member States with their rates of assessment in the United Nations, the contribution of the Federal Republic of Yugoslavia to the ILO budget for the period of its membership in the Organization in 2000 and 2001 be based on an annual assessment rate of 0.026 per cent and 0.020 per cent respectively.
3. It will be for the Finance Committee of Government Representatives to consider this proposal put forward by the Governing Body and to make appropriate proposals to the Conference.

³ Report of the Government members of the Committee on Allocations Matters (GB.280/11/4), reproduced as Annex 2 to this report.

Review of the Financial Regulations governing cash surpluses and deficits

1. At its 279th Session (November 2000), the Programme, Financial and Administrative Committee considered a paper⁴ on proposed amendments to the Financial Regulations, required to put into effect the direct use of arrears of contributions received to reimburse the Working Capital Fund or to repay amounts borrowed to finance a cash deficit in a previous period. An extract of the Programme, Financial and Administrative Committee's report to the Governing Body is reproduced as Annex 4 to this report.
2. During the same session, the Governing Body decided to endorse the Committee's proposal and to recommend to the Conference that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Recognizing that amendments to the Financial Regulations are required to put into effect the direct use of arrears of contributions received to reimburse the Working Capital Fund or to repay amounts borrowed to finance a cash deficit in a previous financial period;

Decides to make the following amendments to the Financial Regulations:⁵

Article 18

1. The excess [or shortfall of income over expenditure] **of income over expenditure (surplus) or the shortfall in income compared with expenditure (deficit)** in any complete financial period shall be calculated by deducting budgetary expenditure from budgetary income with a financial provision being made for delays in the payment of contributions. Such provision shall amount to 100 per cent of the contributions unpaid at the [date of the financial statements at the] end of the financial period.

2. Any such [excess of income over expenditure] **surplus**, expressed in Swiss francs calculated at the budget rate of exchange for that financial period, shall be used to reduce the contributions of Members in the following way: Members which paid their ordinary contributions in the financial period in which this surplus accrued shall have their share of the surplus deducted from their contributions assessed for the second year of the succeeding financial period; other Members shall not be credited with their share until they have paid the contributions due from them for the financial period in which the surplus accrued. When they have done so their share of such surplus shall be deducted from their contributions assessed for the first year of the next financial period for which a budget is adopted after such payment.

Article 21

1. (No change.)

⁴ GB.279/PFA/4, reproduced as Annex 3 to this report.

⁵ Additions are shown in bold type; deletions are indicated by square brackets.

2. If any sums withdrawn from the Working Capital Fund or borrowed to finance [budgetary] expenditure [pending receipt of contributions or other income and/or expenditure incurred in the financing of contingencies and emergencies under prior authorization of the Governing Body] cannot be reimbursed in the course of the same financial period, **then:**

- (a) **to the extent that the sums were withdrawn or borrowed to finance budgetary expenditure pending the receipt of contributions or other income, they shall be reimbursed from arrears of contributions received in the following financial period or periods;**
- (b) **to the extent that the sums were withdrawn or borrowed to finance expenditure incurred in respect of contingencies or emergencies under prior authorization of the Governing Body, they** [owing to the fact that the total budgetary income for the period falls short of total authorized expenditure incurred during the period, the sums so borrowed or withdrawn] shall be reimbursed to the lender or lenders and to the Fund in the second year of the next following financial period by adding to the contributions assessed on member States for that year an additional assessment in Swiss francs equivalent to the amount so borrowed or withdrawn[:], provided that temporary surpluses [of budgetary income over expenditure occurring at any time] shall be utilized to the extent possible to reduce the amount of outstanding loans or advances.

3. (No change).

Composition of the Administrative Tribunal of the International Labour Organization

At its 280th Session (March 2001), the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee,⁶ to propose to the International Labour Conference at its 89th Session (June 2001) that it renew the terms of office of Mr. Michel Gentot (France) and that of Mr. Jean-François Egli (Switzerland) for a period of three years, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Decides, in accordance with Article III of the Statute of the Administrative Tribunal of the International Labour Organization, to renew the appointment of Mr. Michel Gentot (France) and that of Mr. Jean-François Egli (Switzerland) for a term of three years.

⁶ GB.280/PFA/14/2, reproduced as Annex 5 to this report.

Appointments to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board)

At its 280th Session (March 2001), the Governing Body decided, on the recommendation of its Programme, Financial and Administrative Committee,⁷ to propose to the International Labour Conference at its 89th Session (June 2001) that it appoint members and alternate members of the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) for a period of three years until 8 October 2004, and that it adopt a resolution in the following terms:

The General Conference of the International Labour Organization,

Appoints to the ILO Staff Pension Committee (United Nations Joint Staff Pension Board) for a period of three years until 8 October 2004, the following members and alternate members:

Members:

Mr. W. Ringkamp (Government, Germany)

Mr. M. Barde (Employer)

Mr. M. Blondel (Worker)

Alternate members:

Mr. R. Schibli (Switzerland)

Mr. P. Simonsen (Denmark)

Mr. A. Young (United Kingdom)

⁷ GB.280/PFA/13/1, reproduced as Annex 6 to this report.

Annex 1

Third report of the Programme, Financial and Administrative Committee of the Governing Body at its 280th Session (March 2001) (GB.280/11/3)

Annex 2

**Report of the Government members of the Committee
on Allocations Matters (GB.280/11/4)**

Annex 3

Review of the Financial Regulations governing cash surpluses and deficits (GB.279/PFA/4)

Annex 4

**Extract from the first report of the Programme,
Financial and Administrative Committee (November 2000)
([GB.279/10/1\(Add. & Corr.\)](#))**

Extract from the first report of the Programme, Financial and Administrative Committee (November 2000)

Review of the Financial Regulations governing cash surpluses and deficits (Fourth item on the agenda)

25. The Committee had before it a paper⁵ proposing amendments to the Financial Regulations concerning cash surpluses and deficits.
26. Mr. Blondel noted that the experimental system introduced for the three biennia 1994-95, 1996-97 and 1998-99 had been intended to offset the effects of fluctuations in budgetary income. Amounts had been deducted from the Working Capital Fund to cover the regular budget deficits, and member States had then been credited with the excess of income over expenditure when the arrears giving rise to the deficits were paid. The system had the advantage of sparing member States the additional assessments that would have been required to cover the deficits, in accordance with article 21.2 of the Financial Regulations. The Committee was invited to take a decision on whether to make the necessary changes to the Financial Regulations to place the system on a permanent footing. Its introduction was more of interest to governments. The Worker members were ready to approve the institutionalization of the system if it met with the approval of governments.
27. Mr. Marshall, for the Employers, recalled that the 1995 Conference had decided on a temporary derogation from the Financial Regulations for a trial period covering the 1994-95, 1996-97 and 1998-99 biennia. The effect of the derogation essentially was to enable any sums withdrawn from the Working Capital Fund to finance budgetary expenditure not reimbursed by the end of the same biennium to be reimbursed from arrears of contributions received in subsequent biennia. The trial appeared to have worked well and the Employers would support the point for decision but wondered whether the External Auditor had expressed any views on the matter.
28. The representative of the Government of the United Kingdom, speaking on behalf of the IMEC members, welcomed the proposed changes to the Financial Regulations, which were intended to make permanent the amendments adopted on a trial basis for the period 1994-99. The logic behind the amendment was understandable. The previous system, which allowed for additional assessments to be made in the event of a deficit, meant that member States which had fully met their obligations to the Organization had to subsidize, albeit on a temporary basis, less responsible States; it also meant that there were no incentives for the Office to put pressure on member States that had not paid their contributions. They therefore expressed support for the point for decision in the Office paper and congratulated the Director-General on his willingness to make the necessary adjustments in the patterns of expenditure in the ILO when confronted with deficits during the trial period. They reserved the right to examine other aspects of the Financial Regulations, in particular the provisions relating to external borrowing. After introducing strategic budgeting and completely overhauling their budgeting processes, a number of other organizations had found it useful to undertake a complete review of their financial regulations. The ILO should also consider the merits of such an exercise.

⁵ GB.279/PFA/4.

29. The representative of the Government of the United States supported the statement by the IMEC group. He endorsed the amendments proposed to the Financial Regulations in order to streamline the replenishment process for the Working Capital Fund, and commended the Office for its flexibility in dealing with the financial uncertainties of recent years. He also urged the Office to undertake a complete review of the Financial Regulations to ensure that they were consistent with current practice, but warned that any provision regarding external borrowing would be viewed with the gravest concern.
30. The representative of the Government of Germany also expressed support for the statement delivered on behalf of the IMEC group, and shared the concerns about external borrowing voiced by the previous speaker.
31. The Treasurer, in reply to the query by Mr. Marshall on whether the External Auditor had been asked for an opinion concerning proposed changes to the Financial Regulations, confirmed that such a request had been made and the External Auditor's views were contained in a letter dated January 1995 to the Director-General. The main points made by the Auditor were, first, to examine whether the level of the Working Capital Fund, fixed at 35 million Swiss francs, would be sufficient to meet potential deficits; second, if the ILO did adopt the system for a trial period, it would be advisable to monitor whether there were any discernible adverse effects on the inflow of contributions; this was the reason for the concluding comment in paragraph 11 of the Office paper; and third, whether article 18 of the Financial Regulations concerning the reimbursement of surpluses to governments should be modified if they were not to be charged for deficits.
32. The operation of the new scheme was tested to the full at the end of the 1994-95 biennium. At 31 December 1995 the ILO had a deficit of US\$44 million because a payment from the major contributor was not received until early January 1996. This amount was financed in full by a withdrawal from the Working Capital Fund and internal borrowing. Under the Financial Regulations as they stood before the temporary derogation was proposed, member States would have been billed for that deficit in 1997, which would have produced a surplus in the 1996-97 biennium refundable to member States in 1999. The temporary derogation approved by the Conference allowed the payment received in early January 1996 to be used to reimburse the internal borrowing and the withdrawal from the Working Capital Fund. The fact that much administrative inconvenience was avoided was convincing evidence of the merits of the scheme.
33. In reply to comments by two speakers, the Treasurer confirmed that the ILO was authorized to borrow externally. In the entire history of the ILO this facility had been used only once, for a period of about ten days to meet the payroll in February 1978, following the withdrawal three months previously of the largest contributor from ILO membership. However, in view of the circumstances at the time and as a result of representations from the Office, the borrowing was achieved at no cost to the ILO because the banks agreed to make the advances interest-free. Apart from this one occasion the Office had never used this external borrowing facility, but it would be better to retain it since the nominal level of the Working Capital Fund was at present fixed at 35 million Swiss francs.
34. All things considered, the proposed amendments were an improvement to the Financial Regulations. But it was impossible to legislate for every eventuality, and there would undoubtedly still be occasions in the future when the Governing Body would be called upon to consider exceptions to articles 18 or 21 of the Financial Regulations in particular circumstances.
35. ***The Committee recommends to the Governing Body that it propose to the International Labour Conference, for adoption at its 89th Session (June 2001), the draft resolution contained in the appendix to this report.***

Appendix

Resolution to be submitted to the 89th Session (2001) of the International Labour Conference

The General Conference of the International Labour Organization,

Recognizing that amendments to the Financial Regulations are required to put into effect the direct use of arrears of contributions received to reimburse the Working Capital Fund or to repay amounts borrowed to finance a cash deficit in a previous financial period;

Decides to make the following amendments to the Financial Regulations:¹

Article 18

1. The excess [or shortfall of income over expenditure] **of income over expenditure (surplus) or the shortfall in income compared with expenditure (deficit)** in any complete financial period shall be calculated by deducting budgetary expenditure from budgetary income with a financial provision being made for delays in the payment of contributions. Such provision shall amount to 100 per cent of the contributions unpaid at the [date of the financial statements at the] end of the financial period.

2. Any such [excess of income over expenditure] **surplus**, expressed in Swiss francs calculated at the budget rate of exchange for that financial period, shall be used to reduce the contributions of Members in the following way: Members which paid their ordinary contributions in the financial period in which this surplus accrued shall have their share of the surplus deducted from their contributions assessed for the second year of the succeeding financial period; other Members shall not be credited with their share until they have paid the contributions due from them for the financial period in which the surplus accrued. When they have done so their share of such surplus shall be deducted from their contributions assessed for the first year of the next financial period for which a budget is adopted after such payment.

Article 21

1. (No change.)

2. If any sums withdrawn from the Working Capital Fund or borrowed to finance [budgetary] expenditure [pending receipt of contributions or other income and/or expenditure incurred in the financing of contingencies and emergencies under prior authorization of the Governing Body] cannot be reimbursed in the course of the same financial period, **then:**

- (a) **to the extent that the sums were withdrawn or borrowed to finance budgetary expenditure pending the receipt of contributions or other income, they shall be reimbursed from arrears of contributions received in the following financial period or periods;**
- (b) **to the extent that the sums were withdrawn or borrowed to finance expenditure incurred in respect of contingencies or emergencies under prior authorization of the Governing Body, they** [owing to the fact that the total budgetary income for the period falls short of total authorized expenditure incurred during the period, the sums so borrowed or withdrawn] shall be reimbursed to the lender or lenders and to the Fund in the second year of the next following financial period by adding to the contributions assessed on member States for that year an additional assessment in Swiss francs equivalent to the amount so borrowed or withdrawn[:], provided that temporary surpluses [of budgetary income over expenditure occurring at any time] shall be utilized to the extent possible to reduce the amount of outstanding loans or advances.

3. (No change.)

¹ Additions are shown in bold type: deletions are indicated by square brackets.

Annex 5

**Composition of the ILO Administrative Tribunal
(GB.280/PFA/14/2)**

Annex 6

**Appointments to the ILO Staff Pension Committee
(GB.280/PFA/13/1)**