



Governing Body

347th Session, Geneva, 13–23 March 2023

Programme, Financial and Administrative Section

PFA

Minutes of the Programme, Financial and Administrative Section

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Programme, Financial and Administrative Segment

1. The Director-General's Programme and Budget proposals for 2024–25 (GB.347/PFA/1)

1. The Director-General presented his programme and budget proposals in his opening remarks to the Governing Body. The statement is reproduced in its entirety in [Appendix I](#).

Executive overview and draft budget of expenditure and income for 2024–25

2. **The Worker spokesperson** welcomed the focus on social justice in the Programme and Budget proposals for 2024–25 and the proposed creation of a Global Coalition for Social Justice. He noted that tripartism and labour standards must be built into the Coalition, with all actors bound to respect the ILO's mandate and standards in line with the conclusions concerning inequalities and the world of work adopted by the International Labour Conference at its 109th Session (2021). It was also positive that achieving gender equality and equal treatment continued to be a cornerstone of the programme. While his group appreciated the focus on the modernization of the ILO's normative system and on strong social dialogue and tripartism, the executive overview failed to look forward in terms of standard-setting to ensure the protection of labour rights in the face of new and emerging challenges and the preservation of the ILO's role as the centre of reference for labour standards and employment policy.
3. Turning to the section covering regional priorities, he asked for clarification regarding its links to the rest of the programme, regional budgetary allocations and the proposed options for the review of regional meetings. Freedom of association and the right to collective bargaining, and the strengthening of social partners' organizations and labour law should be at the heart of all regional plans, with a focus on reducing both horizontal and vertical inequalities. Lack of worker representation should be addressed in line with the ILO standards and supervisory system. The Workers' group generally supported the reinforced approach to knowledge management, innovation and capacity development, but again called for a specific focus on standards implementation, the identification of needs for new standards, and more rapid standard-setting procedures. In relation to improved communication, development cooperation, governance, oversight and management, his group welcomed the proposal to continue developing effective policies and procedures for risk management and internal controls, and to reinforce capacity for oversight and mediation, while implementing the ILO's Environmental and Social Sustainability Framework across all areas of work. In that context, the Office should develop more effective labour rights due diligence policies and procedures for engagement with the private sector.
4. He welcomed the budget increase, which was inevitable given the rising cost of living, and called on governments to support the proposed modest increase. The Office's efforts in terms of efficiency gains and the redeployment of resources were also welcome. The Workers' group remained committed to the Standards Review Mechanism. However, it was regrettable that the follow-up of the associated recommendations had been very unbalanced, leading solely to the abrogation of outdated Conventions, while standard-setting and promotion activities lagged behind. It was positive that resources had been allocated for two meetings of the Standards Review Mechanism Tripartite Working Group (SRM TWG), but the Office must find other ways to speed up its work.
5. Referring to paragraph 55, he said that although the reorientation of resources from outcome 3 (full and productive employment for just transitions) to support the work of the

Global Coalition for Social Justice under outcome 8 (integrated policy and institutional responses for social justice through decent work) was understandable, it was disappointing that outcome 4 (sustainable enterprises for inclusive growth and decent work) would benefit at the expense of outcome 3. The mandate of the ILO was to protect workers against exploitation; it should not therefore put workers' protection and support for enterprises on the same level. The Office should clarify how the funds under outcome 4 would be used and ensure that effective guarantees were in place to make support for enterprises conditional on their commitment to the Decent Work Agenda. As most of the funding came from public sources, any support for enterprise development constituted an indirect subsidy from the public sector to the private sector. If resources were to be allocated in that way, the Office should use them for the protection of workers in the social and solidarity economy, the development of due diligence regulations and the reinforcement of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). Many of the other topics under outcome 4 were peripheral to the ILO's mandate and should be funded by technical cooperation only. Finally, commending the increase in resources for the Regular Budget Supplementary Account (RBSA), he thanked contributors and suggested acknowledging them in future versions of the document. It should be a priority for the ILO to ensure, however, that key professional positions in core areas of work were funded through the regular budget.

- 6. The Employer spokesperson** welcomed the efforts to emphasize policy coherence as part of the revised outcome framework within the programme and budget proposals. However, she expressed reservations regarding whether the Global Coalition for Social Justice and the policy outcomes, in particular outcome 8 on integrated policy and institutional responses for social justice, would achieve the aim of enabling the ILO to optimize its use of human and financial resources in a coordinated, cohesive manner. It was particularly regrettable that outcome 5 on skills and lifelong learning in the Programme and Budget for 2022–23, under which there had been four separate outputs, had been condensed into just one output in the new strategic framework, despite the fact that skills had been identified as a priority issue by all constituents when adopting the ILO Centenary Declaration for the Future of Work (Centenary Declaration). The Employers' group had also repeatedly voiced the need for the ILO to become a global leader on skills; the current version of the document did not reflect the previous consultations held in that regard. However, since skills and lifelong learning had been specified as a programme priority for Africa, the Arab States, Europe and Central Asia, and Latin America and the Caribbean, that should form the basis for allocating sufficient resources to enhance ILO support to constituents for skills development and lifelong learning, and the Office should provide further clarification on the subject.
- 7.** In relation to the Global Coalition for Social Justice, the Governing Body should first discuss document GB.347/INS/4 with a view to reflecting the agreed positions in the programme and budget; the Employers' group was concerned about the proposals to transfer the ILO's core mandate to the Coalition and wanted greater clarity on how that would be done. While the group did not object to having a dedicated policy outcome on gender equality and equality of treatment and opportunities, it had concerns about the disproportionately high number of indicators on care under the associated output 5.2 in the results framework and wished to see greater balance in that regard. The rationale for the four priority action programmes was unclear and the associated results framework duplicated those of existing policy outcomes; the Office should therefore provide a detailed plan of work and structure for each priority action programme and indicate the corresponding financial resources.

8. Turning to the dedicated programme for employers' and workers' organizations, she asked why it was described in the executive overview as assisting social partners to play a key role in "UN planning processes and to interact with multilateral organizations and international financial institutions". That description diverged considerably from the Preview's wording, supported by the Employers' group, which had stated that the programme would strengthen "the institutional capacity of employers' and workers' organizations" to give "value to their current and potential members, contribute to inclusive and effective governance of work, and shape socio-economic policies". The new version was inconsistent and duplicated output 8.1 and enabler B, which focused precisely on "the effective engagement of the ILO and its constituents in UN planning processes". Instead, the dedicated programme should support the core institutional capacity development of employers' and workers' organizations and complement the existing programme of work executed by the Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV). Another issue in the executive overview was the repeated references to constituents and other stakeholders as the audience and beneficiaries of the ILO programme; while the Organization strove to collaborate with other organizations, social partners and governments, the tripartite constituents were the key beneficiaries and players of all initiatives and programmes.
9. In respect of the draft budget, her group had repeatedly emphasized the importance of transparency to allow comparison between the resources allocated to key policy issues and actual expenditure. The Office must provide operational budget information at the output level, regardless of the budget source. However, it had not done so in the proposals, despite clear requests in past consultations. In addition, the Office should clarify the regular budget for policy outcomes by output in Annex 4, which indicated a far higher figure for outputs 2.1 and 2.2 than the available budget for ACT/EMP and ACTRAV under the operational budget. In order to be meaningful, the budget allocations to policy outcomes should be further disaggregated to make the source of the allocations clear.
10. In view of the proposed use of RBSA resources to kick-start the dedicated programme for employers' and workers' organizations, she asked the Office to clarify how it would ensure that the financial resources for that programme were sustainable beyond 2025. As regards the strategic budget, her group wished to know how the Office had allocated RBSA resources to policy outcomes, including the reason for giving outcome 8 the largest allocation, and the justification for using RBSA resources to fund 15 key professional positions. Furthermore, the budget for outcome 8, including the Coalition and the priority action programmes, had the lowest total strategic budget of all; as no separate budget was presented for the Coalition, it was difficult for the Governing Body to appreciate the financial and human investments that would go into the initiative.
11. With regard to the savings identified, the Office should clarify whether it was possible to reallocate the resources approved in 2022–23 for the Innovation and Knowledge Management Unit to the 2024–25 biennium, as unspent regular budget should normally be returned to Member States. Furthermore, the largest part of the total savings would go to strengthening the ILO's headquarters presence, contrary to the stated intention of strengthening field operations. The cost increases in Annex 2, which reflected a substantial increase in the composition of the senior management team of the Office similarly indicated that the Organization was becoming more weighted towards headquarters, when it should be moving closer to constituents. The Office should provide further information on those developments.
12. On the results framework, she disagreed with the statement by the Office that there was no tripartite consensus on an outcome level indicator for outcome 2. The Employers' group had been called to only two informal consultations, which, moreover, had not been tripartite, so it

had not had an opportunity to discuss the matter with the Workers' or Government groups. It was particularly important to organize tripartite consultations on this issue, as the outcome combined the institutional capacity development of social partners with social dialogue processes and institutions, making it difficult to settle on a single indicator. In past discussions, it had been suggested that outcome 2 should be split into two separate outcomes. In any case, the main concern was to obtain a consistent programme with coherent indicators that would demonstrate the value of the work done and money spent in that area.

- 13. Speaking on behalf of the Asia and Pacific group (ASPAG),** a Government representative of China said that in the face of multiple global challenges and the fragile recovery of the global economy, ASPAG fully expected the ILO to uphold multilateralism, take a human-centred approach to achieve social justice through decent work and ensure progress on the 2030 Agenda for Sustainable Development. The Office should ensure adequate budgetary resources for the formerly stand-alone policy outcome of skills and lifelong learning, which was a regional priority. ASPAG welcomed the ambition of the programme and budget to modernize the ILO's normative system and maintained its support for the International Training Centre of the ILO (Turin Centre). It also welcomed the regional priorities identified, in particular the focus on the transition to the formal economy and development cooperation activities in the Asia and the Pacific region. However, the programme and budget should pay closer attention to other priorities confirmed in the Singapore Statement of the 17th Asia and the Pacific Regional Meeting including skills and lifelong learning, gender equality, just transition and social and employment protection. Regular budget resources should be proportionally allocated, particularly for technical cooperation in the region. The Office should realize the estimated increase of US\$80 million in extrabudgetary resources by further implementing the Development Cooperation Strategy and accelerate the movement of resources to frontline technical support in future planning and programming activities. While the efficiency gains were commendable, the proposed gross budget level represented the largest cost increase for a decade in real terms. Favouring a zero-growth budget, ASPAG encouraged the Office to step up efforts to absorb the increased costs by redeploying efficiency gains, adjusting expenditure, exploring further areas for savings and ensuring value for money across the Organization.
- 14. Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC),** a Government representative of Colombia emphasized that the programme and budget should maintain continuity and be based on the ILO mandate; it should also align itself with the general priorities of the UN. The reintroduction of a specific policy outcome on gender equality and inclusion was welcome; a programme and budget that supported social justice should be centred on removing the barriers faced by highly vulnerable groups in the world of work. Further details on the link between the Global Coalition for Social Justice and the four priority action programmes under outcome 8, including on the structure of the team coordinating each of them and the sustainability of their funding, could contribute to clarifying her group's questions concerning the functioning and governance of the Coalition. GRULAC agreed with the priority areas for programme and budget implementation set out in paragraph 30. ILO support for the regional initiative against child labour would remain fundamental in that regard and could generate synergies with other regional and global initiatives with support from the Office. Enablers A, B and C were useful tools for improving cooperation, governance and management within the ILO and consolidating its leadership. With regard to the proposed budget, she noted that the redefinition of existing job profiles and efforts to achieve efficiency gains had contributed to the US\$18.4 million redeployed. The 4.6 per cent increase was understandable, in part because two International Labour Conference meetings would exceptionally be held at an alternate venue. Her group wished to know whether the use of the Geneva Exhibition and Convention Centre (Palexpo) as an alternate meeting venue was the

best financial option. In addition, it requested details concerning the source of the additional US\$4.9 million for institutional investments. The proposed budget increase could be absorbed via prioritization and efficiencies. The resource allocation set out in the Information Annex should reflect the link between the operational budget, cost increases and the resources allocated to policy outcomes and their outputs more clearly. The voluntary nature of contributions to certain priority programmes and proposed overseas posts, three of which would be in the Americas, could jeopardize their funding and sustainability.

- 15. Speaking on behalf of the Africa group**, a Government representative of Cameroon noted that proposals in the programme and budget should assist Member States to continue to promote the ILO's fundamental values and modernize its functioning by implementing policies consistent with regional and national priorities. It would be useful to know how the ILO intended to provide regionally balanced social protection to 40 per cent of the population of Africa by 2025. Resources for the implementation of that priority must be used for frontline activities in the field, taking due account of specific needs. The Africa group supported the ILO's involvement in the UN's new planning processes and in the implementation of improved Decent Work Country Programmes (DWCPs). The review of the value added of regional and subregional labour administration centres would be of particular interest. The slight increase in staff costs in the proposed programme and budget should remain within the safety margin required for good governance and efficient management. The percentage of the budget allocated to programmes in Africa had fallen by 0.5 per cent since the 2022–23 biennium and should be maintained at the previous level. Moreover, Africa accounted for only 30 per cent of extrabudgetary expenditure. Furthermore, with the reduction of regular budget allocations for outcome 3, it was unclear how job creation, especially for young people, would be improved. With regard to savings from efficiency gains, the Africa group wished to know how the US\$6.4 million to be redeployed would be distributed equitably to serve ILO constituents throughout the world. The Office should take account of the Abidjan Declaration of 2019 and the Durban Call to Action of 2022, and provide additional assistance to secure ratification of the Instrument for the Amendment of the Constitution of the International Labour Organisation, 1986. The Africa group maintained its objection to the exhaustive enumeration of specific categories in the programme and budget. Some terms might be shocking and inappropriate for certain constituents and could tarnish the Organization's image.
- 16. Speaking on behalf of the group of industrialized market economy countries (IMEC)**, a Government representative of the United States of America expressed full support for the programme's orientation to applying the ILO's values and tripartite working methods to deliver on its social justice mandate. She welcomed the identification of efficiency gains and reprioritization in line with the priorities identified in the programme of work. The redeployment of US\$6.4 million for the effective delivery of constituent services in the regions was aligned with the commitment to strengthening service delivery in the field. However, it was unclear how the Office would use the US\$3.9 million to improve technical services and US\$1.9 million to enhance human resources and legal services; it should consider restricting the redeployment to cover the main priorities and retain part of those amounts as savings. The requested nominal increase of 4.6 per cent was high in comparison with the previous biennium and insufficiently justified. She requested information on the cost-cutting measures contemplated by the Office to counter the impact of increased energy and fuel costs and rents, and on whether staff vacancies or reprofiling of posts would be used to mitigate the requested budget increase. She expressed appreciation for the allocation of RBSA resources to priority policy concerns, but sought clarification as to the longer-term impact of the use of such resources and the implications for continuity and sustainability of efforts, in particular for the creation of new staff positions. She noted that extrabudgetary expenditure was expected to

increase significantly to US\$600 million, but questioned whether Member States would provide additional extrabudgetary funding if the regular budget was increased; she asked the Office to clarify its forecast and sources to secure such funds.

17. Policy outcomes had been revised to better respond to constituents' pressing needs; however, additional information on the planned reprioritization of resources across structural units and policy priorities and on the restructuring of the Office would have been appreciated. The planned meetings of the SRM TWG and reinforcement of the capacity of the Office of Internal Audit and Oversight (IAO) were aligned with the ILO's policy and governance priorities, but should be funded through redeployment rather than extra resources. Moreover, an increase in the baseline budget was unjustified without information on other cost mitigation measures. Although partly attributable to the difference in the advance purchase rate of Swiss francs, the proposed US\$90 million nominal increase as compared to the budget for 2022–23 was not tenable from a political perspective. She therefore requested the Director-General to identify additional savings in his response to the Governing Body.
18. **Speaking on behalf of the RBSA donors**, a Government representative of Belgium recalled that RBSA funds were allocated flexibly, when and where they were most needed. They were allocated as a priority to countries eligible for official development assistance, and were aligned with the results-based framework of the ILO. The Office provided donors with regular reports and evaluations on the use of RBSA, and organized meetings and field visits. The RBSA had demonstrated its added value in allowing the ILO to respond swiftly and effectively in times of crisis. However, in paragraphs 59 and 60 of GB.347/PFA/1, it was proposed that the RBSA would be allocated to the achievement of results in targeted priority areas, including the funding of 15 strategic posts amounting to US\$7.3 million. As it was unclear how using the RBSA to fund outcome 8 was aligned with the objectives of such funds, she asked what the rationale was and whether the Office had contemplated using other budgetary resources for that purpose.
19. **Speaking on behalf of the European Union (EU) and its Member States**, a Government representative of Sweden said that Albania, North Macedonia, Montenegro, Iceland, Norway and Moldova aligned themselves with his statement. He noted that the Programme and Budget documents for 2020–21 and 2022–23 had emphasized the importance of anti-discrimination policies, and had included references to lesbian, gay, bisexual, transgender and intersex (LGBTI) and LGBTI+ persons, respectively. Removing those references from the current document would be a step backwards. Any programme and budget should respect the fundamental principle of the elimination of discrimination in respect of employment and occupation. Moreover, the absence of global anti-discrimination activities in the proposals seemed to imply that there was no need for further research, knowledge production and action globally.
20. With regard to Part I of the Programme and Budget proposals for 2024–25, he welcomed the affirmation of the ILO's normative role, the emphasis on social protection and the attention paid to the inclusion of persons with disabilities. The programme and budget proposals contained three new elements. The first, the proposed Global Coalition for Social Justice, would be discussed separately. The second, integrated policy and institutional responses to promote social justice through decent work (outcome 8), included four priority action programmes. If this idea could be supported, the Office should develop it further and present more information on the priority action programmes to the Governing Body again in November 2023. The third, the enabler on enhanced knowledge, innovation, cooperation and communication to advance social justice, included the ILO Strategy on knowledge and innovation as an integral part. He asked the Office to clarify the budgetary implications of

establishing a unit to focus on innovation and the relationship between such a unit and the Research Department. The Turin Centre should be involved in the implementation of the Strategy. He asked the Office to share the results of the pilot implementation of the Strategy, and how the conclusions could benefit all ILO Member States.

21. He welcomed the fact that the meetings of the SRM TWG were funded on a permanent basis; however, it would require funding beyond the organization of meetings. The Office should consider how Governments could be supported in that regard.
22. **Speaking on behalf of the Organisation of Islamic Cooperation (OIC)**, a Government representative of Pakistan expressed his group's opposition to the use of controversial concepts such as sexual orientation and gender identity, included in paragraph 160, on the grounds that: first, the concept of sexual orientation and gender identity was neither defined nor agreed either in international labour or human rights law; second, international human rights and labour laws had codified legal grounds for discrimination, which did not include sexual orientation and gender identity; third, international human rights and labour law provided sufficient grounds to protect rights and privacy and counter discrimination; and fourth, applying the test of universality to any emerging concept was essential for its acceptance as an internationally agreed norm, rule or standard. Any document containing such divisive language would have its validity damaged and could not be implemented in all Member States. Instead, wording based on the tripartite consensus reflected in the Global Call to Action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient (Global Call to Action), and the resolution concerning inequalities and the world of work should be used. National implementation of programmes flowing from a contentious mandate that was incompatible with Member States' domestic laws and culture would have financial, legal and political problems. As such, the group was unable to support the draft decision to recommend the approval of the programme and budget. He called for a cooperative and constructive approach to reach consensus.
23. **Speaking on behalf of the Arab group**, a Government representative of Libya said that, given the shadow cast over countries' economies by successive and compounded global crises, constituents needed the ILO to provide technical assistance in order to help them respond effectively. He called for greater focus on the priorities of his region, especially in countries in crisis and those that were rebuilding. More technical support was needed for the social partners in the region, including capacity-building programmes and skills development for workers, and support for formalization.
24. His group supported the statements made on behalf of the Africa group and the OIC. Concepts not agreed by all countries constituted a deviation from the human rights principles of universality, equality, impartiality and objectivity, and interfered with States' sovereign right to uphold their cultural, religious and moral principles. He therefore could not support the draft decision in its current format, and encouraged the Governing Body to adopt a constructive approach to achieve consensus.
25. **Speaking on behalf of the Cooperation Council for the Arab States of the Gulf (GCC) countries**, a Government representative of Oman expressed deep concern about the inclusion of the concept of sexual orientation and gender identity in the document. The use of divisive language went against the universality of human values for which the ILO stood. The Office should therefore revise the programme and budget proposals and any other relevant documents to remove contentious language. It should adhere to universally agreed language and concepts in its documents in order to avoid creating legal complexity, respect the culture

and values of Member States, and ensure that cross-regional cooperation could continue to thrive.

26. **A Government representative of China** welcomed the efforts made to identify priorities according to the difference circumstances of each region. For the Asia and Pacific region, a priority for the next biennium should be establishing or improving social protection systems, as the lack of social protection had exacerbated the impact of the pandemic and slowed recovery in many developing countries in the region. Social protection systems would also facilitate the transition to the formal economy.
27. Given the fragility of the global economic recovery and the pressures on national budgets, the proposed increase of 0.2 per cent in real terms and 4.6 per cent in nominal terms was deeply concerning. It was a departure from the ILO's practice of zero growth in its budget and significantly increased the burden of Member States. She therefore called on the Director-General to reassess the size of the proposed budget and to address the inflation-related increase in costs through improved administrative management and efficiencies. She expressed support for the eight outcomes of the programme and budget proposals, but noted with regret that outcome 3, concerning employment, was the only outcome for which there was a proposed reduction in the regular budget allocation and which had no resources mobilized from the RBSA. She called for a greater allocation of resources to outcome 3 from the RBSA and greater mobilization of extrabudgetary funding for related work.
28. **A Government representative of Bangladesh** said that the budget should be allocated in proportion to population and that more resources should be channelled from back-office to frontline activities. Greater emphasis was needed on combating unemployment, support for constituents to ensure decent work, and enhancing the quality and reach of DWCPs. Under outcome 3, greater emphasis was needed on lifelong learning, promoting rural enterprises and decent work for migrant workers, and skills recognition. The inclusion of initiatives on the social and solidarity economy under outcome 4 was welcome. Any strategy on decent work in supply chains should set out measures to promote the responsibilities of buyers and suppliers to ensure labour rights. The proposed programme of work lacked sufficient scope to help climate-vulnerable countries with job creation; the United Nations Framework Convention on Climate Change could be used to address the needs of countries most vulnerable to climate change. She called for increased funding for country-specific projects for job creation, especially in the most populated regions and countries in need. The Programme and Budget proposals for 2024–25 did not appear to have adequately addressed the risk, outlined in the ILO Strategic Risk Register, of stakeholder dissatisfaction with ILO support. She reiterated the calls on the ILO to refrain from using any specific terms that lacked global consensus, such as sexual orientation and gender identity.
29. **A Government representative of Japan** welcomed the efforts made to reduce costs and redeploy savings to priority areas, in particular to strengthen work to provide relevant services and policy advice to constituents in the regions. However, given the severity of the fiscal situation faced by all countries, which were having to absorb increased costs within their existing budgets, the Office should make further efforts to mitigate the cost increases. His Government wished to reserve its position on the draft decision.
30. **A Government representative of the Russian Federation** said that his Government supported combating all forms of discrimination in the workplace, but also agreed on the need to uphold the fundamental principle of consensus within the ILO. It was not acceptable to include wording that was objectionable to a number of Member States. Given that the programme and budget would determine the ILO's work for the next biennium, it must be

agreed by consensus; controversial language on gender identity should therefore be replaced with wording that was as general as possible.

31. The Russian Federation could not accept the proposed increase to the budget, but would not object to a budget with zero real growth – adjusted for inflation and exchange rate fluctuations. It was to be hoped that the remaining US\$1.9 million could be covered from cost savings. Furthermore, he called on the Office to ensure that its financial allocations for joint activities, in particular to the Joint Inspection Unit (JIU), followed the decisions of the UN General Assembly, not the conclusions of a working group of the UN system Chief Executives Board for Coordination (CEB).
32. **A Government representative of Indonesia** affirmed his country's attachment to upholding human rights without discrimination on any grounds, but expressed regret that the proposed programme and budget used a term that did not enjoy international consensus, which undermined the spirit of constructive engagement that the Governing Body must uphold. In order to avoid diverting the discussion of the Governing Body, the Office should remove the contentious language from document GB.347/PFA/1.
33. **A Government representative of the Islamic Republic of Iran** expressed disappointment that the Governing Body's clear message on the use of polarizing language in categories of discrimination had not been reflected in the programme and budget proposals. The programme and budget demonstrated constituents' common understanding of priorities in policy goals and resource mobilization, and must be decided on by consensus. The best option would be to use the language agreed on in the conclusions on inequality adopted by the International Labour Conference at its 109th Session (2021).

Policy outcomes and enablers

34. **The Employer spokesperson** stressed that international labour standards were to be implemented by national governments, rather than companies, and requested the Office to amend the wording of paragraphs 67, 74, 80, 141 and 210 of the programme and budget proposals accordingly.
35. Regarding outcome 1, the SRM TWG played a key role in modernizing ILO normative action and should take bolder decisions to match the scale of that task. To increase its impact, the ILO standards system must focus on the most important labour issues. Support for the resilience of sustainable enterprises should be considered systematically in the design, implementation and supervision of international labour standards, and the Office should increase its consideration of such support in its related technical and promotional activities. Bearing in mind that legal certainty regarding the interpretation of ILO Conventions required broad acceptance by constituents, the Office should explore all options to assist them in reaching consensus on solutions through established ILO procedures, with judicial proceedings used as a last resort. She underscored the need for measures to reduce the bureaucratic burden of the ILO supervisory system and enable it to focus on resolving major compliance issues, and stressed the importance of involving ACT/EMP and ACTRAV in reviewing draft regulatory texts.
36. While the balance struck between a rights-based approach and a broader developmental approach to employment creation in outcome 3 was commendable, greater emphasis should be placed on the role of private providers and public-private partnerships in employment service provision. Turning to outcome 4, she said that the ILO's approach to productivity growth should focus on supporting governments in devising coherent, coordinated public policies to tackle structural obstacles to sustainable enterprise development and on interventions to improve enterprises' resource efficiency and management practices. Her

group welcomed the Office's continued efforts to strengthen constituents' capacity to develop sustainable enterprises and called for additional resources to allow ACT/EMP to increase technical support for employers' organizations.

37. Outcome 5 would not achieve its stated ambitions or meet constituents' needs. Its targets should take into account underachievement in the area of gender equality and equality of treatment and opportunities during the 2020–21 biennium and the progress made towards targets in that regard during the 2022–23 biennium; information on that progress would be welcome. Given employers' important role in promoting equal treatment and opportunities, it was regrettable that their needs, challenges and priorities were entirely absent from outcome 5. She was also disappointed that the outputs made no reference to the ILO Global Business and Disability Network, which should receive increased support and be rendered more visible.
38. Outcome 6 should address sustainable enterprises' needs and priorities, including their key role in enabling effective labour protection, particularly through employment and job creation. Synergies should be developed with outcomes 3 and 4, and more generally among all the outcomes. The strengthening of labour protection should occur at the national level, with the involvement of the constituents, and consider all aspects of labour protection, including potential trade-offs. Rather than attempting to steer or pre-empt policy discussions or identify new policies on which tripartite agreement had yet to be reached, outcome 6 must implement the decisions of the Governing Body and the International Labour Conference and be guided by the conclusions of the relevant tripartite discussions, including the upcoming recurrent discussion on the strategic objective of social protection (labour protection) of the International Labour Conference. Such discussions had concluded that the ILO had no mandate to engage in national or sectoral living wage initiatives. Moreover, output 6.3's excessive focus on the platform economy was worrying given that discussions on the matter were ongoing.
39. She requested clarification as to whether the new international financing mechanism referred to in output 7.2 was the global social protection fund mentioned in the resolution concerning the second recurrent discussion on social protection (social security). If so, the results of the research on relevant experiences in setting up global funds to be undertaken as part of the plan of action on social protection for the period 2021–26 should be made available before the fund was established and resources allocated. With regard to output 7.3, clarification was required as to the purpose of the Global Accelerator on Jobs and Social Protection for Just Transitions, in which the social partners must play a central role in terms of policy, technical matters and implementation.
40. She noted that, under outcome 8, the presentation of the Global Coalition for Social Justice as a political framework for policy coherence at the multilateral level on the ILO and broader global policy agenda contradicted the consensus among Governing Body members at the previous Governing Body session that the Coalition should focus on the world of work. Additionally, "business" need not be listed separately in paragraph 200 since it was represented by the Employers' group and was therefore included under "constituents". Lastly, she requested the deletion of the reference in paragraph 210 to compliance with international labour standards in supply chains, given that the building blocks for a comprehensive strategy on achieving decent work in supply chains made no mention of international labour standards in its section on research.
41. **The Worker spokesperson** noted that his group's request for the inclusion of the ratification, implementation and monitoring of relevant labour standards in all policy outcomes and in the

results framework had not been fulfilled. Ratifications and the effective implementation of the relevant labour standards should be among the results criteria in the technical notes for the output indicators. The modernization of the ILO's normative system required increased resources, particularly in relation to outcome 1. Specifically, sufficient human resources must be allocated to the two meetings of the SRM TWG to handle the workload related to standard-setting and follow-up. The inclusion of references to the social partners and their capacity-building in outcomes other than outcome 2 was welcome, and he sought assurances that the flagship report on social dialogue would be published annually. Workplace cooperation did not constitute progress since it often undermined social dialogue and collective bargaining, and it should therefore be removed from the results framework.

42. He reiterated his group's strong support for outcome 3. Full employment and decent work were crucial for peace and resilience, and it was regrettable that resources had been diverted away from those areas. Turning to outcome 4, he was concerned that, in view of the increasing focus on sustainable enterprises in its documents, including the Programme and Budget proposals for 2024–25, the ILO was prioritizing support for enterprises at the expense of support for constituents and its mandate to protect workers' rights. In so doing, and by diverting investment away from employment policies and institutions, the ILO risked eroding its core mandate. Work on sustainable enterprises should comply fully with the conditions for a conducive environment for sustainable enterprises in line with the Conclusions adopted by the International Labour Conference in 2007. He sought assurances that the ILO would advance decent work and fundamental principles and rights at work in all circumstances of ILO engagement with businesses and emphasized the need for solid due diligence processes to ensure respect for ILO standards, freedom of association and the right to collective bargaining.
43. Regarding outcome 5, he supported the Office's mandate to address discrimination on any ground and to offer assistance in that regard to all constituents, at all levels. While his group agreed with the inclusion of a specific reference to sexual orientation and gender identity, it remained open to any constructive solution that did not compromise the mandate and basic principles of the ILO. He highlighted the importance of the Indigenous and Tribal Peoples Convention, 1989 (No. 169), particularly regarding the extraction of minerals for use in green technologies and in the context of migration motivated by climate change and stressed the need for an intersectional approach when developing policies on equal pay.
44. The separation of the concepts of living wages and minimum living income in outcome 6 was welcome and would enable constituents to develop policies to promote dignified living standards and allow households to fulfil their material needs. Any adjustments to working time laws and policies and working time arrangements made during crises must comply with international labour standards and uphold workers' rights. Turning to outcome 7, he called for the ratification and implementation of standards and recommendations to be included explicitly in the results framework.
45. He requested clarifications as to the relevance of the Global Coalition for Social Justice to outcome 8 since their areas of focus did not align fully. Information would also be welcome on possible adjustments to the Coalition's budget in the light of the Governing Body's discussions later in the session of document GB.347/INS/4. He noted that no reference had been made under output 8.1 to the strategy to reduce and prevent inequalities, which had been adopted at the previous session and which should inform the Office's work. He requested clarification of how output 8.2 differed from other outputs that dealt with the informal economy, and what was meant by "the design of innovative, integrated and gender-responsive strategies", "the development of coordination mechanisms and other institutional arrangements" and "develop tools and innovative approaches, including through the use of digital technologies, on

integrated approaches of formalization". Output 8.2 should address the economic and fiscal impact of the informal economy, including on social protection, as well as the right to freedom of association and collective bargaining, sectoral collective bargaining to address income imbalances between the formal and informal economy, wage-setting mechanisms, policies to prevent informality at the national level and along supply chains, and the economic and social impact of precarious work.

46. With regard to output 8.3, he underlined that industrial policies should be a major consideration when implementing just transition policies and that work with the United Nations Conference on Trade and Development (UNCTAD) would be crucial in promoting a new green deal. Lastly, in relation to output 8.5, he requested the Office to conduct research and build expertise on plans and strategies to transfer jobs and technology in the arms industry to the environmental and health sectors.
47. **Speaking on behalf of ASPAG**, a Government representative of China expressed support for the plans to modernize normative action and advance social dialogue, as elaborated in outcomes 1 and 2, and welcomed the Office's provision of technical assistance for the ratification and application of international labour standards. ASPAG welcomed the efforts to achieve effective social dialogue, in particular outputs 2.3 and 2.4 on strengthening the capacities of Member States. It also strongly supported outcome 3; output 3.2 on the increased capacity of Member States to develop skills and lifelong learning systems was of particular importance. His group commended the creation of enabling environments for entrepreneurship, decent work and productivity growth, as set out in output 4.1, and it welcomed outcome 5. Given that safe and healthy working conditions were essential to achieve decent work, ASPAG supported outcome 6, and supported outcome 7, which aimed to promote universal, comprehensive, adequate and financially sustainable social protection systems.
48. A number of output targets for the Asia and the Pacific region lacked ambition, being lower than the baseline, or even non-existent. Of particular concern was the lack of targets on priority areas for the region, such as the transition to the formal economy and gender equality. He therefore requested further information on how those issues would be advanced, monitored and measured to ensure that the areas of focus for his region, outlined in paragraph 27, would be addressed, with sufficient resources. ASPAG acknowledged the value of integrated policy and institutional responses for social justice through decent work, along with the merits of establishing four priority action programmes, noting with interest the proposed use of the Global Coalition for Social Justice as the framework for policy coherence. The Office must ensure that the Coalition had balanced geographical representation and a tripartite structure.
49. With regard to the three enablers, ASPAG fully supported the evidence-based approach and the use of innovative practices in research, knowledge-sharing and training under enabler A. The Office should further expand its development cooperation partnerships, including through South-South and triangular cooperation, and enhance its engagement with the United Nations (UN) development system at the country level. ASPAG supported enabler B's focus on improving the ILO's leadership and governance through increased organizational impact, well-informed decision-making and transparent and accountable management. Regarding enabler C, ASPAG urged the Office to adopt concrete, targeted measures to improve the geographical diversity and gender balance of staff, noting with regret that the results framework did not contain any indicators and asking therefore the Office to take into account those in the Human Resources Strategy for 2022-25.
50. While respecting the various opinions that had been expressed regarding the language used to describe population groups affected by discrimination and exclusion, ASPAG called on all

members of the Governing Body to engage in constructive communication with a view to reaching a pragmatic and consensual solution.

- 51. Speaking on behalf of GRULAC,** a Government representative of Colombia reiterated her group's support for the acceleration of the tripartite review of international labour standards through the Standards Review Mechanism and expressed interest in the implementation of technical advisory services to strengthen the prevention of standards-related disputes by addressing their root causes. GRULAC supported outcome 2 and would be interested to know more about the dedicated programme for the social partners and its impact on strengthening social dialogue and gender equality, as well as on research and other proposed actions. With regard to outcome 3, comprehensive policy frameworks would be instrumental in advancing the focus on inclusion and just transitions. Output 3.2 should be strengthened to include the needs, challenges and legal, organizational and physical barriers faced by persons with disabilities in the development of skills and lifelong learning systems. Output 3.5 on the promotion of decent employment for youth was a priority for GRULAC and their countries' efforts to introduce skills development and inclusion programmes would benefit from ILO support. With regard to outcome 4, GRULAC reiterated the importance of ensuring sustainable enterprises and an enabling environment, particularly for micro, small and medium-sized enterprises (MSMEs), to help them adopt sustainable business models so that they were able to innovate and adapt to changes, as indicated in output 4.3. Output 4.2 was crucial to ensuring decent work in supply chains, with the collection and use of data for integrated policymaking being a key requirement.
- 52.** GRULAC welcomed the reintroduction of a dedicated outcome on gender equality and equality of treatment, outcome 5. The transformative agenda for gender equality, non-discrimination and inclusion was central to the ILO's work and was the means by which intersectional measures would be taken to address all structural barriers faced by women and other groups highly vulnerable to discrimination in the world of work. Noting the changes that had been made to paragraph 153, GRULAC would like to see specific mention of the various groups that were highly vulnerable to discrimination, as had been the case in previous programme and budget documents. The ILO should maintain its global mandate to address the challenges faced by those groups in the world of work, by continuing to focus on research, analysis and measurement of inclusion, disaggregated by disability, sexual orientation, gender identity, membership of an indigenous group, migration status or African descent, among other things. It was important to recall that efforts to combat discrimination against persons of African descent was not only a priority for GRULAC, but also part of the global agenda of the United Nations. It was important to have a specific output on the inclusion of people with disabilities, including support for cross-cutting policies and strategies, analysis of disaggregated data on the implementation of the rights of persons with disabilities, policy tools to promote inclusion, and rights-based approaches to inclusion with a focus on learning and employment in green and digital economies. GRULAC would be interested to know how the ILO would carry out those activities without a dedicated output. GRULAC understood output 5.2 to be an integral pathway for the revaluation of work in the care economy to ensure the economic and social inclusion of women and other groups. The ILO should focus its work on addressing structural barriers in the sector.
- 53.** The work on labour protection in output 6.3 was extremely important to address the challenges faced by casual, home-based and platform workers, and the labour migration frameworks outlined in output 6.4 would promote a strong focus on the rights of migrant workers through protection and improved working conditions. GRULAC supported outcome 7 on sustainable universal social protection systems, through long-term investment policies that

prevented poverty, reduced inequality and contributed to employment creation and inclusion. The group understood outcome 8 to be a set of coordination efforts at all levels to promote the Decent Work Agenda and social justice, and supported the focus on just transitions, supply chains and action in crisis situations.

54. The three proposed enablers were tools to strengthen the capacity and technical support of the Office, as well as to improve leadership, governance and management. It would be important for the outputs and the enablers to be adapted to the discussions that would be held in the framework of the Governing Body, including on the Global Coalition for Social Justice, the ILO strategy on decent work in supply chains, the ILO Strategy on knowledge and innovation, and the review of the Human Resources Strategy, among others.
55. **Speaking on behalf of the Africa group**, a Government representative of Cameroon expressed support for the Office's efforts under outcome 1 to promote the fundamental principles and rights at work, accelerate the follow-up to the recommendations of the SRM TWG and improve the working methods of the supervisory bodies. The Office should focus on providing assistance to constituents where decent work deficits, unemployment and underemployment had the most harmful effects. UN Cooperation Frameworks and DWCPs should take those elements into account and promote the creation of productive employment in sustainable enterprises and decent work, particularly in supply chains and rural and informal economies. With regard to strengthening labour administrations and labour inspections, he requested more details about the support envisioned in paragraph 104. Turning to outcome 3, the Africa group supported the implementation of the ILO strategy on skills and lifelong learning for 2022–30 and requested further information on how the Office intended to support regional centres for employment promotion and lifelong learning, as indicated in paragraph 117. The Africa group supported output 3.3, aiming to promote the creation of decent work in the rural economy. Support from the Office tailored to Africa's needs would be valuable in that regard. With regard to output 3.4, the group requested clarification from the Office on the promotion of employment-intensive investment approaches as entry points for advancing cross-cutting issues including gender equality and social inclusion, just transitions, occupational safety and health (OSH), and skills development, as contained in paragraph 126. Under output 3.5, the Africa group supported the proposal to accelerate the implementation of the Youth Employment Action Plan 2020–30 and asked for details on how the Office intended to promote the creation of decent work for young people in Africa, where the youth population was growing rapidly.
56. With regard to outcome 4, the Africa group encouraged the Office in its implementation of the Strategy and action plan on decent work and the social and solidarity economy (2023–29) to establish environments conducive to entrepreneurship and sustainable enterprises, small and medium-sized enterprises in particular. As the guarantee of safe and healthy working environments was now a fundamental right at work, the implementation of outcome 6 was crucial and contributed to the protection of rights at work for all workers, including those in groups at high risk of exclusion. With regard to output 6.4, he requested detailed information on the planned mechanisms to ensure the protection of the rights of migrant workers at the country level, including what support was envisioned. With regard to outcome 7, the Africa group supported the development of universal social protection systems that were inclusive, durable and financially viable, to prevent poverty and reduce inequalities, social exclusion and insecurity. More details would be appreciated on the measures outlined in paragraph 196 for investment in social protection for children and families in a gender-responsive manner, also contributing to eliminating child labour. The Africa group had great hope for the global approach aiming to unite the tripartite constituents and other actors in the multilateral system

to work together to achieve the Sustainable Development Goals (SDGs) by 2030 and promote social justice through decent work in the framework of the proposed Global Coalition for Social Justice.

57. With regard to the language used in paragraph 160 and output 5.2.1, the Africa group expressed its deep concern that the Office had not taken account of the repeated clearly stated positions of numerous groups and Member States. Consensus was the only way to work together to achieve the Organization's goals. The Africa group would like to know precisely how its concerns had been taken into account, in view of the fact that the Director-General himself had assured Members that all voices would be taken into consideration and a compromise text proposed. The group would also like to understand how the Office could bypass the decisions taken by the Conference and leave aside the compromise consensus language contained in the Global Call to Action or the 2021 resolution concerning inequalities and the world of work. The ILO had a responsibility to combat all forms of discrimination at work and should find a way to work together. In that vein, the Africa group proposed broader, more inclusive language in paragraph 160 by using "sex and gender" instead of "sexual orientation and gender identity".
58. **Speaking on behalf of 39 members of IMEC**, a Government representative of the United States expressed support for the social justice orientation of the programme and welcomed the integration of the promotion of relevant international labour standards and the fostering of external partnerships to advance shared priorities. Her group welcomed the proposals aimed at promoting and protecting workers' rights, especially the right to freedom of association and collective bargaining, strengthening labour administration institutions, advancing OSH as a new fundamental principle and right at work, combating inequalities, advancing non-discrimination and inclusion, supporting just transition and sustainable social protection systems, advancing decent work across supply chains, and responding to changing labour market and employment landscapes, including through facilitating skills development and lifelong learning.
59. IMEC attached particular importance to outcome 1 as the cornerstone of the ILO's mandate, and supported accelerating the work of the SRM TWG, including its follow-up, as well as the increased focus on building constituent capacity to engage with and implement the findings of the ILO supervisory system. Outcome 2 was critical to the advancement of tripartism and social dialogue, so IMEC welcomed the enhanced support for the social partners to participate in policy conversations on key issues, including through data-driven interventions. The group also welcomed the proposal to develop a new edition of the flagship report on social dialogue and other knowledge products to illustrate the role of social dialogue in delivering decent work. IMEC welcomed the proposals under outcome 3 to increase the capacity of Member States to develop inclusive, sustainable and resilient skills and lifelong learning systems. The Office should take advantage of the opportunity presented by the expected adoption of a Recommendation on apprenticeships by the International Labour Conference in 2023 to promote quality apprenticeship systems as well as labour market programmes and policies to enable them to ensure the successful implementation of employment policy frameworks. With regard to outcome 4, IMEC welcomed the focus on supply chains and responsible business conduct for decent work, including through the active promotion of collective bargaining. She requested clarification as to whether work under outcome 4 would duplicate that of the priority action programmes on supply chains and informality.
60. IMEC welcomed the return to a stand-alone outcome 5, recalling that the effective promotion of gender equality required dedicated resources and subject matter expertise. She requested more information on how the Office would ensure that gender equality was mainstreamed

and elevated to the level of the issues to which the priority action programmes were dedicated. Reaffirming the ILO's mandate to promote the elimination of discrimination, IMEC was committed to ensuring that the Organization was equipped to advance that fundamental principle at all levels and for all persons, including those discriminated against on the grounds of race, sexual orientation and gender identity. She therefore requested clarification from the Director-General on the Office's proposed stance on advancing non-discrimination, as the document as written was not explicit on the issue, unlike that for the previous biennium, which had included a reference to addressing "persistent challenges to equal opportunities and treatment for women and groups in situations of vulnerability, including persons with disabilities, indigenous and tribal peoples, ethnic or racial minorities, persons living with HIV, migrant workers and LGBTI+ people".

61. The proposals under outcome 6 were critical to advancing labour protections for all workers, including through promotion of a safe and healthy working environment. IMEC welcomed the focus on emerging challenges related to digital transformation and the platform economy. IMEC reaffirmed its commitment to universal social protection and supported the proposed work under outcome 7, which was a comprehensive programme to support the development of sustainable, human-centred and rights-based social protection strategies. IMEC also welcomed the increased focus on policy coherence under outcome 8, including through the broad promotion of social justice. The proposed priority action programmes were designed to enhance the ILO's existing work in those areas and IMEC looked forward to the proposed evaluation of the approach at the end of the biennium. It would support the development of stronger indicators for those programmes.
62. IMEC appreciated the focus of enabler A on enhanced communication and stressed the importance of strategic messaging to better communicate the relevance and impact of the ILO's work, both internally and externally. It welcomed output C.3 as it expected the ILO to lead by example in the UN system to promote a fair, inclusive and respectful work environment. She asked whether the Office had dedicated expertise at headquarters and in the field to support its efforts to prevent and respond to misconduct, in particular sexual exploitation and abuse and sexual harassment. IMEC requested the Office to update its sexual harassment policy, in line with the recommendations of the IAO. The objective of effective, efficient, results-oriented and transparent management should be reflected across the work of the whole Organization, to ensure that the budget was used to maximum effect. Lastly, IMEC welcomed the renewed focus on the SDGs and thanked the Office for the appendix outlining the relationship between the SDG targets and policy outcomes. The Office should keep those links in mind in future work and publications, so the ILO's contributions could be better visualized when examining progress.
63. **Speaking on behalf of Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Colombia, Costa Rica, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Italy, Ireland, Israel, Japan, Latvia, Lithuania, Luxembourg, Mexico, Montenegro, the Netherlands, New Zealand, Norway, Slovenia, Portugal, Romania, Spain, Sweden, the United Kingdom of Great Britain and Northern Ireland, the United States and Uruguay**, a Government representative of Canada said that the removal of specific reference to LGBTI+ persons in the Programme and Budget proposals for 2024–25 was gravely disappointing. It represented a step backwards: by not acknowledging certain groups, the ILO was failing to recognize its global mandate to support all those most at risk of discrimination and harassment in the workplace, which included LGBTI+ persons. She urged the Governing Body to acknowledge the importance of recognizing vulnerable groups by reintroducing a

reference to LGBTI+ persons in paragraph 153 and retaining “sexual orientation and gender identity” as possible grounds for discrimination in the relevant outputs and indicators.

64. Such a request was not breaking new ground: in the Programme and Budget for the biennium 2020–21 and the Programme and Budget for the biennium 2022–23, LGBTI+ persons had been explicitly identified as a group subjected to discrimination in the world of work and sexual orientation and gender identity had been explicitly identified as grounds for discrimination. That language had been approved by consensus by the Governing Body and, as such, the current process by which that language had been altered was very concerning.
65. The ILO must continue its efforts at both the national and global levels to: (i) strengthen legislation, policies and measures to ensure equal opportunities and treatment in the world of work for persons and groups in vulnerable situations, including LGBTI+ persons; (ii) conduct and disseminate research on discrimination and intersectionality, including sexual orientation and gender identity as potential grounds for discrimination; (iii) provide technical expertise to address challenges particular to LGBTI+ workers; and (iv) develop policy guidelines and tools on equality, diversity and inclusion.
66. She asked the Office to provide explicit confirmation in writing that the ILO would continue to fulfil its existing mandate to work at the global level to combat discrimination in employment on the basis of sexual orientation and gender identity and to support persons and groups in vulnerable situations, including LGBTI+ persons. She also asked the Office to provide further information on how the ILO would pursue and report on the fulfilment of that mandate. A programme of work for the next biennium which did not ensure that existing mandate could not be accepted. In addition, the ILO must, as an employer, follow its own guidelines on the inclusion of LGBTI+ persons in the world of work published in 2022.
67. The issue at hand was one of credibility for the ILO. The Director-General, who had expressed his commitment to representing the voices of the men and women relying on the ILO, including those subjected to violence, discrimination and harassment, must uphold the rights-based mandate of the ILO. She called on all ILO constituents to reaffirm their shared commitment to the mandate of the ILO, which included leaving no one behind.
68. Lastly, she clarified that the ILO must, as a matter of equal importance, continue its work to address the vulnerabilities, discrimination and specific challenges experienced by all of the most marginalized groups. LGBTI+ persons had been the focus of her statement in view of the backlash against their rights.
69. **A Government representative of China** said that the eight policy outcomes in the Programme and Budget proposals for 2024–25 accurately reflected current issues. The ILO should intensify its efforts to assist constituents in recovering the stability of the global labour market. China supported the five outputs proposed under outcome 3 and suggested that demographic variations in Member States should be taken into account. In addition, greater attention could be paid to the development of the silver economy and the employment of persons aged between 60 and 69 years, the so-called “youngest old”. China commended the concept of the Global Coalition for Social Justice. Lastly, China asked the Office to establish clear coordination mechanisms between priority action programmes and outcomes to promote synergies and ensure the efficient use of resources.
70. **A Government representative of Bangladesh** welcomed the fact that the Office had reflected policy guidance in the Programme and Budget proposals for 2024–25, including the Centenary Declaration, the Global Call to Action and the 2021 resolution concerning the second recurrent discussion on social protection (social security). However, policy guidance would not suffice. As

such, she called on international financial institutions to enhance their development cooperation with developing countries in order to improve their social protection coverage.

71. She suggested that, under enabler A, the Development Cooperation Strategy 2020–25 implementation mechanisms should be further strengthened, with more support for and evidence-based research on domestic challenges. Under enabler B, wider promotional guidance to democratize the ILO governance would be welcome, as would bilateral or regional initiatives to ensure the ratification of the 1986 Amendment to the ILO Constitution by Members of chief industrial importance. Enabler C could be enhanced by ensuring geographical diversity and cost efficiencies to allocate more funds to country-specific projects. Lastly, she emphasized the importance of conducting peer-reviewed research on country-specific needs on thematic issues such as the platform economy.
72. **A Government representative of Pakistan** said that matters of a political nature and language that did not enjoy consensus should be avoided in technical documents such as the Programme and Budget proposals for 2024–25. The proposals had rightly emphasized the disproportionate impact of the pandemic on vulnerable groups. The pandemic had led to an increase in unemployment, underemployment and poverty, particularly in developing countries. Such challenges urgently required a global response to support workers and employers alike.
73. He thanked the ILO for the swift launch of its “Cash for Work” project in the Sindh and Balochistan provinces following the flooding in 2022 and, in that connection, welcomed the discourse on collective action to address climate change held during the International Conference on Climate Resilient Pakistan on 9 January 2023 in Geneva.
74. **A Government representative of Malawi** said that consensus on the wording of the Programme and Budget proposals for 2024–25, particularly in light of the discussion on the Violence and Harassment Convention, 2019 (No. 190), was key. Member States, having guaranteed equality and non-discrimination in employment by virtue of ratifying relevant Conventions, should be responsible for identifying vulnerable groups at the country level. When seeking consensus on difficult issues, the Office must respect the diverse views of Member States.

(The Governing Body resumed consideration of the item at a later sitting.)

75. **The Worker spokesperson** expressed concerns regarding the remarks made by governments on the financial dimension of the Programme and Budget proposals for 2024–25. The Workers’ group believed that a prudent and well-funded budget, with a slight increase in funding as proposed by the Office, was necessary to manage the significant number of ongoing crises in the world of work. It therefore called on governments to support that increase, and asked the Office to consider adjusting certain funding allocations to make the increase more acceptable to them.
76. Responding to earlier comments by the Employers’ group, he said that the Workers’ group considered outputs 3.2 and 3.5 to provide sufficient coverage of skills and lifelong learning. His group also welcomed the heavy focus on workers’ rights within outcome 6, as increasing protection at work was its overall aim. It was not necessary to await the conclusions of the International Labour Conference on social protection to finalize that outcome, as suggested by the Employers’ group, nor should labour protection issues be considered solely at the national level. Although protection did need to be extended at the national level, discussions should also continue at the international level, including through the recurrent discussions on labour protection and under the follow-up to the ILO Declaration on Social Justice for a Fair

Globalization. Lastly, on the living wage, he stressed that the bullet points covering the issue in paragraphs 176 and 177 were complementary, reflecting agreed text in the Conference conclusions on employment, and were therefore unobjectionable.

- 77. Another Worker spokesperson** reiterated the strong stance of the Workers' group on the issue of lesbian, gay, bisexual, transgender, queer and intersex (LGBTQI+) rights. Regardless of the precise term used – whether that was LGBTQI+, or sexual orientation and gender identity – the issue was not abstract, but reflective of the real situation of discrimination experienced by workers around the world. Many workers' representatives and trade unionists were working hard to improve understanding, legislation and inclusion in that area in their national and regional contexts. Arguments about respecting national cultures or laws should not override the vital need to improve the situation of workers who experienced discrimination due to their sexual orientation or gender identity. The Workers' group strongly objected to the views expressed by certain speakers suggesting that the concept of universal human rights did not cover the need to combat discrimination on that basis. The opening of the Universal Declaration of Human Rights stated that: "All human beings are born free and equal in dignity and rights", while Article 2 read: "Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind", indicating that there were no limitations on entitlement to those rights and freedoms. The International Covenant on Economic, Social and Cultural Rights similarly stated that those rights should be enjoyed by all people, and the UN Committee on Economic, Social and Cultural Rights had explicitly confirmed that the Covenant prohibited any discrimination in access to and maintenance of employment on the grounds of sexual orientation. Furthermore, it was untrue, as some speakers had claimed, that no international agreement had been reached on the concept of sexual orientation; instruments that addressed discrimination on that basis included the Private Employment Agencies Recommendation, 1997 (No. 188), the HIV and AIDS Recommendation, 2010 (No. 200), the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), and many more. At the national level, many Member States objecting to the use of the terms in question had already taken steps to improve protection in that area. The issue was not an easy one, and much remained to be done to tackle discrimination against people based on their sexual orientation or gender identity, in all countries. It was generally recognized that no one should be subject to discrimination, on any grounds, and the ILO must therefore continue and accelerate its efforts to provide guidance in that area. A constructive solution was urgently needed on the matter to present a united front on the general principle of non-discrimination, on any grounds. The Workers' group was open to further discussions in that respect and hoped that a solution could be found during the current session.
- 78. The Employer spokesperson** said that the programme and budget should clearly outline how the Global Coalition for Social Justice and the priority action programmes would support the delivery of the ILO's programme of work. A separate paper should also be provided detailing the structure and objectives of the priority action programmes, and the associated theory of change and financial resources. She reiterated the need for greater transparency in the budget, with a further breakdown of the operational budgets at the output level. In particular, the dedicated programme for employers' and workers' organizations should receive funding from the regular budget to ensure its sustainability and support the institutional capacity-building already performed by ACT/EMP and ACTRAV. The overall goal of the programme and budget should be to enable the Office to deliver more effective front-line services to constituents and develop field capacity.
- 79.** Responding to comments made by governments, she stressed that the Employers' group attached great importance to skills development, believing it to be of strategic importance for

the ILO in its role as an international leader in that regard. It was therefore essential to know precisely what resources had been allocated to skills, given that there was no longer a dedicated outcome on that subject. Governments had also stressed the need to address informality, especially in the wake of the COVID-19 pandemic; it should therefore be a strong focus in the programme and budget, in line with the Centenary Declaration. Turning to the indicators, she objected to the proposal by the Workers' group that workplace cooperation should be removed from indicator 2.3.2, while collective bargaining was retained. That made no sense for an output on social dialogue, which required good workplace cooperation as a basis for successful collective bargaining. Both elements of the indicator should be retained.

80. Lastly, on outcome 5, she said that the Employers' group was against discrimination in any form and strongly supported the position taken by the Workers' group, namely that the Universal Declaration of Human Rights should be taken as a basis for any universal international policy. That stance was also reflected in the instruments mentioned by the Worker spokesperson, as well as the 2021 Conference resolution concerning inequalities and the world of work. Moreover, the discussion on the programme and budget proposals should not be hijacked by policy issues, which should instead be discussed by the relevant committees at the International Labour Conference.

1.1. The Director-General's proposals for adjustments (GB.347/PFA/1/1(Rev.1))

81. The Director-General presented his replies to the discussion and proposals for adjustments (his statement is reproduced in [Appendix II](#)).
82. When resuming the discussion at a later sitting, the Governing Body had before it an amendment to the draft decision, proposed by the Government of Pakistan on behalf of the OIC with the exception of Albania and circulated by the Office, to add the following new paragraphs:

262. The Governing Body requested the Director-General to replace the term "Sexual orientation and gender identity" in the document (Para 160, Output 5.1 in Outcome Number 5) with "race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status" as well as in any other portion of the document to be presented to the International Labour Conference at its 111th session (June 2023), while acknowledging that "Sexual Orientation and Gender Identity" is not accepted by all members of the United Nations and ILO as a legal concept.

263. The Governing Body decided to attach as Annex the statements delivered by tripartite constituents, including member states, and communications to the Director-General on using the term "sexual orientation and gender identity" in the program and budget document No. GB.347 PFA/1 as well as the letter No. ILO-1/2023 (SOGI) dated 20 February 2023 sent by the Permanent Representative of Pakistan to the Director-General on behalf of the OIC group¹, and member states of the Africa Group², the Arab Group and Gulf Cooperation Council.

264. The Governing Body acknowledged that there is no international consensus on using the term 'sexual orientation and gender identity' as it is not a universally agreed term under the international human rights law.

¹ Except Albania

² Except South Africa

83. The Governing Body had before it a further amendment to the draft decision, proposed by the Government of Saudi Arabia with Pakistan and circulated by the Office, to add the following new paragraph:

262. The Governing Body recognized the sovereign rights of all members of the ILO to make and implement their own laws in accordance with their obligations under international law.

84. **Speaking on behalf of the OIC**, with the exception of Albania, a Government representative of Pakistan said that the ILO's work must be compatible with the legal systems of OIC countries, established in accordance with international law. The use of contentious language in the document went against the spirit of equality, impartiality, objectivity and universality. The amendment proposed by the OIC aimed to reach consensus on that matter.
85. **A Government representative of Saudi Arabia** requested the support of the Governing Body for the amendment submitted by his country with Pakistan.
86. **The Employer spokesperson** said that, although the Director-General had clarified many issues in his response, several questions remained unanswered. Transparency in operational budgets at the output level had not been addressed and she urged the Office to provide the relevant figures. She requested clarification as to how the programme and budget transferred the ILO's mandate to the Global Coalition for Social Justice. The messages received in relation to the Coalition's budget lacked coherence. The total amount needed to be reflected correctly and transparently in the programme and budget, without pulling resources from policy outcomes. A dedicated outcome on skills was necessary to demonstrate to constituents the ILO's political and technical commitment to the issue. Her group sought reassurance that the dedicated programme for employer and business membership organizations and workers' organizations would have the resources to continue beyond 2024–25, including through the regular budget. The Office was yet to clarify how it would manage duplications between priority action programmes and existing policy outcomes. She asked when a detailed work plan for the former would be shared with the Governing Body. The Employers were deeply concerned about the senior-management-heavy headquarters centric trend observed in the budget allocation and asked the Office to clarify why it was doing the opposite of what it had claimed it would do. They disagreed with the elimination or re-profiling of positions that served constituents directly proposed by the Office to maintain a zero-real growth budget. Human resources were the ILO's most valuable asset, for which reason downward adjustments for cost-saving measures must not be made. The item on the update on the Global Coalition for Social Justice (GB.347/INS/4) would have to be finalized before the adoption of the draft decision could be considered.
87. **The Worker spokesperson** said that there were still questions as to how the activities of the Global Coalition for Social Justice would be funded. While concerns remained about funding for the employment outcome, his group could accept the Director-General's explanation about the transfer of resources to work on the social and solidarity economy (output 4.5) and the estimated increase of extrabudgetary resources for outcome 3. The Workers would like employment policy and creation, and decent work creation to be at the centre of the Programme and Budget for 2024–25. Regarding the savings proposed to achieve zero real growth, he asked to what extent departments at headquarters and in the field would be affected, how many vacancies would not be filled and where real posts would be cut.
88. **Another Worker spokesperson**, responding to the proposed amendments, said that the Workers were open to any constructive solution that would neither violate the ILO's mandate nor compromise its values and principles. She asked whether the amendment proposed by Saudi Arabia with Pakistan was meant as a compromise and requested further clarification.
89. **Speaking on behalf of GRULAC**, a Government representative of Colombia reiterated the need for the fight against discrimination to continue to focus on research and analysis that was disaggregated by, inter alia, sexual orientation and gender identity. She thanked the

Director-General for his commitment to provide the Governing Body with clear responses on the collaboration criteria, governance, objectives and priorities of the Global Coalition for Social Justice. Although GRULAC appreciated the efforts that had been made to adjust the budget level, there were concerns that the proposed cuts might weaken the Office's ability to achieve gender equality and a balanced geographical distribution. GRULAC objected to the two proposed amendments to the draft decision.

90. **Speaking on behalf of ASPAG**, a Government representative of China requested the Office to redouble its efforts to attract more extrabudgetary resources in prioritized areas. His group called for the Office to pay attention to geographical diversity when filling the positions proposed to be funded by RBSA resources. ASPAG asked the Office to strengthen its cooperation with Member States when implementing the proposed strategy on skills and lifelong learning (output 3.2).
91. The Director-General had not addressed concerns about the lack of ambition for the Asia and the Pacific output targets. Furthermore, there was an absence of targets for priority areas in the region, such as transition to the formal economy and gender equality. He restated his group's request for the Office to provide further information on how work in these areas would be monitored, measured and allocated sufficient resources. ASPAG commended the Office for its commitment to conduct a further review of needs with a view to achieving zero real growth in constant terms. Noting that the 3.6 per cent adjustment for cost increase was still high, he said that ASPAG would prefer a zero growth budget and consequently asked the Office to explore further measures to mitigate cost increases. ASPAG had not had an opportunity to discuss the two proposed amendments to the draft decision and welcomed further discussions on this agenda item.
92. **Speaking on behalf of 39 members of IMEC**, a Government representative of the United States thanked the Director-General for affirming that the fight against discrimination would remain core and central to ILO action and that the Organization's programme of work would encompass all groups subject to discrimination, including on the grounds of sexual orientation and gender identity, at the national, regional and global levels. The group also appreciated his reflection that, to be effective, efforts to combat discrimination at the national level should be linked to work at the regional and global levels.
93. She welcomed the clarifications regarding the Global Coalition for Social Justice and looked forward to learning more about the Coalition's objectives, priorities, its criteria for engagement, and its governance. Concerning the RBSA, it would have been preferable to staff core programme priorities from existing staff positions, rather than new, short-term positions funded by RBSA. However, her group could be flexible on the Director-General's proposal for the coming biennium, on the understanding that the Office would absorb those positions into the regular budget or use dedicated extrabudgetary resources in the 2026–27 biennium. In terms of skills and lifelong learning, she welcomed the information about resource allocations to this priority and the integration of skills development into other activities across the programme and budget proposals.
94. Turning to the budget, she welcomed the efforts to identify additional efficiencies, but asked for further clarification on how the changes would impact the total amount. Considering the implications of the regular budget increase on Member States, she asked if the estimated growth in extrabudgetary expenditure was realistic. Acknowledging that the one-off adjustment of US\$7 million for relocating the Conference to the Palexpo centre in Geneva constituted a significant portion of the requested cost increase, she observed that the cost was not unanticipated and asked how the Office had prepared for that exceptional situation. The

requested cost increase of 4.4 per cent still seemed high given the fiscal constraints faced by Member States; the Office should seek further efficiencies where possible. Lastly, her group did not support the two amendments to the draft decision proposed by Pakistan and Saudi Arabia.

- 95. Speaking on behalf of Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Colombia, Costa Rica, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Japan, Latvia, Lithuania, Luxembourg, Mexico, Montenegro, the Netherlands, New Zealand, Norway, Portugal, Romania, Slovenia, Spain, Sweden, the United Kingdom, the United States and Uruguay,** a Government representative of Canada welcomed the Director General's commitment to ensuring that the ILO's programme of work would continue to encompass all groups subject to discrimination, including on the grounds of sexual orientation and gender identity. Such a view was aligned with that of the wider UN system to address violence and discrimination based on sexual orientation and gender identity. It was, however, deeply disappointing that the reference to LGBTI+ persons had been removed from the Programme and Budget proposals for 2024–25. Many workers in the LGBTI+ community around the world faced stigma and labour market discrimination; such situations could only be addressed if vulnerable groups were recognized and named. Diversity and inclusion in the labour market had the potential to foster growth and productivity, while there could be no decent work without equal opportunities and equal treatment. The ILO should therefore continue to work at all levels to ensure equal opportunities and treatment for persons in vulnerable situations, including LGBTI+ persons. She opposed the two amendments to the draft decision proposed by Pakistan and Saudi Arabia.
- 96. Speaking on behalf of the EU and its Member States,** a Government representative of Sweden said that Albania, Bosnia and Herzegovina, North Macedonia, Montenegro, Iceland and Norway aligned themselves with his statement. He aligned his statement with that delivered by IMEC. The ILO's commitment to fighting against discrimination, including on the grounds of sexual orientation and gender identity, should be clearly set out in the programme and budget and subsequently implemented. The EU would step up action to combat all forms of discrimination, paying specific attention to intersectionality, including on grounds of sex, race, ethnic or social origin, religion or belief, political or other opinions, disability, age, sexual orientation and gender identity. It was likewise committed to upholding the human rights and fundamental freedoms of all persons, to promoting the participation of young people, girls and women, persons with disabilities and LGBTI persons, and to providing special protection for those in vulnerable situations, including children.
- 97.** He looked forward to hearing additional details on the objectives, priorities, criteria for engagement and governance of the Global Coalition for Social Justice, which would help ensure ownership of the initiative by constituents. The clarifications provided regarding the change of use of RBSA funds required further examination; although donors recognized that the un earmarked nature of the funding implied discretion regarding its use, they required increased transparency and communication. It was essential to adopt a programme and budget in order to fulfil the ILO's mandate and all partners needed to reach an agreement with a view to advancing social justice through decent work with a human-centred approach. He strongly opposed the two amendments proposed by Pakistan and Saudi Arabia.
- 98. Speaking on behalf of the Africa group,** a Government representative of Morocco expressed appreciation for the positioning of the Global Coalition for Social Justice as a cross-cutting element that did not require additional resources. The group looked forward to hearing the outcome of the forthcoming consultations in that regard. Acknowledging that there would be

no global reduction in the regular budget allocation for outcome 3, he nevertheless reiterated the importance of employment promotion and encouraged the Office to continue to support such initiatives in Africa. Given the importance of skills, it was positive that output 3.2 had the highest regular budget allocation; his group awaited confirmation of the exact figure in that area.

99. Turning to the issue of language, he recalled that the Africa group had sent a letter on the subject to the Director-General, to which it had not yet received a response. The group was strongly committed to dialogue and consensus, and to fighting against all forms of exclusion, discrimination and harassment of any type and against any vulnerable group. The ILO's responsibility to defend the rights of all workers in every workplace, as reaffirmed by the Director-General, was not in question. With that in mind, the Africa group's sovereign and legitimate position did not interfere with the mandate of the ILO, nor should it obstruct progress on the programme and budget. By failing to propose a constructive solution that could lead to consensus, the Office had set a regrettable precedent. The deep concerns expressed by many Member States had not been taken into consideration. The group did not therefore accept the reply to the effect that the text proposed by the Office was a compromise solution. Several recent ILO texts containing agreed language – which could provide a compromise – had been ignored in the current discussions, notably the 2021 Global Call to Action, the resolution concerning inequalities and the world of work adopted by the International Labour Conference in 2021, and Convention No. 190. Within the multilateral system, all views should be taken into consideration on the basis of mutual respect and common values.
100. The Africa group rejected the current wording of paragraph 160 and indicator 5.1.2 of the Programme and Budget proposals for 2024–25 and called for them to be revised using consensus-based language, without any listing of groups subject to discrimination. His group was open to the amendments that had been proposed but might wish to make certain adjustments.
101. **Speaking on behalf of the Member States of the Southern African Development Community (SADC)**, a Government representative of Namibia recalled the statement made on behalf of the Africa group on the outcomes of the work of the General Discussion Working Party: Inequalities and the world of work at the 109th Session (2021) of the International Labour Conference. During that debate, the Africa group had observed that different constituents had varying ideas about consensus building within the ILO. Insistence on the inclusion of language that did not enjoy international consensus would hamper the work of the ILO and divert attention from more important issues. In approaching the debate on inequalities, the Africa group had sought to emphasize inclusive language that would achieve consensus, based on internationally recognized human rights, instruments and international labour standards. That inclusive approach should be taken now; divisive language was unnecessary in an ILO document and consensus was both possible and desirable.
102. **Speaking on behalf of the Arab group**, a Government representative of Libya expressed support for the statements made by the Africa group and the countries of the OIC, with the exception of Albania. His group objected to the inclusion of the terms sexual orientation and gender identity in paragraph 160 of the Programme and Budget proposals for 2024–25, as that terminology was not internationally recognized and represented a deviation from the principles of universality, neutrality and objectivity. Moreover, the inclusion of such controversial concepts affected the capacity of individuals to exercise their social and cultural rights in accordance with their national laws and customs. It was essential to avoid interfering with the sovereignty of States and their rights to uphold their religious and cultural beliefs. The

current approach to seeking consensus within the Governing Body was unacceptable; there had been objections from a large number of Member States, which was a source of great concern. The ILO's work should be based on social dialogue, rather than silencing points of view. The current debate was undermining that work and could lead to a loss of trust among constituents.

- 103. Speaking on behalf of the countries of the GCC**, a Government representative of Saudi Arabia reiterated the need to work together to develop international standards suitable for the modern world, especially in the wake of the COVID-19 pandemic. Indeed, the ILO should do its utmost to provide protection for all in accordance with both international law and the national and regional contexts in which people lived. The Programme and Budget proposals for 2024–25 incorporated the priorities of different countries, regions and social partners, and had garnered general support. It was important to fight against discrimination and exclusion, but that must be done in accordance with both international law and national legislative frameworks. In talking about excluded and marginalized groups, there should be no reference to groups that were not recognized as such under international law; such an approach would hinder efforts to improve the world of work. His group therefore supported the proposed amendments.
- 104. A Government representative of Eswatini** expressed regret that discussions on the programme and budget were being sidetracked by an avoidable issue. The language used in paragraph 160 of the programme and budget proposals was not universally accepted and could have been avoided. The Office was not being asked to withhold support to constituents to address all forms of discrimination, but simply to avoid listing the grounds of discrimination, particularly where that list included controversial terms. It was not within the mandate of the Organization to impose certain terms on everyone. The issue should be addressed openly in a separate discussion, with research carried out into alleged discrimination on the grounds of sexual orientation. An item could then be placed on the agenda of the Governing Body or the International Labour Conference to allow comprehensive social dialogue on the matter. If consensus was reached, the Organization could duly recognize discrimination on the grounds of sexual orientation at that point, without having infringed any constitutional, religious or cultural rights and beliefs.
- 105. A Government representative of China** expressed support for the statement made by ASPAG. She welcomed the emphasis on employment and decent work in the programme and budget proposals and noted the Director General's commitment to investing more resources in skills and lifelong learning. That work was particularly important given the current multiple crises in the world of work; her Government therefore reiterated its request to the Office to guarantee investment in outcome 3 and support the creation of productive employment. Noting the commitment to covering those positions proposed to be funded by RBSA in 2024–25 through the regular budget in 2026–27, she asked the Office to explore ways to fund such positions sustainably without impacting the existing regular budget or affecting the delivery of results. The proposed overall cost increase of 4.4 per cent in the budget was still too high; the Chinese Government would pay significantly more in its assessed contribution as a result. The Office should therefore continue to seek efficiencies in the use of funds. Her Government remained committed to supporting those efforts.
- 106. A Government representative of Japan** agreed that the proposed cost increase of 4.4 per cent remained too high given the current fiscal constraints faced by governments. While recognizing the work done to date to keep that figure to a minimum, he urged the Office to explore other ways of decreasing costs, including by examining procurement practices and

making wider use of virtual forums. He wished to hear more about those possibilities before deciding on the draft decision.

- 107. A Government representative of Nigeria** said that discussions on the programme and budget should primarily focus on figures, but there had been an unfortunate focus on other issues. Nigeria's support for the Director-General's Programme and Budget proposals for 2024–25 had never been in doubt. His government fully espoused the ILO's mandate to promote equality of treatment and opportunities for all workers; it was not against protection for those suffering discrimination or oblivious of the plight of vulnerable workers; and it did not tolerate bias and discrimination. Discussion and deliberations on the budget proposal should not become a forum to reopen the debate on the rights of the vulnerable or on the ever-expanding list of groups perceived as vulnerable. The terms at issue had no universally accepted definition and acceptability within the UN system and must thus remain within the national sphere.
- 108.** Member States were entitled to develop their legal systems in line with their convictions. The delegation of Nigeria rejected attempts at coercion and condemned the ensuing unfortunate and avoidable budget crisis. What was expected of the ILO was a more energetic pursuit of solutions to global unemployment and universal protection of all people, irrespective of beliefs and convictions. The objection of Nigeria demonstrated respect for the right of sovereign authorities to adapt ILO standards to national practices. Adopting the budget document with those terms was designed to manipulate sovereign authority. In the interest of unity of purpose and respect, the programme and budget should be adopted by consensus rather than by vote.
- 109. A Government representative of Algeria** said, with reference to Algeria's position on paragraph 160, that on 8 December 2017 Algeria had initiated resolution 72/130 to proclaim 16 May the International Day of Living Together in Peace. Algeria had endeavoured to bring about consensus through universally accepted language. As a member of the Africa group, Algeria had proposed that the draft text avoid listing of minorities of specific categories because that was at odds with the principles and values of many Members. Accordingly, Algeria rejected the current drafting of paragraph 160 and called for consensual, approved and universally accepted language.
- 110. A Government representative of Malawi** said that skills development and employment creation should be priorities and be vested with adequate resources in the programme and budget. Malawi reiterated its support for the consensus-building initiatives evident at the 109th Session of the International Labour Conference during the adoption of Convention No. 190. Member States should be free to decide what constituted a vulnerable group because the definition was not universal. The Office should take account of those views in addressing the matter.
- 111. A Government representative of Senegal** said that while the programme and budget proposals were consistent with the ILO's mandate, they had not addressed the concerns of all regions, arising from their social, cultural and religious particularities. Those ambitious proposals should not come to naught owing to difficulties with terminology. The Africa group was against all discrimination, as evidenced by its high rate of ratification of the relevant Conventions. Senegal favoured general and inclusive terminology to designate categories of persons vulnerable to discrimination. That did not preclude individual countries from implementing the programme and budget depending on their needs and priorities. Senegal supported a strong consensus within the Governing Body to bring about respect for difference.

112. **Speaking on behalf of a cross-regional group of countries**, a Government representative of the United Kingdom said that her group itself had concerns about the document, but all constituents should be able to express their views, no matter how divergent, in a manner respected by all. Therefore, accusations that the Director General, the Office, its officials and its constituents had engaged in unsavoury behaviour were alarming and should be withdrawn.
113. **Speaking on behalf of the Africa group**, a Government representative of Morocco observed that he had not levelled any accusations against anyone; he had merely asked why none of the concerns of the Africa group had been taken into account.
114. **A Government representative of Pakistan** recapitulated the points at issue. First, he recalled that international law provided clear definitions of grounds for discrimination, which did not include sexual orientation and gender identity. Any real or perceived emerging grounds for discrimination must be universally agreed upon before being incorporated into documents that entailed legal obligations for Member States. Accordingly, the Governing Body should adhere to universally agreed terms and concepts.
115. Second, an international organization's mandate was anchored in its constitution and guided by international law. Furthermore, any mandate stemming from the programme and budget had to be based on consensus. There was no consensus at the ILO on the subject in question, and therefore no basis on which to promote sexual orientation and gender identity as grounds for discrimination. According to the principle of sovereign equality, which was one of the founding principles of the UN, international organizations were also bound by international law. An international organization could not assume a mandate opposed by a significant number of its members, and should not pursue actions inconsistent with its members' legal systems that already adhered to international law.
116. Third, the question of establishing legal scaffolding for personal sexual conduct, preferences or personal behaviours was for the UN General Assembly and the Human Rights Council to discuss. Those bodies had not achieved consensus in that respect. Accordingly, the technical and budgetary documents of specialized agencies could not be instrumentalized to create a false façade of universality. The goal should be to join hands to combat discrimination. Opponents of the language in question had made it abundantly clear that they opposed discrimination against anybody on any ground recognized by international law anywhere, including workplaces. To impose a minority's social perspective on others was not to fight discrimination but to promote it.
117. **The Worker Vice-Chairperson** said that it was not necessary to agree with another person's understanding of their sexual orientation or gender identity. Freedom of speech should not be confused with promoting human rights, which was about affording protection to individuals against the State and state power. As there seemed to be general agreement on the programme and budget proposals themselves, she called for the text to be adopted. It could then be clarified that the text was not a legal instrument and that the ILO was working to improve understanding of many issues relating to non-discrimination. It was frustrating that Governments could espouse non-discrimination on any ground, but then not wish to mention a particular ground.
118. **The Employer spokesperson** suggested that the Office should take all views on the outstanding issue into account and propose an amended version of the draft decision – perhaps by using less specific language – in the interests of reaching agreement.

- 119. Speaking on behalf of the Africa group**, a Government representative of Morocco said that his group was entitled to its opinion and did not agree with the proposal made by the Worker Vice-Chairperson.

Office response

- 120. A representative of the Director-General** (Director, Strategic Programming and Management Department), responding to questions on programmatic and outcome-specific issues, said that priority action programmes were mechanisms to ensure policy coherence and strengthen cooperation. They would not duplicate technical work carried out under the policy outcomes. That work would continue to be delivered by technical departments and the field offices, while each priority action programme would be coordinated by a core team of four or five Professional category staff funded by the regular budget and, potentially, the RBSA. Detailed information on the role of the priority action programme on decent work in supply chains could be found in document GB.347/INS/8.
- 121.** Regarding the US\$18.4 million in savings identified, it was proposed to allocate US\$6.4 million to strengthen field operations, in accordance with the needs of each region. Consequently, several new Professional positions had been established in Africa to work on gender equality, productive development, skills and partnerships. The US\$3.9 million to be redeployed at headquarters would be used to reprofile positions in several departments. Some US\$300,000 would be used for capacity-building of the social partners. The US\$1.9 million to be redeployed for management services would be used to strengthen the Integrated Workplace Management System, legal services and human resource management. Regular budget allocation to policy outcomes would increase by US\$6.1 million as a result – or US\$4.6 million taking into account the proposed reduction to the budget increase – as compared to the 2022–23 biennium. Of that amount, US\$3.1 million would be allocated to the regions. The proportion of the regular budget allocated to the five regional programmes would increase from 31.5 per cent in 2022–23 to 31.9 per cent in 2024–25.
- 122.** The Programme and Budget proposals for 2024–25 set out the allocation of budget by both outcomes and outputs, as previously requested by the Governing Body. The strategic budget for a particular policy outcome or output included budget allocated to different units and regions, so it was not possible to compare the budget for an outcome with the operational budget of a particular organizational unit. Over 60 per cent of the US\$31.1 million allocated to output 2.1 corresponded to the regular budget of the regional programmes and 30 per cent corresponded to the budget of ACT/EMP. The regular budget resources allocated to skills and lifelong learning under output 3.2 was US\$41.3 million; an additional US\$10.8 million was allocated to output 3.5 on youth employment, of which more than 50 per cent would be dedicated to skills promotion for youth. Hence, the regular budget allocated to skills represented an increase compared with the US\$45.1 million in 2022–23.
- 123.** The estimated extrabudgetary development cooperation (XBDC) expenditure of US\$600 million in table 2 of GB.347/PFA/1 was based on resources in XBDC projects that had been budgeted for 2024 and 2025 and confirmed by donors, and resources that the ILO expected to obtain and spend in the biennium based on historic trends and considering resource mobilization efforts. The Office believed that this estimated expenditure was realistic and achievable, and would step up its efforts concerning partnerships and resource mobilization.
- 124.** The Programme and Budget proposals for 2022–23 covered the development, but not the publication, of the second edition of the new flagship *Social Dialogue Report*. The first edition

was delayed and published in May 2022. It was necessary to draw on the experience of the first edition to prepare an impactful and relevant second edition and to inform the next recurrent discussion on social dialogue. The Office was taking a prudent approach for 2024–25 to develop a new edition rather than a third edition of the flagship report.

- 125.** The purpose of the programme to support institutional capacity development of employer and business membership organizations and workers' organizations had not changed since the preview of the Programme and Budget proposals for 2024–25 had been discussed at the previous session of the Governing Body. The programme would be managed by ACT/EMP and ACTRAV and the proposals included an additional US\$2 million from the RBSA to kick-start its activities. It was expected that further regular and extrabudgetary resources would become available for specific activities beyond the next biennium. The Office would do everything within its power to secure additional donor funding and would allocate adequate funding to the programme in the Programme and Budget proposals for 2026–27.
- 126.** The promotion of decent jobs for young people in Africa under outcome 3 would be based on Member States' specific needs, requests and policies. In all cases, the Office would promote integrated interventions focused on both job creation and skills development. The Office would further deepen its collaboration with regional institutions to develop the capacity of technical and vocational education and training institutions in the region. A Professional position on skills would be decentralized from headquarters to the Africa region to strengthen ILO work in that area.
- 127.** Although there was no dedicated output on the inclusion of persons with disabilities in the Programme and Budget proposals for 2024–25, it had been mainstreamed across several outputs, particularly output 5.1, which contained a specific performance indicator that measured initiatives to promote equality of opportunities and treatment for persons with disabilities. The work would be guided by the UN Disability Inclusion Strategy and the Office had established a disability inclusion tag to monitor all relevant ILO initiatives.
- 128.** Action to mainstream gender equality into all areas of the ILO's work was already more advanced than the areas covered by the priority action programmes, and would continue to be coordinated by the Gender, Equality, Diversity and Inclusion Branch. The introduction of the marker on gender and non-discrimination had contributed to improving planning, monitoring and measurement, and the proposals for 2024–25 included the creation of one new Professional position and the redeployment of another to strengthen gender mainstreaming.
- 129.** With regard to progress under outcome 6 from the Programme and Budget for 2022–23, it was anticipated that targets would be met or exceeded for five of the eight output indicators.
- 130.** The "new international financing mechanism" in paragraph 192 of the Programme and Budget proposals for 2024–25 referred to the global social protection fund referred to in the resolution concerning the second recurrent discussion on social protection (social security) adopted by the International Labour Conference in 2021. That mechanism was intended to complement and support domestic resources. The planned research and analysis on the establishment of such a fund had been commissioned and was ongoing.
- 131.** Output 8.2 of the programme and budget proposals would focus on coordination of ILO action on formalization, while the technical work on formalization would be delivered under other outcomes and outputs. Efforts would be made to create synergies and prevent duplication of work. The development of "innovative approaches" referred to the use of technology to support formalization.

132. The Office was committed to engaging in consultations with the tripartite constituents with a view to developing indicators for outcome 2 on strong, representative and influential tripartite constituents and effective social dialogue.
133. The ratification of international labour standards would be reported under outcome 1, which was why ratification had not been mentioned in the other indicators. However, work to promote ratification and implementation of international labour standards was embedded in all policy outcomes. The technical notes for output indicators would specify this dimension across all relevant outcomes.
134. As to the low number of targets for the Asia and the Pacific region, the indicators had been set through consultative processes involving departments at headquarters and all regions. Most were based on the information that had been available in December 2022, taking into consideration ongoing work that would produce measurable results in 2024 and 2025 and planned initiatives and programmes based on constituents' needs. If a significant and measurable result in a policy area had been achieved in the previous biennium, and it was considered that the Member State required less ILO support for the following biennium, the Member State would not be considered as a target. Nevertheless, the Office had noted the lower number of targets in Asia and the Pacific and would take it into consideration in the review of the baseline and targets that would take place towards the end of 2023. While there were no indicators on geographical diversity and gender balance of staff, the Office would continue to monitor it and report on progress to the Governing Body.
135. **Another representative of the Director-General** (Treasurer and Financial Comptroller) said that while the staffing costs in the programme and budget proposals had increased from 69 per cent to 70.2 per cent, the headcount of the Office had not increased; the increased costs were related to staff moving from the General Services to the Professional category.
136. The proportion of the budget allocated to Africa remained at 9.71 per cent in constant US dollars.
137. As already noted by the Director-General, cost savings of US\$1.9 million had been made by re-profiling posts and abolishing upcoming vacant posts at headquarters, keeping the baseline level of the budget unchanged. A further US\$1.8 million had been saved through fixing the price of electricity for 2024 at a lower rate than forecast.
138. With regard to the International Labour Conference, given the ongoing renovations at the Palais des Nations, different options had been explored and it had ultimately been decided to hold the Conference at the Palexpo conference centre, as it was the only way to keep all three technical committees in a single location. The Director-General had proposed ring-fencing US\$7 million for that purpose and subsequently returning any savings on that amount to Member States.
139. The Office had looked into potential further savings during phase 2 of the building renovation project, but supply chain issues and other costs meant that savings were highly unlikely without compromising the works already planned.
140. The difference between the regular budget of US\$803.5 million for the 2022–23 biennium and the proposed US\$894 million in constant US dollars for the 2024–25 biennium was related to fluctuations in exchange rates between the Swiss franc and the US dollar. The budget rate of exchange would be set when the Finance Committee approved the budget and the Office would then make a forward purchase of US dollars in accordance with the Swiss franc assessment system.

- 141.** The budget allocation for the senior management team had increased, this is within the envelope of the whole budget which remained constant overall. There were indeed more positions in the restructured senior management team and the Director-General's Office, which reflected a significant redistribution of responsibilities.
- 142.** In respect of the overall budget, not including the one-off cost of holding the International Labour Conference at Palexpo, inflationary costs had increased by 3.6 per cent, over which the Office had no control. With zero real growth in the budget, the Office would only be able to absorb further cost increases with an additional reduction in its programmatic capacity, which would have a significant impact on the Office's capacity to deliver on the policy outcomes.
- 143. The Worker spokesperson** said that, based on decisions made at the International Labour Conference and the Governing Body, his group would prefer to publish the flagship *Social Dialogue Report* annually. Furthermore, the Workers' group had objected to the wording of output indicator 2.3.2., which placed workplace cooperation on an equal footing with collective bargaining, which was a fundamental right; he therefore requested the Office to delete "workplace cooperation" from the results framework.
- 144. Speaking on behalf of IMEC**, a Government representative of the United States expressed disappointment that the Office had not identified additional cost-efficiencies, as requested by her group. While IMEC supported the Director-General's programmatic vision, it considered the proposed budget level of over US\$890.6 million, reflecting a nominal increase of almost US\$37.9 million, to be too high. Some IMEC members saw no justification for an increase of more than 3 per cent. She once again requested the Office to identify additional cost-efficiencies.
- 145. A representative of the Director-General** (Treasurer and Financial Comptroller) said that the Office had identified resources in the Special Programme Account that could be used to fund parts of the items in the budget. At its sessions in March 2008 and March and November 2011, the Governing Body had approved the use of funds from the Special Programme Account for a number of priority items. The remaining balance after expenditure on those items was CHF4.8 million, which included exchange rate revaluations and accrued interest. With the proposed adjustments, the nominal amount of the budget would be reduced by approximately US\$9 million and the cost increase had fallen from 4.6 to 3.8 per cent, including the costs associated with holding the International Labour Conference at the Palexpo centre in Geneva. The real inflation rate stood at 3.6 per cent.
- 146. The Employer spokesperson and the Worker spokesperson** supported the draft decision.
- 147. Speaking on behalf of the Africa group**, a Government representative of Cameroon said that the Office had not taken into account her group's request to amend the terminology used in paragraph 160. She would appreciate clarification of the practice regarding the modification of documents since several had been reviewed during the current session despite the Office's assertion that they could not be modified after publication. She deeply regretted that her group's repeat requests for the withdrawal of certain points from paragraph 160 of the Programme and Budget proposals for 2024–25 had gone unheeded, and the Office's explanations had not addressed her group's concerns. Specifying certain groups of persons who faced discrimination could exclude other categories of persons who might also be victims of discrimination.
- 148. Speaking on behalf of ASPAG**, a Government representative of China agreed that the Office should ensure policy coherence and coordination among all policy outcomes and outputs. Since the implementation of the Singapore Statement was a key priority of his region, he

requested the Office to pay closer attention to ensuring that the priorities contained in the document were reflected in the programme and budget. He was glad to hear that part of the budgetary resources under output 3.5, on decent employment for youth, would be used to promote skills development for young people. While he noted the Office's explanation that output targets were set on the basis of ongoing and pipeline initiatives, he requested the Office to consult with constituents as part of the review of the results framework at the end of 2023 to ensure that the targets aligned with the regional and national priorities in the programme and budget.

149. With regard to geographical diversity and gender equality, he urged the Office to follow closely the guidance provided in the progress report on the implementation of the Human Resources Strategy when implementing enabler C, on effective, efficient, results-oriented and transparent management, and requested the Office to develop and incorporate relevant indicators on geographical diversity and gender equality in future programming exercises. He also requested the Office to report the unspent balances in the various accounts with funds from assessed contributions of Member States to the Governing Body at its 349th Session in November 2023. Considering the unexpected impact of ongoing renovation work at the Palais des Nations, ASPAG agreed to the reallocation of the unspent funds on an exceptional basis. However, in view of the 3.6 per cent cost increase, he encouraged the Office to continue its efforts to make efficiency savings. ASPAG supported the draft decision.
150. **Speaking on behalf of GRULAC**, a Government representative of Colombia welcomed the proposal to use funds from the Special Programme Account to lower the budget increase, and indicated that GRULAC supported the draft decision contained in the Director-General's proposals for adjustments. She reiterated her group's opposition to the two proposed amendments to the draft decision in the Programme and Budget proposals for 2024–25.
151. **Speaking on behalf of 38 members of IMEC**, a Government representative of the United States said that her group supported the proposal to use funding from the Special Programme Account and, while she would have preferred further measures to mitigate the anticipated cost increases, she supported the proposed budget level. The Office should make every effort to implement the programme and budget efficiently and in accordance with the quality standards referenced under enabler C. Her group supported the draft decision contained in the Director-General's proposals for adjustments.
152. **Speaking on behalf of the EU and its Member States**, a Government representative of Sweden said that North Macedonia, Montenegro, Iceland, Norway and Albania aligned themselves with her statement. She welcomed the useful information provided by the Office on the Global Coalition for Social Justice and hoped that the priority action programmes would soon be presented to the Governing Body for discussion by the constituents. The EU and its Member States strongly opposed the amendment proposed by Pakistan on behalf of the OIC countries except Albania and the amendment proposed by Saudi Arabia, joined by Pakistan, and supported the revised draft decision.
153. **Speaking on behalf of Indonesia and Malaysia**, a Government representative of Indonesia said that the two countries strongly supported the amendment proposed by Saudi Arabia, joined by Pakistan. He called on the ILO to use language that was general and inclusive and enjoyed universal consensus. Unfortunately, controversial notions contained in the proposed programme and budget had divided and diverted Member States' focus from the matter at hand. It was illogical that constituents had the authority to amend the ILO Constitution yet were unable to amend a Governing Body document containing controversial concepts that did

not enjoy consensus and had no legal foundation in any international human rights framework.

- 154. Speaking on behalf of the GCC countries**, a Government representative of Saudi Arabia said that many countries and regions had expressed their reservations about the wording of paragraph 160 of the Programme and Budget proposals for 2024–25 and his group had gone to great lengths to garner consensus on the programme and budget by engaging in dialogue and showing flexibility. However, the proposed amendment submitted by Saudi Arabia had not been reflected in the draft decision.
- 155. Speaking on behalf of the countries of the OIC**, with the exception of Albania, a Government representative of Pakistan said that his group had received no response to the concerns it had raised on the legality and relevance of including the contentious terms of sexual orientation and gender identity in the Programme and Budget proposals for 2024–25. He would appreciate clarification as to why the authors had included those terms in the document, why they had decided to diverge from the internationally agreed wording on discrimination and why sexual orientation and gender identity had been chosen over other emerging forms of discrimination, including Islamophobia and discrimination against migrant workers. Financial contributions from Member States, which were approved by their national authorities, must not be used to fulfil objectives that directly contradicted the laws enacted by those same authorities. If paragraph 160 remained unamended, he wondered what legal arrangements and national laws would govern the relationship of the ILO field offices and implementing partners with the Member States, and what the implications would be for the immunities and privileges of those who implemented programmes on sexual orientation and gender identity.
- 156. A Government representative of China** asked the Office to focus on establishing and strengthening universal social protection in Asia and the Pacific and integrate it into the priority areas. She also requested the Office to include funding for the Professional positions to implement the priority areas in the regular budget, since the RBSA could not provide sustainable funding. Her Government also requested the Office to consider fully the situation and practical needs of each region, and to address the under-representation of the region's States, including China. Her Government supported the revised draft decision, and the amendments proposed by Saudi Arabia and Pakistan.
- 157. A Government representative of Japan** said that his Government supported the use of the Special Programme Account on an exceptional basis. It was regrettable that no cost-saving measures had been found other than to reduce electricity costs, and he urged the Office to explore further measures, such as more competitive procurement and the use of a virtual forum. Japan supported the revised draft decision.
- 158. The Employer spokesperson** urged the Office to make every effort to ensure the continuity of the dedicated programme to strengthen the institutional capacity of employer and business membership organizations and workers' organizations in future biennia. She asked what the operational budget was at the output level, given that the number of outcomes had more than halved since 2014–15, and how much of the operational budget would be dedicated to skills development. She requested the Office to propose an indicator for outcome 2, on strong, representative and influential tripartite constituents and effective social dialogue, that reflected the institutional capacity of the social partners and the outcome objectives. With regard to output 2.3, she insisted on maintaining the indicator on workplace cooperation in line with the Centenary Declaration and the 1944 Declaration of Philadelphia, which recognized the cooperation of management and labour as important elements of productive efficiency alongside the effective recognition of the right to collective bargaining. Noting that the

restructuring of the senior management team had resulted in an increased proportion of staff based in Geneva, she asked the Office to monitor closely the impact of a larger senior management team on the frontline support offered to constituents in the field. She opposed further cuts of technical positions, particularly those related to the implementation of outcomes 1–7, because they offered frontline services that were crucial for carrying out the ILO's core work. The issue of discrimination was not relevant to the programme and budget discussion at hand but her group would support any consensus among the Governments with regard to outcome 5.

- 159. The Worker spokesperson** said that under the Centenary Declaration, collective bargaining was a fundamental right, whereas workplace cooperation was merely a useful tool, provided that it did not undermine trade unions or collective bargaining. She asked the Office to take that distinction into account in relation to indicator 2.3.2 of the Programme and Budget proposals for 2024–25. The Workers' group could not support the amendment proposed by Pakistan on behalf of the OIC countries except Albania or the amendment proposed by Saudi Arabia together with Pakistan, since they called into question the basic principles of the ILO. Her group supported the revised draft decision.
- 160. A representative of the Director-General** (Treasurer and Financial Comptroller) said that the Office would do its utmost to ensure that the budget was allocated wisely and steps were taken to ensure that spending was measured and reported correctly. The Office had taken note of comments made by the Employers' and Workers' groups and the Governments, including with regard to the RBSA, and would address them in the near future. No further technical positions would be cut. The Office would prepare a report on unspent balances for the Governing Body session in November 2023.
- 161. Another representative of the Director-General** (Legal Adviser) said that, as had been explained at the Governing Body session in November 2022, no amendments to specific paragraphs of a published Governing Body document, other than the draft decision, could be proposed. However, according to established practice, the Office occasionally prepared a revised version of a document under discussion to facilitate achievement of a consensus, when there were clear signs that a consensus could be reached with specific modifications. The Office had at no point seen any indication that deleting the sexual orientation and gender identity terminology, as had been proposed by some members, or including the LGBTQI+ terminology, as had been proposed by others, would bring the Governing Body any closer to the consensual adoption of the Programme and Budget proposals for 2024–25. Going forward, changes could be made to the programme and budget proposals if there was agreement on the specific changes to be made and those proposed changes were submitted to the Conference. In the past, the Director-General had included in an addendum changes that were technically feasible and in line with the overall discussion.
- 162. Speaking on behalf of the countries of the OIC**, with the exception of Albania, a Government representative of Pakistan said that the amendments had been proposed to facilitate consensus-building in view of members' objections to the controversial terms regarding sexual orientation and gender identity, and not to impose any viewpoint or leave any group open to discrimination. The language of the proposed amendments was consistent with the laws of all Member States and was based on article 2 of the Universal Declaration of Human Rights, which contained all the internationally recognized grounds of discrimination. He was puzzled by attempts to introduce the contentious terms given the unambiguous and well-documented opposition from many members. He was disappointed that those members who had rejected out of hand the proposed amendments had not submitted any constructive suggestions

themselves, and that they were willing to tear up a fundamental human rights document to impose their own worldview. The OIC called for a vote on the proposed amendments.

- 163. Speaking on behalf of the GCC countries,** a Government representative of Saudi Arabia noted that the revised draft decision had not taken account of discussions in recent days or of the paragraph that he had proposed for inclusion. He had hoped that consensus would be achieved, but the revised draft decision took neither their remarks and concerns nor domestic legislation and sovereignty into account.
- 164. Speaking on behalf of 38 members of IMEC,** a Government representative of the United States noted that the amendment proposed by Pakistan and the OIC members was misleading about the UN stance on the rights of LGBTQI+ persons. Moreover, the proposal to edit a document submitted by the Office was inconsistent with long-standing practice and unsustainable as a precedent. While the group also favoured an amendment of the language in the document, the Governing Body could not efficiently engage in detailed editing of the document. The amendment proposed by Saudi Arabia and Pakistan was not relevant to the programme and budget, which did not impose obligations or responsibilities on Member States, so imposing a caveat on the document was not acceptable. Those amendments did not contribute to a consensus decision.
- 165. Speaking on behalf of the EU and its Member States,** a Government representative of Sweden said that she aligned her statement with that delivered by IMEC. Her group would continue to strongly oppose all forms of discrimination. The European Union was committed to standing up for equality and non-discrimination. She strongly opposed the amendment proposed by Pakistan on behalf of the OIC countries except Albania, and the amendment proposed by Saudi Arabia joined by Pakistan.
- 166. Speaking on behalf of the Africa group,** a Government representative of Cameroon noted the positions expressed and reiterated its position about the need to reword paragraph 160. The Africa group dissociated itself from any decision and took note of the decision to resort to a vote in the absence of consensus.
- 167. A Government representative of Guatemala** said that Guatemala was committed to international labour standards. She had reservations as to the use of terms and conditions and provisions that might explicitly or otherwise infringe the Guatemalan Constitution, but believed it vital to adopt the programme and budget, since it would enable the Office to drive priority projects. Despite her reservations, she did not support either of the amendments tabled, finding that they were not constructive and would not foster consensus.
- 168. The Employer spokesperson** requested a deferral of the vote to the following day to confer with her group. It was important to take a decision which would also be agreed to and ratified by the International Labour Conference. The matter invited the involvement of the leadership of the Office to bring both sides in the Governing Body government group together, and it was disappointing that the Office leadership had made no effort to resolve the impasse. The Office should use the time until the following day to seek consensus.
- 169. The Worker spokesperson** said that the lack of readiness to compromise at the current session was resulting in the need to hold votes. The Director-General was not the only leadership figure; leadership could also have been assumed by the social partners. The situation was undesirable and divisive and should have already been solved by everyone working together. It was not her position to decide on the timing of the vote, but she would not support that the discussion be postponed until the following day. She asked whether the Employers' group was ready to support the amendments.

- 170. Speaking on behalf of the EU and its Member States**, a Government representative of Sweden fully supported the Chairperson in seeking a vote. She thanked the Director-General and the Office for their efforts. While the lack of consensus was regrettable, the issue at hand was clearly difficult.
- 171. The Employer spokesperson** clarified that her support for the draft decision had related only to the point outlined by the Treasurer and Financial Comptroller. She stressed that the disagreement had preceded the current session of the Governing Body and much could have been achieved if the time since the previous session had been used more constructively. It was disappointing that a vote was now being forced.
- 172. Speaking on behalf of GRULAC**, a Government representative of Colombia indicated that GRULAC was prepared to vote.
- 173. Speaking on behalf of 38 members of IMEC**, a Government representative of the United States said that her group was also prepared to vote on the amendments and to take a decision on the item generally.
- 174. The Worker spokesperson** noted that the Employer spokesperson had taken a very tough stance when the pending issue had arisen in the context of the adoption of Convention No. 190 and enquired as to the intention of the Employers' group.
- 175. The Employer spokesperson** referred colleagues to the clear result obtained by the Conference in Convention No. 190, with which her group agreed.
- 176. The Chairperson** expressed regret that it had not been possible to achieve consensus. The principles of non-discrimination were at the heart of protection of human dignity. She said that the amendments would be put to a vote.
- 177. The Clerk of the Programme, Financial and Administrative Section** said that the Governing Body would proceed to a vote by show of hands on the amendment proposed by the Government of Pakistan.
- (The amendment proposed by the Government of Pakistan was not adopted, with 11 votes in favour, 37 against and 4 abstentions.)*
- 178. The Clerk of the Programme, Financial and Administrative Section** said that the Governing Body would proceed to a vote by show of hands on the amendment proposed by the Government of Saudi Arabia.
- (The amendment proposed by the Government of Saudi Arabia was not adopted, with 11 votes in favour, 37 against and 4 abstentions.)*
- 179. The Chairperson** said that given that neither amendment had been adopted, the draft decision contained in document GB.347/PFA/1/1(Rev.1) would now be considered. As it had been supported by the Workers, 38 members of IMEC, GRULAC, the European Union and part of ASPAG, representing a large number of States, the question arose as to whether a vote was necessary.
- 180. Speaking on behalf of the countries of the OIC**, with the exception of Albania, a Government representative of Pakistan said that if there was any scope for flexibility from the representatives who had objected to the amendment proposed by Pakistan and voted against it, then it should be brought to the Governing Body for consideration.
- 181. Speaking on behalf of the Africa group**, a Government representative of Cameroon said she had taken note of the outcome of the votes. She deplored the lack of consensus on terminology that had already been included in consensus-based documents.

- 182. Speaking on behalf of the countries of the OIC**, with the exception of Albania, a Government representative of Pakistan said that in view of the lack of constructive intent or response from the opposing side he was constrained to call for a vote on the draft decision.
- 183. The Clerk of the Programme, Financial and Administrative Section** said that the Governing Body would proceed to a vote by show of hands on the draft decision contained in paragraph 7 of document GB.347/PFA/1/1(Rev.1).
- (The draft decision contained in document GB.347/PFA/1/1(Rev.1) was adopted, with 42 votes in favour, 9 votes against and 2 abstentions.)*
- 184. The Worker spokesperson** said that it was a sad moment for the ILO. Thanks to all those who had voted in favour of the budget, the ILO could continue with its important work in all countries. It was contradictory that differences of opinion on language, under a principle agreed to by all, had resulted in a vote against a budget the ILO desperately needed to be able to function.
- 185. A Government representative of Indonesia**, speaking in explanation of vote, said that the fact that a decision on programme and budget proposals had been taken by a vote was deeply regrettable. The outcome of the vote clearly demonstrated that the programme and budget had been jeopardized by the pursuit of a specific agenda beyond the mandate of the ILO. The Office had not heeded numerous calls and constructive proposals put forward by Member States to use consensual language. The introduction of a politically sensitive and controversial notion into the work of the ILO would jeopardize its proper functioning.
- 186.** His Government had repeatedly stated its principled position on the paramount importance of upholding the universal right to be protected and enjoy human rights in all spheres of life free from discrimination on any grounds. However, it would support the work of the ILO only insofar as it was relevant to the Organization's mandate and in line with Indonesia's Constitution and legislation. His Government did not and would not support the inclusion in ILO documentation of controversial concepts, such as "sexual orientation and gender identity" and "lesbian, gay, bisexual, transexual and intersex persons", that did not enjoy international consensus and undermined the spirit of constructive engagement that the Governing Body should uphold. His Government could not accept a programme and budget that had been co-opted to promote contentious and legally untenable language that lacked universal acceptance among Member States. He urged the ILO to use, in all of its documents, language that was inclusive and enjoyed universal consensus and to avoid the recurrence of those terms.
- 187.** Lastly, his delegation had witnessed a weakened spirit of consensus during the discussion of several agenda items during the current Governing Body session, which was worrisome. He called on all constituents to offer compromise as far as possible in order to take decisions by consensus and to avoid introducing politicized issues that would divide constituents and divert the Governing Body's focus away from issues of common concern. He urged the Office to listen to and accommodate the concerns of all Member States in a balanced and fair manner in line with the mandate of the ILO. The needs and interests of the global labour force should be the main priority of the ILO and they would be fully realized only if the Organization and its constituents worked together.
- 188. Speaking on behalf of the countries of the OIC**, with the exception of Albania, a Government representative of Pakistan, in explanation of vote, said that the fact that the Governing Body had been unable to reach consensus was regrettable but unsurprising. The terms sexual orientation and gender identity were not universally accepted and did not have a single and clear definition. Indeed, societal perspectives in that regard had varied over time and across

regions and continued to evolve. Against that backdrop, using language that was legally sound and agreeable to all would have been a surer way of achieving consensus.

Decision

189. The Governing Body decided:

- (a) to approve the use of the balance of the Special Programme Account in the amount of CHF4.8 million (estimated at US\$5.3 million at the 2022–23 budget rate of exchange of CHF0.9 to the US dollar) to partially offset the one-off cost of US\$7 million to fund the two sessions of the International Labour Conference in 2024 and 2025;
- (b) to recommend to the International Labour Conference at its 111th Session (June 2023):
 - (i) to approve a provisional programme level of US\$885,303,443 estimated at the 2022–23 budget rate of exchange of CHF0.9 to the US dollar, the final exchange rate and the corresponding US dollar level of the budget and Swiss franc assessment to be determined by the Conference; and
 - (ii) to adopt the following resolution:

The General Conference of the International Labour Organization,

In virtue of the Financial Regulations, adopts for the 79th financial period, ending 31 December 2025, 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 CHF... to the US dollar, amounts to CHF..., and resolves that the budget of income, denominated in Swiss francs, shall be allocated among Member States in accordance with the scale of contributions recommended by the Finance Committee.

(GB.347/PFA/1/1(Rev.1), paragraph 7)

2. Delegation of authority under article 17 of the Standing Orders of the International Labour Conference (GB.347/PFA/2)

Decision

190. The Governing Body decided to delegate to its Officers, for the period of the 111th Session of the International Labour Conference (2023), the authority to carry out its responsibilities under article 17 of the Standing Orders of the Conference in relation to proposals involving expenditure in the 78th financial period ending 31 December 2023.

(GB.347/PFA/2, paragraph 3)

3. Scale of assessments of contributions to the budget for the 2024–25 financial period(GB.347/PFA/3)

Decision

191. The Governing Body, 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, decided to base the ILO scale of assessment for 2024 on the UN scale for 2022–24, and to propose to the International Labour Conference the adoption of the draft

scale of assessment for 2024 as set out in the appendix to GB.347/PFA/3, subject to such adjustments as might be necessary following any further change in the membership of the Organization before the Conference is called upon to adopt the recommended scale.

(GB.347/PFA/3, paragraph 4)

4. ILO Strategy on knowledge and innovation (GB.347/PFA/4)

- 192. The Employer spokesperson** expressed disappointment at the lack of substantive detail in the ILO Strategy on knowledge and innovation. A strategy should provide a framework for action towards a stated purpose, and include a vision, a pathway for achieving that vision, goals for measuring progress, and an indication of the necessary governance and behavioural changes. Although the Strategy as it stood recognized that knowledge management and innovation were critical to enhance the ILO's delivery of services to constituents, it did not set out a true multi-year vision for knowledge management within the Organization. Strategic priority 1 on knowledge management appeared to duplicate existing work, as both that priority and the ILO Research Strategy aimed to systematically identify major knowledge gaps and adapt research according to the evolving needs of its constituents. In addition, it was unclear what changes would be introduced to allow the ILO to "optimize the identification, creation, analysis, representation, distribution, and application of knowledge in order to facilitate learning, innovation or uptake and create organizational value", as per the definition of knowledge management given in the Strategy.
- 193.** The remaining three strategic priorities did not duplicate existing work, but raised similar issues. The Employers' group wished to know which unit would be accountable for implementation of the Strategy. If it was the facility mentioned in the document, its official status should be clarified; in particular, it was unclear why the focal points for the facility would report to the Office of the Director-General under special initiatives, unless knowledge management and innovation would be considered a special initiative rather than being mainstreamed into the general work of the ILO. In addition, the Office should provide information on how the facility would support departments and units, namely on the kind of practical support envisioned, and efforts should be made to ensure that the facility did not become the sole locus for innovation. He further asked whether the proposed incremental development over the period to December 2025 indicated that the facility would be under continuous development for several years. Resources were also an issue. The Employers' group had expected the Office to provide a governance, structure and action plan, and a plan for the financial sustainability of the facility if donor resources were not readily available. Yet the document simply noted that the ILO would mobilize voluntary contributions from partners interested in promoting knowledge and innovation in the world of work, contrary to the commitment by the Office at the 346th Session of the Governing Body that a proposal would be presented for consideration regarding funding between regular budget sources and extrabudgetary sources by the Governing Body at its 347th Session, to ensure that necessary funding was included within the Programme and Budget for the biennium 2024–25.
- 194.** There were also clear inconsistencies in the document. For instance, it stated that specific outputs on knowledge management were set out in section IV of the Programme and Budget proposals for 2024–25, alongside a results-based framework with indicators and targets, whereas that section contained the draft budget of expenditure and income for 2024–25 and did not include any specific outputs on knowledge management. Similarly, enabling output A.3 referred to "innovative approaches to promote social justice", but contained no reference to the functional innovation facility, while the associated indicator – the number of active

networks and communities of practice on knowledge management and innovation – failed to capture the results of the Strategy.

- 195.** On that basis, the Employers' group could not endorse the Strategy, as significant work was still needed to ensure it could act as an enabler for delivery of constituents' needs and priorities, and support the delivery of the Programme and Budget for 2024–25. The group therefore wished to propose an amendment to the draft decision, to read:

30. The Governing Body ~~endorsed~~ took note of the document concerning the ILO Strategy on knowledge and innovation and requested the Director-General to take into account its guidance in preparing a draft implementing the strategy on knowledge and innovation for its consideration at the 349th session (November 2023).

- 196. The Worker spokesperson** observed that her prime concern was how the innovation facility would be incorporated into the overall ILO structure. She supported strategic priorities 1, 2 and 4; however, consultation through social dialogue with the ILO Staff Union should be prioritized. The Workers' group was satisfied with strategic priority 2, which appeared to focus on constituents and sought to ensure a clear understanding of their needs, particularly the narrowing of the digital gap.
- 197.** Priorities 1, 2 and 4 sought to improve the ILO's ability to deliver results. Paragraph 17 mentioned four policy innovation facilities. The Workers' group wished to know whether there had been an internal assessment of those facilities and, if so, what were the findings. It had previously expressed concern that the facilities might create unnecessary overlaps, especially with external partnerships.
- 198.** The ILO Development Cooperation Strategy was being properly implemented. However, strategic priority 3 might duplicate the work of existing departments. With already well established processes for developing and managing partnerships, the rationale for a new facility was unclear. The Office should also indicate whether there were synergies or overlaps with the Global Coalition for Social Justice.
- 199.** While acknowledging efforts to have a structure on innovation that was more integrated into existing ILO structures and accepting the potential usefulness of a network of departmental focal points as an approach to ensuring greater integration innovation products within the Office, she said that the proposal could not be fully endorsed due to a lack of clarity regarding the issue of partnerships. She consequently proposed an amendment to the draft decision, to read:

30. The Governing Body ~~endorsed the~~ requested the Director-General to take into account its guidance in implementing the ILO Strategy on knowledge and innovation and requested the Director-General to take into account its guidance in implementing the Strategy.

- 200. Speaking on behalf of IMEC,** a Government representative of the United States welcomed the specific strategic priorities under the overarching Strategy, particularly their focus on internal and external knowledge and innovation. He also welcomed the focus on fostering an enabling ecosystem for innovation within the ILO through the innovation facility. It would be useful to know how the coordination would be staffed at headquarters and it was important to avoid too much bureaucracy.
- 201.** Clarification on the operational and organizational aspects of the planned safe space for experimentation and freedom to try new approaches would be desirable, as would additional information on funding the Strategy, including to what extent its execution would depend on voluntary contributions. The Office had previously stated that the discontinued Business Innovation Unit had helped redeploy US\$80 million to front-line service delivery. He wished to

know how the Strategy would help build on previous redeployments of funds. He welcomed the partnerships with innovation initiatives in the multilateral system envisioned by the Strategy, including the UN Innovation Network.

- 202.** IMEC would like the Governing Body to receive a mid-term progress report on the implementation of the Strategy for discussion at its November 2024 session and consequently proposed a subamendment to the Workers' amendment, to read:

30. The Governing Body ~~endorsed the~~ requested the Director-General to take into account its guidance in implementing the ILO Strategy on knowledge and innovation and requested the Director-General to take into account its guidance in implementing the Strategy and to submit a mid-term report for discussion at the November 2024 Governing Body session.

- 203. Speaking on behalf of the Africa group,** a Government representative of Algeria asked whether the innovation facility that was now being proposed instead of a new innovation and knowledge management unit would become a specific unit at headquarters, or elsewhere, while maintaining its virtual operating methods.
- 204.** The Office should prepare a detailed action plan with clearly defined roles and objectives and provide further clarification on the virtual network of focal points within departments and in the field that was intended to improve uptake of knowledge and innovation services. Specifically, he asked what those services were and which department would be responsible for coordinating the focal points. His group strongly encouraged collaboration with other UN agencies, research centres academia and other institutions. A flexible approach to knowledge-sharing and capacity-building was also necessary, to avoid overlaps and duplication and to promote creativity.
- 205.** The group noted with satisfaction that some objectives had been recast in the light of proposals made at the 346th Session. Outstanding questions included the outcome of the ILO Service Tracker impact analysis exercise and how the thematic knowledge exchange networks would be strengthened. The fact that the Strategy would cover some aspects of the Global Coalition for Social Justice could be leveraged to secure extrabudgetary resources. More information should be provided on plans to mobilize voluntary contributions, the redeployment of staff and resource allocation.
- 206.** The priority of any such strategy should be capacity-building for developing countries. A regional training centre should be established in Africa and existing centres should be strengthened. His group supported the development of the Strategy and called on the Director-General to take into account the guidance and recommendations provided in that regard.
- 207. Speaking on behalf of ASPAG,** a Government representative of Indonesia agreed that, in order to fulfil the ILO's vision of policy coherence and a human-centred approach, new and improved ways of working were needed. On strategic priority 1, more focus should be placed on the ILO's internal capacity for knowledge management and innovation in regional, field and country offices. On strategic priority 2, she emphasized that innovative policies, products and services should be applicable in all Member States, at any stage of development. On strategic priority 3, ASPAG supported the plan to connect with external partners in the multilateral system, in particular the UN's innovation initiatives. When the ILO innovation facility matured, the Office should strengthen it through regional partnerships. On strategic priority 4, it was appropriate to create a culture of knowledge and innovation for all ILO staff. However, every effort should be made to avoid errors that would be detrimental to the needs of the constituents by embedding risk management in the approach.

- 208.** The Office should provide information on the resources required to implement the Strategy and on the possible evolution of the functional innovation facility into a specific unit. If such a unit were to be established, there must be balanced regional representation among its staff. The unit should also coordinate closely with those implementing the four priority action programmes proposed in the Programme and Budget proposals for 2024–25. ASPAG supported the original draft decision proposed by the Office, but was willing to consider the proposed amendments in order to reach consensus.
- 209. Speaking on behalf of GRULAC,** a Government representative of Colombia said that her group was keen to hear the Office’s response to the questions raised in respect of the proposed amendments and subamendment. In particular, the Office should explain further how the Strategy related to other ongoing Governing Body discussions, including those on the programme and budget and on the Global Coalition for Social Justice – especially in respect of its functional areas – and the discussions at previous sessions on the Research Strategy.
- 210. A Government representative of China** said that the Office’s efforts in the area of knowledge management and innovation not only promoted the efficient functioning of the Organization, but also drove continuous development in the world of work. Building on the discussions at previous sessions, the Office had further clarified and enriched the Strategy. Her Government supported the four strategic priorities and welcomed the establishment of a functional innovation facility. The Office should further clarify the management structure of that facility and enhance internal collaboration to ensure that any specific unit that was created would contribute to the priority action programmes. There should be geographical balance in the staffing of the unit, with priority given to candidates from under-represented Member States. Furthermore, the responsibilities of the unit should be clearly defined and further details should be provided on its budget and structure.
- 211. A Government representative of Bangladesh** expressed support for the proposals to increase the ILO’s internal innovation capacity and to foster innovative policies, as set out in strategic priorities 1 and 2. Strategic priority 3 should include more country-level development partnerships to meet country-specific needs. There should be innovative strategies to devise skill-recognition mechanisms for migrants, eliminate obstacles to the free movement of workers, and create jobs in climate-vulnerable and transition countries. The inclusion of constituents’ and partners’ satisfaction as an indicator was welcome; evidence-based impact analysis of the innovative steps taken at the country level should also be included.
- 212. A representative of the Director-General** (Senior Advisor for Special Initiatives) said that the Office appreciated and had taken note of the comments made. The Office was committed to providing a human-centred service that would enable the whole Organization to deliver on its mandate. The aim of the Strategy was to address identified and anticipated needs arising from the major transformations taking place in the world of work. It built on past achievements, including those resulting from the ILO reform since 2012, and sought to promote cooperation at all levels of the ILO, including among the constituents and with partners. It also sought to enable the ILO to be more innovative in crafting and implementing policies and in its approach to standard-setting, management and governance.
- 213.** The new approach to knowledge management and innovation was decentralized and drew on existing structures and on in-house expertise and successes. While the proposal was for the functional innovation facility to be coordinated by a unit in the Office of the Director-General (CABINET), departments and offices themselves would be responsible for developing initiatives. Indeed, many had already been carrying out initiatives in areas covered by the

Strategy and had indicated that they would like more support in order to take their initiatives forward.

- 214.** Responding to a question by the Workers' group, she recalled that, although the Office had been using four policy innovation facilities since 2020, it had not yet started to evaluate its initiatives in those four areas, which were still at varying stages of development. The Office intended to continue to work on those areas and on other areas to respond to emerging challenges.
- 215.** The Turin Centre was not only a necessary link in the chain, but a key vector for innovation and learning. In that regard, she recalled that the Turin Centre Innovation Lab had been established in 2022 to train people for the future of work. It was necessary to be outward-looking and adopt a cross-fertilizing approach to innovative policies. The fact that the innovation facility was being supported at the highest level of the Organization demonstrated the importance attached to it. Various departments had already been mobilized to contribute to the Strategy and communication campaigns would raise awareness of and ensure that people knew about the Office's vision in that regard.
- 216. Another representative of the Director-General** (Treasurer and Financial Comptroller) said that the Programme and Budget proposals for 2024–25 maintained two knowledge management positions funded under the regular budget, which would continue within the functional innovation facility, meaning that a requirement for additional funding had not yet arisen. There were no specific extrabudgetary funding needs as yet, but cooperation was envisaged with the Multilateral Partnerships and Development Cooperation Department for implementing and funding projects as the need arose. As to the questions on funding and financial efficiencies, the Business Innovation Unit had achieved significant results over the last decade by identifying ways to work more efficiently, leading to some US\$80 million worth of savings, which had been ploughed back into the delivery of frontline services. When examining the programme and budget, consideration was given to whether efficiencies and changes in working methods had been made.
- 217.** The Office had a history of being innovative and continued to be so; for example, it had worked recently with the UN on a number of innovations, including leasing vehicles from the UN fleet of vehicles and instituting mobile phone banking in Kenya – but it wished to nurture and foster more innovation. He explained that “safe spaces” were areas where people could approach senior officials with new ideas and proposals. Noting that ASPAG had raised the question of risk management, he said that innovation also entailed learning from mistakes.
- 218. The Director-General** said that the Office had been working on change management for over ten years, seeking to identify efficiency gains. That work should now be expanded, by looking at different and better ways of doing business in a changing world. He recognized that there were still divergent positions among the three groups in respect of the Strategy. He recalled that discussions were ongoing to determine the level of the Programme and Budget for 2024–25 and that, based on feedback received so far, an increase of US\$1.9 million might be unacceptably high. Thus, it might be more efficient and cost-effective to integrate the proposed innovation facility into the Special Initiatives Unit in CABINET. It was also important to make the best use of the Turin Centre Innovation Lab. Regardless of whether a facility was established, the substance of the work on innovation would not change. Any innovations that could lead to efficiency gains would be discussed with the representatives of the ILO Staff Union. Care would also be taken to avoid duplication of work within the multilateral system. He commended the innovation work of the World Food Programme and the UN, and said that the Office would build on that work. Although the intention was not to establish public-private

partnerships, lessons could be learned from such partnerships in other contexts. Innovations in ways of doing business would also contribute to the goals of the Global Coalition for Social Justice, addressing inequality and gaps in social protection. Lastly, he said that the amendment proposed by the Workers' group, as subamended by IMEC, was acceptable to the Office.

- 219. The Employer spokesperson** said that his group still had serious concerns. The Governing Body had recognized the need to accelerate the pace of innovative change by harnessing and leveraging the ILO's data and resources; however, innovative approaches to doing business required more than general statements. The Office should focus on operational and behavioural change and on developing methods to enable that change. He asked how the Governing Body would evaluate the Office's progress in implementing the Strategy in November 2024, based on the information currently available. He did not agree with delaying a review until then. Any strategy should have clear and measurable milestones and objectives. The Office should take advantage of the current momentum of its work on innovation, and develop an implementation plan to provide a basis for evaluating progress prior to the 2024–25 biennium and suggest any necessary modifications. While he could accept the amendment proposed by the Workers' group, the subamendment proposed by IMEC should be reworded to reflect that the Governing Body should discuss an updated Strategy and implementation plan in November 2023, rather than just a mid-term report in November 2024.
- 220. The Worker spokesperson** welcomed the explanation of the decentralized approach to knowledge management and the Office's work across departments to implement the Strategy. She thanked the Office for taking on board the concerns that had been raised. However, as there was so much work for the Office to do, specific care should be taken to ensure that it was not duplicating work being done elsewhere. Similarly, the Strategy should not become the focus of a recurring discussion in the Governing Body. Expressing a preference for a discussion of the Strategy to take place in November 2024, she said that, before agreeing to the latest proposed amendment to the draft decision, she would first prefer to hear the opinion of IMEC.
- 221. Speaking on behalf of IMEC**, a Government representative of the United States said that his group required more time to discuss the proposed discussion on an updated strategy and implementation plan.
- 222. Speaking on behalf of GRULAC**, a Government representative of Colombia said that her group had been ready to accept the subamendment proposed by IMEC, but would reserve its position until consultations had been completed.
- 223. Speaking on behalf of the Africa group**, a Government representative of Algeria reiterated that any strategy required targeted objectives and well-defined phases. She expressed support for the Strategy and its intentions, but called on the Office to fully address all of the concerns and questions that had been raised. She also requested more time to join consultations on the latest subamendments proposed to the draft decision.
- (The Governing Body resumed consideration of the item after the Office circulated an amended version of the draft decision following consultations.)*
- 224. Speaking on behalf of IMEC**, a Government representative of the United States said that, during the consultations, it had been agreed that the item would be revisited in November 2024. IMEC could support the draft decision, as amended.
- 225. Speaking on behalf of the Africa group**, a Government representative of Algeria joined the consensus in supporting the draft decision as amended.
- 226. The Worker spokesperson** expressed support for the draft decision as amended.

227. **The Employer spokesperson** also expressed support for the draft decision as amended.

Decision

228. **The Governing Body requested the Director-General to take into account its guidance in implementing the ILO Strategy on knowledge and innovation and to submit an updated strategy and implementation plan for review at the November 2024 session of the Governing Body.**

(GB.347/PFA/4, paragraph 30, as amended by the Governing Body)

5. Financial implications of the adoption of the ILO Open Access Policy (GB.347/PFA/5)

229. **The Worker spokesperson** welcomed the ILO's digital-first publications strategy as open access raised the visibility and impact of the ILO's work by facilitating its use, reproduction and distribution and was particularly important for the Workers' group. However, his group remained concerned about the digital divide and would like to reiterate its request that the Office should ensure that ILO materials remained available in print for those who did not or were not able to have access to digital materials. Regarding costs, he asked how the annual deficit would be covered once the Publications Revolving Fund was exhausted and whether the additional cost to be borne by authors and the ILO would create a barrier to developing new products. Lastly, he stressed the importance of quality control of the way in which ILO materials were used and asked the Office to provide information on the potential legal implications for the Organization in the event of the misuse of ILO materials. He supported the draft decision.

230. **The Employer spokesperson** supported the draft decision.

231. **Speaking on behalf of the Africa group**, a Government representative of Rwanda said that in view of the decrease in the Fund's income over the past decade and its projected exhaustion in 12 years, the Office should seek new ways to enhance internal efficiencies to avoid that eventuality and seek other sources of income to replenish the Fund. In addition, he expressed the hope that the Office would continue to provide institutional support to authors from developing countries and that such support would be unaffected by the projected diminishment of the Fund. He supported the draft decision.

232. **A representative of the Director-General** (Treasurer and Financial Comptroller) said that the balance of the Publications Revolving Fund would be exhausted in 12 years if use continued at the current rate. However, the Fund continued to receive income from existing publications in accordance with Financial Rule 3.31; the Office would find ways of ensuring that the Fund could be drawn on beyond that projection. Regarding concerns about access to digital materials, he said that the Office would endeavour to ensure that printing of all major publications was available on demand. As to quality control on the use of ILO materials, he said that the ILO, like the United Nations, was using a Creative Commons license, which was enforceable and could be used to control how data were used. Specifically, it could be used to prevent the use of open access data for profit and ensure that it was used for its intended purpose, namely, to disseminate information more widely. Lastly, he reassured the Africa group that support for authors in developing countries, and worldwide, would not be affected by the Open Access Policy.

233. **The Worker spokesperson** said that the question of whether the shift of costs from publishers to authors would create problems within the Organization remained to be answered. Noting

that continued support would be preserved for authors from developing countries, he hoped that this would not be an issue in the future.

Decision

- 234. The Governing Body took note of the adoption of the ILO Open Access Policy and its long-term financial implications on the Publications Revolving Fund, and decided that the current balance of the Fund be used to cover the projected annual net deficit until it is exhausted.**

(GB.347/PFA/5, paragraph 19)

6. Other financial matters

(No other financial questions were submitted to the Governing Body at this session.)

Audit and Oversight Segment

7. Report of the Independent Oversight Advisory Committee

(GB.347/PFA/7)

- 235. The Chairperson of the Independent Oversight Advisory Committee (IOAC)** said that the Committee's report presented an overview of the work carried out by its members during the period from February 2022 to January 2023, including a technical analysis of the submissions for the role of External Auditor of the ILO for 2024–27 and an independent peer review of the functioning of the Committee. She highlighted the policy and process improvements implemented by the Office and results achieved during the year, and drew the Governing Body's attention to the four recommendations made by the Committee. She noted the areas for improvement in the work of the Committee highlighted by the independent peer review and said that feasibility of implementing them would be assessed and any progress in that regard would be reported to the Governing Body in due course. She welcomed the support and cooperation provided to the members of the Committee by ILO management and staff throughout the year, and extended the Committee's appreciation to the Governing Body members for their interaction with the Committee.
- 236. The Worker spokesperson** expressed support for the four recommendations made by the Committee. She noted that recommendation 3, on the skills-mapping exercise, reiterated a recommendation from 2022 that remained to be implemented. The ILO required more robust tools for workforce and succession planning, which would benefit from the data provided by the skills-mapping exercise. Concerning recommendation 4, on adequate staffing of the Investigation and Inspection Unit, she reiterated the importance of staff continuity in the investigation function and the need to strengthen the culture of reporting wrongdoings through clear procedures. Steps should also be taken to ensure confidentiality, strengthen accountability and minimize the risk of reprisals. The proposed budget increase in the Programme and Budget proposals for 2024–25 would enhance the capacity of the Office of IAO. She asked why only 5 per cent of staff from P5 to D2 levels, rather than the goal of 75 per cent, had completed risk training. Additionally, with particular reference to cybersecurity, she requested that progress reports on the delivery of the Information Technology Strategy be provided to the Governing Body for discussion, not merely for information. She encouraged the Office to find an adequate balance between the Committee's mandate and the implementation of the outcomes of the independent peer review. She noted in particular the

recommendation contained in paragraph 52(f) of the Committee's report and urged the Office to organize annual meetings to clarify relationships with relevant oversight actors and develop synergies. She supported the draft decision.

- 237. The Employer spokesperson** welcomed the Committee's recommendations. In particular, the Office should review the delivery of outcome 6 of the 2020–21 Programme and Budget, which fell short of target; given the decision to include a dedicated policy outcome on gender equality and non-discrimination in the Programme and Budget for 2024–25, the Office must demonstrate its capacity to deliver to constituents, based on their needs, to advance the transformative agenda for gender equality and non-discrimination. The areas for improvement indicated no material weaknesses and the internal controls process appeared robust. Concerning the low take-up rate of risk training, the Office should set deadlines for all relevant staff to complete such training. On human resources management, it was crucial that the Office demonstrate effectiveness in implementing the Human Resources Strategy 2022–25 and associated learning action plan. Furthermore, the skills-mapping exercise must include all categories of staff at headquarters and in the field and assess the skills relevant to meeting constituents' needs; the Office should report on the results of the exercise to the Governing Body in March 2024. The Employer's group shared the concerns expressed by the Committee regarding the need for remedial actions to minimize the risk identified in the Staff Health Insurance Fund (SHIF) assurance audit and implement the related recommendations. He asked how the Office planned to strengthen the capacity of the IAO should the proposed budget increase in the Programme and Budget for 2024–25 be rejected. His group supported the appointment of a full-time Ethics Officer and requested that the work of the Ethics Office further support internal staff development activities to feed into staff policy and regulations. Lastly, the remaining recommendations for improvement must be addressed, especially on the need for better calibration between the Committee and the Evaluation Office to avoid overlap. He supported the draft decision.
- 238. Speaking on behalf of the Africa group**, a Government representative of Nigeria acknowledged the progress made, including on the specific issues mentioned in paragraph 18 of the report and on implementation of outcomes 6 and 7 of the 2020–21 Programme and Budget. However, timely implementation of the outcomes should be based on consensus and national requests. Early completion of the action plans mentioned in recommendation 2 would benefit the Office. He looked forward to a progress report on the early completion of the skills-mapping exercise at the Governing Body's next session. With reference to the comment in paragraph 34 on activities curtailed due to the global pandemic, he asked whether lessons had been learned on further curtailing activities and costs without significantly affecting programme delivery. Additionally, he requested further information on the areas of underlying weaknesses in internal controls mentioned in paragraph 35. The risk identified in relation to operational control environment issues, specified in paragraph 36, required an appropriate response from the Office or remedial actions. He noted with satisfaction the improvements in the process for handling cases of wrongdoing at the ILO and endorsed the recommendation to ensure adequate staffing. He welcomed the outcome of the peer review and looked forward to the further improvements recommended. He asked how the areas of focus identified in the Committee's work plan for 2023 would be achieved. More frequent informal meetings with constituents would allow the exchange of views on progress and challenges.
- 239. Speaking on behalf of GRULAC**, a Government representative of Colombia noted the analysis of the submissions for the role of External Auditor. The group supported the Committee's recommendations but was concerned by the recommendations on programme delivery, operational efficiency, and internal controls. In particular, GRULAC supported

recommendation 4 and appreciated the corresponding proposal in the programme and budget. It was important that the Human Resources Development Department (HRD) demonstrate its effectiveness in the skills-mapping exercise and implementation of the Human Resources Strategy. She welcomed the information on the number of referrals for advice on ethics issues and on plans to prepare various policies for the Ethics Officer and requested that the annual report of the Ethics Office be published as an information document for the Governing Body at its annual March sessions. She noted the Committee's participation in the independent peer review and its findings on good practices and opportunities for improvement and looked forward to receiving further information in that regard. The implementation of recommendations that would enhance interaction between the Governing Body and ILO management was particularly relevant. The practice in other organizations whereby some committees held information briefings with Member States after their regular and extraordinary meetings could be usefully extended to the ILO.

- 240. Speaking on behalf of IMEC**, a Government representative of the United States reiterated her group's call for timely and full implementation of the External Auditor's recommendations. It was encouraging that the areas for improvement related to the efficiency of operations, not to material weaknesses in the effectiveness of internal controls. She expressed strong support for efforts to ensure adequate staffing for the IAO, underlining the importance of staff retention and continuity; timely investigations were crucial to fostering a culture of accountability. She urged the ILO to conduct the fraud risk assessment without delay, address the low-risk training completion rate and enhance accountability for risk management more broadly. Additional information on efforts to incorporate the UN's system-wide policy on disability inclusion into the Human Resources Development Department's ongoing work on diversity and inclusion was welcome. She noted the ambitious activities and positive contributions of the Ethics Office to awareness-raising, training and capacity-building, and commended the Committee and ILO management for their participation in the peer review process and the resultant positive performance evaluation. She supported the Committee's work plan for 2023–24 and looked forward to future reporting on implementation of the recommendations.
- 241. A Government representative of the Russian Federation** urged the secretariat to fully implement the recommendations of the Committee and requested a progress update on the implementation of past recommendations. Welcoming the decision to hold a meeting with the JIU, he asked whether the JIU had commented on the extent of implementation of its recommendations and whether it was intended to meet with the JIU regularly. He agreed on the need to strengthen the risk management system in the ILO and asked whether the Office saw any advantage in taking a risk-based approach to preparation of the ILO programme and budget, as other UN organizations did. With regard to audits, he questioned whether remote audits could properly assess the situation on the ground. Lastly, he urged the Committee to hold regular briefings for Member States after its meetings, which would strengthen bilateral cooperation and enhance the oversight function in the ILO.
- 242. The Chairperson of the IOAC** noted the comments, especially those relating to internal governance and improved coordination of internal oversight functions to avoid overloading staff. With regard to the detailed work plan, the secretariat ensured that the Committee covered every required topic at its annual meetings at least once. Certain important items were covered at each meeting, while others were addressed at one of the three meetings. If more time were needed, supplementary virtual meetings could be and had been used twice in the previous year. The Committee would discuss the feasibility of holding a briefing session after each of its meetings; if taken forward, such sessions would be held with all constituents of the

Governing Body. She clarified that the only recommendation outstanding related to the skills-mapping exercise, which had been carried forward as a new item. Although the Committee did not follow up on the percentage of JIU recommendations implemented, the JIU had indicated that the percentage of recommendations accepted by ILO management was on a par with the UN average of 73 per cent. While acknowledging the challenges of remote auditing, she contended that investment in data analytics could enable efforts to be focused more strategically. Private firms were ahead of the UN in that regard; the Committee considered a positive development that the IAO had identified partners able to implement private sector best auditing practices at the ILO. Lastly, she indicated that the Committee would continue to have meetings with the JIU and to follow up on the regular briefing sessions.

- 243. A representative of the Director-General** (Treasurer and Financial Comptroller) confirmed that the skills-mapping exercise had commenced. The initial results were expected by the end of 2023 and would be analysed before moving forward with the exercise in 2024. With regard to the low take-up of risk training, his office had written to all staff concerned to remind them to complete the training urgently and would follow up to ensure that the training was completed on a regular basis, across the board. It would be more appropriate to consider how the strengthening of the IAO might be impacted by the budget proposals during the scheduled discussion of document GB.347/PFA/1.
- 244.** With regard to enterprise risk management, a new system had been put in place that provided every office with a risk register. The system software included a built-in template that enabled risks to be identified across the whole of the business, enabling the strategic risk register to be built from information collected from across the Organization at all levels. In future years, the data on risks and outcomes of those risks would be available to all offices around the world; that information would give senior management an understanding of what was happening and feed into the development stage of the programme and budget. The strategic risk register was taken into account in the programme and budget; the new software would also enable the information collected to be taken into account for technical cooperation projects on a regular basis. He took note of the comments about SHIF management; activities needed to strengthen controls in that regard had been discussed. All recommendations made by internal audit, external audit and the IOAC were reviewed in depth to ensure that recommendations on key internal controls were met and that their requirements could be fulfilled.

Decision

- 245. The Governing Body took note of the 15th annual report of the Independent Oversight Advisory Committee appended to document GB.347/PFA/7 and requested the Office to take into account the guidance it provided.**

(GB.347/PFA/7, paragraph 4)

8. Report of the Chief Internal Auditor for the year ended 31 December 2022 (GB.347/PFA/8)

- 246. The Employer spokesperson** expressed concern at the record number of referrals received by the IAO in 2022. That number might attest to greater staff awareness and confidence in the system's ability to tackle inappropriate conduct, but also underlined the need to strengthen governance and improve standards of staff conduct. The IAO had made seven strategic recommendations to the Office. With regard to the Business Process Review, the document indicated that the cost of the ILO's partnership with the consulting firm had amounted to US\$13.5 million over four years. His group had requested an explanation of those costs at a

previous session of the Governing Body, but the figures were not available; he therefore requested that a cost-benefit analysis be carried out and emphasized the need for management to put in place for any future major project a system to formally document all discussions justifying key decisions in order to enhance transparency and accountability, consistent with the recommendation. The internal audit report on the ILO Sexual Harassment Policy had commended the measures taken by the Office and made a number of positive recommendations, including that when cases of sexual harassment came to light, the measures taken should be reviewed at the highest level of management and protection offered to complainants, witnesses and whistle-blowers; the Office should update sexual harassment reporting procedures; and consideration should be given to extending the deadline for submission of a complaint, taking into account the seriousness and repetitive nature of the offence. He asked to what extent references were checked with candidates' former employers, as doing so could reduce risks to the Organization. The Employers would like to know where the Office stood on the need for a simplified reporting structure for audit and investigation procedures and a single internal body responsible for the entire procedure from receiving allegations to conducting investigations. Lastly, he noted that while anti-fraud measures in relation to the SHIF were improving, much remained to be done.

- 247. The Worker spokesperson** acknowledged the continued difficulties in conducting audits and leading investigations given the delays caused by the COVID-19 pandemic and resulting high level of referrals, noting with appreciation that the IAO was resuming normal operations, including field audits on location. She noted the audit reports submitted during 2022 and the IAO's seven strategic recommendations. She expressed full support for the recommendations made concerning the Business Process Review, as efforts to increase transparency and accountability for all management decisions were of the utmost importance. She welcomed the auditors' positive assessment of the ILO Sexual Harassment Policy and urged the Office to act on the recommendations made by the IAO to further strengthen a culture of zero tolerance. The Workers' group was firmly convinced that the Office should prioritize action against sexual harassment of any kind. She urged the Office to refrain from creating precarious employment conditions for its staff through the continued practice of issuing external collaboration contracts to ILO staff to bridge timing gaps in development cooperation projects. The Office must seek more appropriate means of retaining staff in such circumstances. Lastly, she noted the upswing in referrals and investigations undertaken by the IAO and urged the Office to take into consideration the lessons learned in order to prevent further incidence of fraud and to update monitoring systems on its activities.
- 248. Speaking on behalf of GRULAC**, a Government representative of Colombia reiterated the urgent call for the ILO to have in place effective communication channels for reporting sexual harassment. She requested the Office to hold a briefing session with Member States to set out in further detail the current strategy for preventing sexual harassment and responding to complaints, and the actions that would be taken to address the audit recommendation. She asked the Office to share the Director-General's letter to the UN Secretary-General highlighting the ILO's efforts to tackle sexual harassment and exploitation. Noting an increased budget allocation for the Human Resources Development Department and the IAO in the Programme and Budget proposals for 2024-25, she suggested that it should be used to support the prevention of and response to sexual harassment, and that the percentage of staff members who received the mandatory training should be included as an indicator under output C.3. Concerning the lessons learned from investigations, she urged the Office to adopt measures to enhance governance and management systems and reduce the risk of fraud in dependency benefits and outside activities.

- 249. Speaking on behalf of the Africa group**, a Government representative of Eswatini commended the IAO for conducting its activities in conformity with the International Standards for the Professional Practice of Internal Auditing and other professional standards, and urged the Chief Internal Auditor to maintain his independence from management and other stakeholders in carrying out his activities. The group wished to know why the number of referrals for review had increased significantly compared to the previous three years. He urged the Office to address the IAO recommendations that had been rated of high significance in order to strengthen the implementation of the sexual harassment policy.
- 250.** Given the inherent weaknesses in the old voting system, he welcomed the fact that it had not been used for the election of the Director-General and that a new electronic voting system would be fully implemented in the second quarter of 2023. He commended the implementation rate of the recommendations of previous years and urged the Office to ensure full implementation of all outstanding recommendations. His group supported the draft decision.
- 251. Speaking on behalf of IMEC**, a Government representative of the United States urged the Office to follow up on the seven strategic recommendations of the IAO. Ongoing awareness-raising campaigns, mandatory training sessions and streamlined investigation mechanisms were critical to the effective implementation of the ILO Sexual Harassment Policy. She encouraged the Office to adopt a survivor-oriented approach when responding to allegations of sexual harassment and to take immediate action on all proposed recommendations in line with the UN System Model Policy on Sexual Harassment. She also called upon senior management to demonstrate their personal commitment to zero tolerance for sexual harassment.
- 252.** Concerning the ILO's response to COVID-19, she asked whether all objectives of the IAO's planned review had been incorporated into the report of the Evaluation Office, the independent high-level evaluation. As to the assurance audits, she asked why management had not accepted four of the recommendations and what the nature was of those recommendations. Her group encouraged the Office to implement and report on all audit recommendations adequately and in a timely manner. Concerning the investigations conducted, she urged management to consider and follow up on the lessons learned regarding fraud and professional misconduct, and expressed the hope that the increased number of referrals had been due to increased trust in the reporting system and decreased fear of retaliation. The growing backlog of cases was concerning, and might result in a perception that management was unresponsive; she enquired about the staffing of the IAO, and what strategies the IAO and senior management had put in place to address delays in investigations and the backlog of cases. She asked whether there had been any allegations of retaliation against whistle-blowers and whether, in substantiated cases of sexual exploitation, abuse and harassment, the ILO entered the names of the individuals responsible into the ClearCheck screening database. IMEC supported the draft decision.
- 253. A Government representative of the Russian Federation** said that he welcomed the return to the practice of in-person audits, since it was the most effective method. With regard to the Business Process Review at ILO headquarters, he asked whether a preliminary quantitative evaluation of the improvements to business processes had been conducted and whether any significant financial advantages could be expected. He asked whether the IAO's reliance on consultancies to conduct audits was owing to insufficient qualified staff. He proposed that the IAO should consider evaluating the effectiveness of the policy on fraud and misconduct in the same way as it analysed the effectiveness of the ILO Sexual Harassment Policy. He asked whether there were any deadlines for the investigation of complaints and how quickly cases

were handled. Lastly, he asked whether briefings were routinely held for the Governing Body members on the planned work of the IAO and whether the plan for 2023 could be consulted.

- 254. The Chief Internal Auditor** said that it was difficult to pinpoint the reason for the increased number of cases, but he believed that it was due in part to increased confidence in the system resulting from efforts to raise awareness among staff and a policy that protected the identity of whistle-blowers. Furthermore, a series of allegations in one particular country had contributed to the increase.
- 255.** The independent high-level evaluation of the ILO's COVID-19 response had covered almost all areas that would have been included in the IAO's review; any areas without an overlap would have been covered in the IAO's normal audits.
- 256.** Regarding the four recommendations that had not been accepted, one was on responsibilities related to enhancing security in the approval process for purchase orders, where management had decided that the current system did not pose any increased risk and that the effort expended would exceed the benefits. A second recommendation concerned security arrangements over payments in electronic banking, and a third concerned ensuring correct completion of letters of representation; in both cases, management had taken other measures to reduce risk. The fourth recommendation concerned implementing set hours of access to the ILO's e-banking system; management had responded that the ILO operated globally and should not restrict its banking hours.
- 257.** There were three core staff positions in the Investigation and Inspection Unit: one head of unit, one investigator position that was being filled on a temporary basis and one administrative position for which recruitment was nearing completion. In addition, two senior investigators had been hired using supplementary funding which could come to an end. The IAO had a long-term agreement with a consulting firm with expertise in investigations, particularly in sexual harassment, exploitation and abuse cases. Long-term agreements were used to boost capacity and supplement the skills of in-house staff, for example, in a digital world that was constantly evolving.
- 258.** As investigations were demand-led, it was impossible to predict how many would be conducted in 2023. The strategy focused on clearing the backlog of investigations, and the additional funding proposed in the Programme and Budget for 2024–25 would help significantly in that respect.
- 259.** According to the IAO Standard Operating Procedure, investigations should be completed within six months. However, the time frame might vary in practice depending on the complexity of the case and the number of allegations received in any given year. A system was in place to prioritize cases, and complaints initially categorized as low-risk would become high-risk after a set time period.
- 260.** Regarding entry in the ClearCheck screening database, in the case involving an implementing partner, it was for the partner to take any such action. In the internal case, the Office had taken action against the individual responsible, but the sexual harassment was not so extreme as to merit summary dismissal or entry into ClearCheck. The sanction of censure had been applied in this case.
- 261.** Allegations of retaliation could be brought to the Ethics Officer, who would conduct a preliminary review and, if he found them to be credible, would refer the allegations to the IAO for investigation. The IAO had investigated one allegation of retaliation in 2022 and had found it to be unsubstantiated.

262. With regard to the Business Process Review, financial savings had been made by streamlining back-office support processes and reallocating those resources to frontline activities. The Review had also helped increase efficiency, through workflows, and improve transparency, through dashboards.
263. It had not been standard practice for the IAO to give a briefing on its planned work to Governing Body members; the IOAC provided technical scrutiny. However, a bilateral briefing could be arranged if the Governing Body so wished. Furthermore, an indication of the IAO's planned work could be given in future reports.
264. **A representative of the Director-General** (Treasurer and Financial Comptroller) assured the Governing Body that the Office had taken the report on sexual harassment very seriously and work was under way to address the urgent elements in line with the UN System Model Policy on Sexual Harassment. With respect to the recommendations of the Business Process Review, all work related to projects, such as meetings, reviews and decisions, would be properly documented in order to leave an audit trail. Concerning the processes for the reporting and investigation of alleged wrongdoing, the Office had been working with the IOAC since 2022 to develop a model, which was reflected in a [flowchart](#). It was relatively complex, given the number of potential actors – including staff, consultants and contractors – and the different jurisdictions involved.
265. With regard to the four audit recommendations that had not been accepted, it was normal practice for the Office to review the IAO's recommendations and decide not to implement them if they had been addressed elsewhere or there was no net benefit in doing so. A statement on internal control, which outlined steps taken to address issues deemed critical, was prepared every year as part of the financial statements.
266. Lastly, he noted that great strides had been made in recent years to deter and detect fraud. The Office continuously monitored fraud risk to identify areas of the internal control system that needed improvement.

Decision

- 267. The Governing Body took note of the report of the Chief Internal Auditor for the year ended 31 December 2022.**

(GB.347/PFA/8, paragraph 4)

9. Appointment of the External Auditor (2024-27) (GB.347/PFA/9(Rev.1))

268. **The Worker spokesperson** said that, since the decision to appoint the Comptroller and Auditor General of India had been unanimous, the Workers' group fully endorsed the decision and welcomed the new External Auditor of the ILO. She noted the Selection Panel's view that it would have been beneficial to interview all potentially qualified candidates and that the maximum of three interviews as established in the arrangements for the appointment of the External Auditor ¹ could be reviewed for future selection processes.

¹ GB.343/PFA/7.

269. **The Employer spokesperson** said that his group endorsed the decision. He expressed confidence that the outcome would ensure continuity and benefit the governance and operational structure of the ILO.
270. **A Government representative of India** said that the appointment of the Comptroller and Auditor General of India exemplified the ILO's willingness to promote diversity and equitable geographical representation in its policies and actions. It was an acknowledgment of India's expertise in auditing and its commitment to the highest standards of accountability and transparency, and presented an excellent opportunity for the Comptroller and Auditor General of India to contribute to the ILO by leveraging the latest technologies in data analytics, risk profiling and sampling.

Decision

271. **The Governing Body, based on the selection process as outlined in document GB.343/PFA/7 and the unanimous recommendation of the Selection Panel, decided to appoint the Comptroller and Auditor General of India as the External Auditor of the ILO for the 79th and 80th financial periods, with the appointment to commence on 1 April 2024 for a period of four years.**

(GB.347/PFA/9(Rev.1), paragraph 5)

10. Other audit and oversight matters

(No other audit and oversight questions were submitted to the Governing Body at this session.)

Personnel Segment

11. Statement by the Chairperson of the Staff Union

(The statement by the staff representative is reproduced in [Appendix III](#).)

12. Amendments to Staff Regulations

(No amendments were submitted to the Governing Body at this session.)

13. Matters relating to the Administrative Tribunal of the ILO

(No matters were submitted to the Governing Body at this session.)

14. Progress report on the implementation of the Human Resources Strategy for 2022–25 (GB.347/PFA/14)

272. **The Employer spokesperson** said that outcome 1 was a key priority for the Employers' group, as a diverse workforce needed to encompass diversity of thought based on differences in experience and expertise. Practical knowledge of the world of work and its constituents, including employers' organizations, was very important to strengthen the diversity and relevance of the ILO. With regard to the update on recruitment, she asked whether all the 77 vacant positions had been filled, and if not, what the reasons were. The Employers' group agreed that merit-based recruitment was the most important consideration to deliver quality service to constituents. Concerning the need to increase the number of ILO staff with experience relevant to the three constituent groups, she requested the Office to provide

information from the analyses of applicants since 2018 and of current staff in future updates on the composition and structure of staff, as that was critical for monitoring progress.

- 273.** The Employers' group would have appreciated additional information on the skills-mapping exercise for policy departments and technical specialists. The mapping must also assess gaps relating to effectively serving the three constituent groups and those gaps should be addressed before the March 2024 session of the Governing Body.
- 274.** On outcome 2, progress made on performance management was appreciated. She highlighted that the Human Resources Development Department should give managers the means, support and resources to manage poor performance, otherwise the motivation of strong performers might be undermined. Furthermore, the Office should consider taking into account the results of performance appraisals when recruiting internally, reclassifying posts or offering internal promotions. Negative performance appraisals should be used to reassess the capacity or conduct of staff based on the operational requirements of their position and to support justified discontinuation of service. She requested information on the number of contracts that had been terminated based on performance issues.
- 275.** With regard to focus area 2.3 on creating a respectful and ethical workplace, she reiterated that the Office needed to be a role model, including by having a zero-tolerance policy towards workplace violence and harassment. When harassment was substantiated, senior management should raise awareness on actions taken to address it, while offering protection to complainants, witnesses and whistle-blowers. It was important that staff, both at headquarters and in the field, were fully aware that all allegations would be taken seriously, that potential perpetrators should know that they could not act with impunity, that unjustified complaints would have consequences and that any individuals who were unjustly accused would not suffer as a result.
- 276.** On leveraging technology for efficient human resources service under outcome 3, the Employers' group expressed appreciation for the ILO's talent management system, but noted that the dashboards developed for recruiters should show not only the gender breakdown, but also geographical diversity and experience relevant to the three constituent groups.
- 277.** She reiterated her point from the previous session that the key indicators established for the Strategy had not been adequately designed to monitor and track the ILO's performance on all focus areas. In particular, no indicator under outcome 1 enabled the Office to measure progress on enhancing experience among staff relevant to the three constituent groups; she urged the Office to include a comprehensive analysis of its efforts and results in the specific reporting compiled at the end of 2023. The Employers' group supported the draft decision.
- 278. The Worker spokesperson** welcomed the progress that had been made in implementing the Human Resources Strategy. Regarding outcome 1, it was encouraging to see that progress had been made on recruitment requirements and corresponding negotiations with the Staff Union. He requested more information on the plans to revise the minimum requirements for languages. With regard to the timely filling of vacancies, it would be useful if the Office calculated the timelines for regular budget and development cooperation vacancies in the same manner: either from the posting of the vacancy or the close of applications. He asked whether it took much longer to fill regular budget posts and, if so, why.
- 279.** Efforts to engage diverse staff were positive; however, more effort was needed to increase the number of staff with experience and expertise relevant to the three constituent groups. He requested more information about the specialist company that was providing support in outreach to international and humanitarian organizations, including whether it applied any

recruitment criteria in that regard. The Workers' group welcomed the developments related to parental leave, which was important in enhancing gender equality in respect of family responsibilities.

280. With regard to outcome 2, the Workers' group welcomed the fact that the new Office-wide policy on flexible working arrangements was being negotiated with the Staff Union; he asked the Office to indicate when it would be finalized. The workshops on managing hybrid teams seemed to be very useful in relation to flexible working arrangements. He strongly encouraged ILO leadership to pursue the ILO action plan on mental health and well-being at work and requested more details on its timeline. With regard to digitalization under outcome 3, he reiterated the comments made by the Workers' group in November 2021 and stressed the need to strike the right balance between virtual and face-to-face contact. The Workers' group supported the draft decision.
281. **Speaking on behalf of the Africa group**, a Government representative of Gabon lauded the new minimum education and experience requirements for recruitment to positions in the Professional and General Service categories, although she asked what measures were planned to ensure that they did not become a barrier to diversity. She also wished to know which job families would be subject to variations in the minimum language requirements; for her group, knowledge of one of the ILO's working languages must be a minimum requirement for all jobs.
282. The Office should continue its efforts to improve geographical diversity among staff by cooperating with under-represented countries, create indicators to measure the progress made towards gender equality, particularly in managerial posts where the gender gap was especially evident, and promote the recruitment of persons with disabilities. With regard to the capacity to deliver, the Office should take the measures necessary to bolster training in the use of digital tools for staff in ILO regional offices.
283. The Africa group welcomed the forthcoming e-learning module on the ILO's performance management framework and the new Office-wide policy on flexible working arrangements, although it believed that in-person work was best suited to meeting operational needs.
284. Her group welcomed the Office's initiatives to support the mental health and well-being of its staff and noted with interest the ongoing update of the anti-harassment policy. Her group supported the draft decision.
285. **Speaking on behalf of ASPAG**, a Government representative of Japan said that the Office, having made steady progress in implementing the Human Resources Strategy, should redouble its effort in that regard. Recalling the importance of geographical diversity in guaranteeing the effectiveness of the ILO's work, he encouraged the Office to exceed its geographical diversity target, decrease under-representation, provide detailed data on its progress and increase diversity in positions not counted for the purposes of monitoring geographical representation. Job descriptions should not contain excessive requirements or hidden language requirements; there had been reports that candidates for positions requiring one of the ILO's working languages had been expected to answer questions in more than one working language at interview. Awareness of that issue should be raised among staff involved in the recruitment process. Geographical diversity, disability inclusion and gender parity, were of equal importance.
286. Functional and geographical mobility should be promoted. Geographical mobility, which served as motivation for high-performing staff members, should be considered in applications for more senior positions at headquarters, with high-performing staff at ILO regional and country offices recruited to headquarters to improve the work undertaken there. ASPAG

requested the Office to draw up specific plans to improve geographical mobility and to report on its progress at future sessions of the Governing Body.

- 287.** The Office should require that all staff complete the e-learning module on the prevention of sexual exploitation and abuse; make progress on the investigations into the more than 80 active cases involving allegations of violence, harassment or misconduct that had been carried forward from 2022 to 2023; and ensure that senior leadership completed risk management training. ASPAG welcomed the introduction of teleworking and hoped that the specific teleworking guidelines would be revised as necessary to reflect technological developments and to ensure that flexible working arrangements did not affect the quality of services for constituents. His group also requested the Office to conduct an analysis to identify the hybrid working styles most suited to the ILO and to continue to support staff members' mental health.
- 288.** The Office should continue to prioritize the technology most conducive to the achievement of outcomes 1 and 2, which were more urgent than outcome 3. Moreover, when promoting innovation and digitalization in human resources, it should ensure internal coordination between strategic areas, such as human resources and information and communication technologies. ASPAG supported the draft decision.
- 289. Speaking on behalf of GRULAC,** a Government representative of Colombia said that the Office should follow the example of other international organizations and designate focal points in under-represented countries to attract local candidates. While GRULAC welcomed the launch of the ILO Career Mentoring Programme for Women, it urged the Office to adopt much more ambitious systematic measures to close the gender gap at the P5 and D1 levels, for example by adapting posts to women's needs. An in-depth analysis of the barriers women faced in moving up to senior and managerial positions should also be carried out and policies created to address gender inequality. GRULAC encouraged the Office to continue to increase the inclusion of persons with disabilities, for instance by drawing on the experience of the Committee on the Rights of Persons with Disabilities.
- 290.** GRULAC welcomed the introduction of a policy on flexible working arrangements and the drafting of an action plan on mental health and well-being at work and would be grateful for more information on those initiatives, which could be replicated in other organizations and even in Member States. GRULAC reiterated the importance of addressing shortcomings in disciplinary measures and introducing a much broader range of sanctions with clearer procedures and mandatory courses on the prevention of sexual exploitation and abuse. More information on those measures would be welcome. Lastly, GRULAC agreed on the importance of staff mobility, particularly in view of the intention to increase the number of cooperation projects at the regional and country levels.
- 291. Speaking on behalf of IMEC,** a Government representative of Canada recalled that the ILO's human resources processes should be merit-based and transparent. IMEC urged the Office to exceed the 42 per cent target for women's representation in senior positions and strengthen its efforts to address geographical under-representation. She asked how the Office would track the recruitment of persons with disabilities and build on the ILO Disability Inclusion Policy and Strategy 2020–23. The Office should complete the skills-mapping exercise as soon as possible to inform the implementation of the Human Resources Strategy, include digital and green transition skills among future skills needs and foster the use and learning of all the official languages of the ILO. Her group would welcome information on how the results of the reverse mentoring programme would influence work practices, and it encouraged the Office to take further steps to accelerate recruitment processes.

292. IMEC welcomed the newly introduced disciplinary measures which must be incorporated into a comprehensive strategy and accompanied by swift investigations into allegations of all forms of violence, harassment and misconduct. The Office must prioritize clearing the worrying backlog of over 80 active cases that had been carried over from 2022 to 2023 and ensure that all staff members completed the e-learning module on the prevention of sexual exploitation and abuse. IMEC commended the Office for using ClearCheck to perform background checks prior to hiring new staff members and would be interested to know whether the Office was considering joining the Misconduct Disclosure Scheme.
293. It would be interesting to hear from members of the Office's senior management on how they intended to promote inclusion, particularly through support for groups more vulnerable to stigma and discrimination. IMEC would also be interested to hear about efforts to address racism, including measures specific to the ILO under the Strategic Action Plan on Addressing Racism and Promoting Dignity for All, such as any steps to review human resources policies and practices to determine whether they might have a disproportionate impact on staff members of a particular race, colour or ethnic background or national origin. IMEC also requested information on the reporting mechanisms, support and resources available to staff experiencing racism and racial discrimination. With regard to outcome 3, IMEC looked forward to learning more about the positive steps taken to achieve efficiencies and introduce interactive, real-time dashboards to support decision-making. IMEC recommended that another progress report should be submitted to the Governing Body in autumn 2024, or in due course, and supported the draft decision.
294. **Speaking on behalf of the Association of Southeast Asian Nations (ASEAN)**, a Government representative of Indonesia said that the Office should recruit more widely, particularly from ASEAN Member States, while also strengthening its staff's capacities. ASEAN Member States had adopted the ASEAN Declaration on Human Resources Development for the Changing World of Work and its Roadmap and promoted technical and vocational education and training.
295. The creation of a respectful and empowering environment for workers and employers under outcome 2 was an important task. Regarding outcome 3, further effort must be made to prepare workers and businesses for – and protect them against – the transformative impact of technology. ASEAN would strive to support businesses, including MSMEs, in harnessing technologies to improve the quantity and quality of jobs in existing and emerging sectors. ASEAN supported the draft decision.
296. **Speaking on behalf of the countries of the GCC**, a Government representative of Oman welcomed the Office's skills-based approach to recruitment, its efforts to build its staff's capacities in response to skills gaps and its steps to improve the working environment. Its increased use of technology would improve flexibility and productivity. The GCC countries were among the least represented in the Organization, and Arabic-speaking countries were under-represented in category D positions. The Office should therefore consider organizing activities, such as career fairs, to promote its vacancies in those countries, and it should keep the Governing Body informed of its progress in implementing the Human Resources Strategy.
297. **A Government representative of China** expressed support for many of the Office's efforts, including its work to build a respectful and empowering work environment, introduce clear provisions for flexible working arrangements, improve the quality of human resources management and encourage staff mobility to ILO regional and country offices. He noted with concern, however, the slow progress made in improving geographical representation. The Office must adopt concrete measures in that regard, including by continuing to review second

language and international work experience requirements in job descriptions and enhancing training for all staff involved in recruitment processes to ensure that those processes were fair and non-discriminatory for all applicants, particularly those from Asia and the Pacific. It should also strengthen communication and cooperation with under-represented Member States; increase the visibility of vacancies through social media, outreach activities and job fairs; and support Member States interested in participating in the Junior Professional Officer and secondment programmes. China supported the draft decision.

- 298. A Government representative of Indonesia** highlighted the importance of quality human resources for national and regional development. He strongly encouraged the Office to prioritize recruitment from under-represented regions, particularly ASPAG and ASEAN Member States, to benefit both the Office, which would gain staff members with an in-depth understanding of local contexts, and Member States. Indonesia supported the draft decision.
- 299. A Government representative of the Russian Federation** said that participation in a broader range of career fairs would likely encourage more balanced geographical representation among Office staff. The Office could harness advances in behavioural science to improve diversity. He would be interested to know how the Office was increasing diversity in terms of age.
- 300.** Staff members could most effectively realize their potential and discharge their duties, and managers vouch for the quality of their output, through in-person work. The Office's existing methods for motivating staff and sanctioning misconduct were already effective and should be administered through the integrated talent management system. His country supported the Office's efforts to keep up to date with technological advancements. He would therefore be interested to know whether it might consider developing a staff data portal that could be accessible to Member States similar to existing portals in the UN secretariat, such as Umoja. Lastly, he called on the Office to implement the recommendations and decisions of the International Civil Service Commission.
- 301. A representative of the Director-General** (Officer in charge, Human Resources Development Department) said that the Office had noted Member States' concerns regarding gaps in geographical representation among staff. The ILO would work more closely with Member States, for example to hold recruitment fairs and other events to improve outreach. Concerning the need to attract candidates with experience that was relevant to the tripartite constituents, an initial review of applications had revealed that few candidates had experience working with employers' and workers' organizations. The Office would meet with the tripartite constituents to develop outreach strategies and gain a better understanding of what kind of experience was needed.
- 302.** The Office was strongly committed to gender parity and had strategies in place with the aim of exceeding the gender parity targets. Diversity targets were sometimes hard to reach because they applied to very few of the positions that were open each year. To increase outreach, the ILO had partnered with Impactpool, and this company could also assist with identifying potential candidates matching specific recruitment criteria once specific parameters had been defined.
- 303.** The Office took note of the Governing Body's encouragement to do more to prevent racism and racial discrimination in the ILO. The JIU of the UN system would release a report on that topic in the near future and the ILO would closely follow its recommendations. One of the gaps to be addressed is the absence of specific racial identifiers or groupings in the UN system, which is a challenge for assessing and reporting on racism and racial discrimination. Regarding disability and inclusion, the Office will work more closely with the newly established Employee

Resource Groups to support ILO staff members with disabilities. Although tracking the number of staff members with disabilities posed a challenge, a recent staff engagement survey had revealed that they made up 4 per cent of all staff. Work was ongoing with other organizations on disability issues, and outreach would continue.

- 304.** While the time taken by the ILO to fill vacancies was comparable to other UN agencies, at an average of 172 days compared to 160 elsewhere, its separate procedures and special requirements meant that regular budget positions were filled more slowly; he understood that the time taken to fill vacancies needed to be reduced. Steps had been taken to lower the international experience and academic requirements in job descriptions when they were not strictly necessary. It was more difficult to lower language requirements because ILO staff often needed language skills to adequately serve the constituents. However, the Office would work to ensure that applications from candidates with just one of the ILO's working languages would be considered.
- 305.** The new policy on flexible working arrangements, which had been negotiated with the Staff Union and built on lessons learned during the COVID-19 pandemic, focused primarily on serving the constituents and meeting operational needs and staff expectations. It was expected to come into effect after the International Labour Conference in 2023 and would be accompanied by a communications campaign and a change management process. While performance management was used as a development tool, the Office addressed underperformance appropriately. For example, in 2022 the contracts of 13 staff members had not been renewed for performance-related reasons.
- 306.** The ILO's internship and Junior Professional Officer programmes were among the best in the UN system. Efforts were being made to increase diversity among applicants, scale up the Junior Professional Officer programme and open more junior positions so that interns and Junior Professional Officers could remain in the Organization. A robust mentoring programme had been in place since 2018, and the ILO had joined a UN mentoring scheme open to all staff at all grade levels.

Decision

- 307. The Governing Body requested the Office to take into account the guidance provided in the further implementation of the Human Resources Strategy for 2022–25.**

(GB.347/PFA/14, paragraph 36)

15. Other personnel matters

(No other personnel matters were submitted to the Governing Body at this session.)

► Appendix I

Opening Address of the Director General to the 347th Session of the Governing Body and presentation of Programme and Budget proposals for 2024–25 (Monday, 13 March 2023)

Welcome to this 347th Session of the ILO Governing Body.

Welcome, also, to Mia Seppo, the Assistant Director-General for Employment and Social Protection, Laura Thompson, Assistant Director-General for External and Corporate Relations, and Hao Bin, Assistant Director-General for Corporate Services.

Before speaking of the work of the Governing Body, allow me to refer to the recent publication of an article in the *New York Times* concerning the ILO's work in Qatar. We firmly reject the allegations set out in that article. The Office's response is available on our website. The ILO Department of Communication and Public Information is actively responding to questions and comments through the media, including through social media, where our response is also available.

Since our last Governing Body session in November 2022, the challenges we continue to face remain critical and urgent.

First and foremost, the extremely serious situation in Ukraine. The Office aligns itself with the recent statement made by the United Nations Secretary-General on the first anniversary of the Russian Federation's aggression against Ukraine. In that statement, he recalled that the invasion of Ukraine by the Russian Federation is a flagrant violation of the Charter of the United Nations and international law.

Inflationary pressures and their impact on the purchasing power of workers and populations living in precarious situations, and the debt crisis facing several low- and middle-income countries present us with great challenges.

I would also like to recall the forecast made by our Organization, the ILO, that global employment is expected to increase by 1 per cent. We anticipate an increase in global unemployment of 3 million, which would mean 208 million people would be unemployed in 2023, while unemployment would reach 211 million in 2024.

Our primary concern is the impact of this global situation on worsening inequalities, and we recognize that, unfortunately, the poverty gap is continuing to grow. This confirms the urgent need to launch the Global Coalition for Social Justice.

I am grateful for the firm support that we continue to receive in this regard, not just from the Member States, Employers and Workers, but also from several other development actors, namely those from the United Nations system, international financial institutions and many others.

I would like to emphasize that I fully recognize the enormity and complexity of this initiative. I am aware that some clarifications still need to be made, but this is normal, given the nature of this initiative. It is an initiative that we must build together, and I am determined and convinced that we will be ready to launch it in June 2023 during the International Labour Conference. This would be in time to adopt an effective approach to the SDG Summit in September 2023 in New York, as well as to prepare for the United Nations Summit of the Future

to be held in 2024, and, if the General Assembly approves it, a social justice summit in 2025. This Governing Body is therefore called upon to endorse the Global Coalition.

Following that endorsement, official invitations will be sent to all Heads of State and Government, and we will also formalize our approaches to the United Nations agencies, international financial institutions and other relevant actors. This will be done in continuous consultation and collaboration with the tripartite constituents: the Governments, Employers and Workers.

This session will also enable the Governing Body to discuss the programme of work that we intend to implement in Ukraine. I recently held a virtual tripartite meeting with our Ukrainian constituents, who provided an update regarding the conditions they are facing there, which could not be more desperate. This programme of work includes our proposal to open an office in Kyiv.

We all know that the consequences of this situation extend well beyond the borders of Ukraine. It is in this context that I visited the neighbouring state of the Republic of Moldova. We must and we will strengthen our assistance to the Republic of Moldova, to Ukraine and to other affected areas.

The agenda also includes a number of individual cases raised through the complaint mechanisms provided for in the ILO Constitution. Among them is a case related to Belarus, where several trade union leaders and members were arrested for carrying out their lawful trade union activities. These arrests follow several years of rights violations. As a result, this Governing Body will consider a draft resolution to be submitted to the International Labour Conference, in order to take the steps provided for in article 33 of the ILO Constitution.

Before making a few remarks about my programme and budget proposals, I would like to highlight some of the other items on the Governing Body's agenda:

- First, of particular note, is the ILO Development Cooperation Strategy. I am delighted that the Managing Director of the International Finance Corporation, Mr Makhtar Diop, has accepted my invitation to engage in this discussion. We see his participation as part of an overarching mutual willingness to strengthen our collaboration within the multilateral system, particularly with regard to due diligence in supply chains, especially in relation to social questions and the world of work.
- Second, the Governing Body will consider the final report of the tripartite working group on the full, equal and democratic participation in the ILO's tripartite governance.

I would like to reaffirm my commitment to working with you to ensure that the Instrument for the Amendment of the Constitution of the International Labour Organisation, 1986, enters into force. As you know, it has already been approved or ratified by 125 Member States. Only 3 more ratifications by Members of chief industrial importance are needed.

- Third, the Governing Body will examine the procedural framework needed in the event of referrals to the International Court of Justice, in line with article 37 of our Constitution.
- Fourth and last, we have two important discussions before us on supply chains and on the platform economy. My recent mission in Ghana and Côte d'Ivoire with the German Minister of Labour and the German Minister for Economic Cooperation and Development threw into sharp relief the potential of supply chains but also the need to integrate social chapters in order to improve supply chains in the future.

Presentation of Programme and Budget proposals for 2024–25

In line with the vision that I have outlined before, the programme will focus on global social justice and will be organized into eight policy outcomes and three enablers. These are structured on the basis of the five parts of the global social justice programme.

The proposed regular budget for 2024–25 is US\$854.7 million. This represents a modest increase of US\$1.9 million compared with the 2022–23 budget, or a 0.2 per cent increase in real terms. This increase is needed to:

- support the work of the Standards Review Mechanism Tripartite Working Group, which is essential to the modernization of the ILO's standards system; and
- strengthen the Office's capacity for internal audit, monitoring and mediation.

In nominal terms, the regular budget is the equivalent of US\$894.3 million, which represents an increase in nominal terms of US\$39.6 million, or 4.6 per cent. This increase reflects inflation, exchange rate fluctuations and other factors, including the US\$7 million cost of financing the International Labour Conference in 2024 and 2025 since meeting rooms in the Palais des Nations, which is currently under renovation, are not available.

These budget proposals also aim to strengthen our technical capacity on the ground and, to that end, an additional US\$3.1 million will be allocated to the five regional programmes.

Some important changes have been made to the policy outcomes since November to incorporate the guidance you shared during the November Governing Body session.

One of these changes is the inclusion of a new policy outcome. The goal of policy outcome 5 is to implement a programme that promotes gender equality, equality of treatment and equal opportunities for all.

Second, the wording regarding population groups subject to discrimination and exclusion has been reviewed. On this point, I would like to recall my remarks during the November Governing Body session: it is the duty of the ILO to continue to fight against all forms of discrimination, exclusion and inequality at work, directed at all groups, including those most marginalized and most vulnerable, at the national, regional and global levels. I stated this in November and I consider it necessary to reiterate it today.

Madam Chairperson, members of the Governing Body, it goes without saying that this is a profoundly divisive issue. But this is the precisely the moment at which we should all – and I would go as far as to say that we are obliged to – endeavour to find a solution that allows us to live side by side. That concept is, after all, the very essence of multilateralism.

During this difficult period, when the multilateral system is under strain, we must not allow the programme and budget to be taken hostage. The ILO must pave the way forward by addressing issues that are, indeed, difficult with our legendary sense of compromise and consensus.

Thank you.

▶ Appendix II

Reply by the Director-General to the debate on the Programme and Budget proposals for 2024–25 (Thursday, 16 March 2023)

I would like to start by thanking the Governing Body for the rich and constructive debate that took place.

My colleagues and I have been listening very carefully to capture all the comments and questions. It is heartening that we heard global support for the strategic direction of the Programme and Budget for 2024–25.

At the same time we heard a number of concerns. Let me focus on five key areas.

First, the fight against discrimination.

I was very much impressed that, despite the diversity of views, all constituents in their interventions reaffirmed their commitment to the principle of non-discrimination on any grounds. This is about social justice, this is about fighting against inequalities, this is about principles, this is about the *raison d'être* of our Organization. This is about what the ILO stands for. Fighting against discrimination has been and shall remain core and central to ILO actions. And the programme of work of the Office of the International Labour Organization, that I have the privilege of leading, shall continue to encompass all groups that are subject to any form of discrimination, including on the grounds of sexual orientation and gender identity. As I mentioned at the November 2022 Governing Body and reiterated in my opening remarks last Monday, our work shall continue at all levels, national, regional and global. You cannot be effective at the national level without knowing what is happening at the regional and the global levels.

Second, let me turn to the Global Coalition for Social Justice.

Your support for the Coalition has been clear from the very beginning.

At the same time, we heard very clearly that you do not want what could be seen as a blank cheque. You want us to confirm the Coalition's **objectives, its priorities, its criteria for engagement, and its governance**. We will respond to all those issues when we return to that item next week.

You also raised a range of concerns and questions in relation to the Coalition's articulation in the programme and budget, and its implications in terms of human and financial resources. In that regard, let me reiterate that the Global Coalition is an overarching goal for the ILO as a whole. It is not an outcome in itself; it cuts across and will be **embedded into all policy outcomes and enablers**, drawing on the contributions of all units across the Office.

This explains why my programme and budget proposals do not include a specific budgetary provision for the Coalition.

Pending the outcome of the discussion on that agenda item, let me reiterate that the Global Coalition is rooted in the ILO Constitution **and is aimed at fulfilling the ILO's mandate, that is, advancing social justice through decent work with a human-centred approach**.

Building on the guidance of this Governing Body, we will organize the necessary tripartite consultations in order to gain your full confidence. We will try to do that next week or make proposals through an acceptable consultation that the tripartite parties feel comfortable with.

We also took note of the communication from the Africa group and the Employers about the convocation letter. I want to reiterate that there was no ill intent; the objective was solely to save the date. But I recognize that the letter as it went out could be interpreted in the way you did, and I take full responsibility for that.

Third, several speakers, including the Employers, the Workers, the group of Latin American and Caribbean countries (GRULAC), the group of industrialized market economy countries (IMEC) and Regular Budget Supplementary Account (RBSA) donors, requested further clarifications on the **use of the RBSA**.

Over the years the Office has made steady progress in the strategic allocation of RBSA funds to achieve results, thanks to the support of and continuing dialogue with RBSA donors.

The proposed allocation of RBSA resources for 2024–25 pursues the same approach, with an upfront targeted focus on the priorities of the programme and budget – notably the priority action programmes because of their central role in leveraging advocacy and policy convergence, and to galvanize resource mobilization from other sources.

The RBSA will also be instrumental in mobilizing resources in support of the institutional capacity of employers' and workers' organizations. The RBSA will also be used, together with other resources, to reinforce integrated responses to key decent work challenges and as seed money to kick-start activities, with a view to attracting other donors and boosting our resource mobilization capacity.

The 15 positions proposed for RBSA funding are **all technical positions** focused on the priorities of the programme and budget. These positions are for the next biennium alone and **will not generate long-standing liabilities for the Office**. We will ensure that they are absorbed in the 2026–27 biennium within the regular budget and extra-budgetary resources mobilized for this purpose.

In addition, the RBSA will continue to be used to develop activities in the field in key areas. I was pleased that in the statement led by Belgium on Monday, activities in the field were again highlighted.

Fourth, several of your interventions, including from the Africa group, the Asia and the Pacific group (ASPAG) and the Employers' group, expressed concerns about the projected reduction in the regular budget allocation for **outcome 3**, and the fact that skills and lifelong learning is now subsumed as an output under this outcome.

Let me reassure you that employment and decent work creation remains a priority of my proposals for 2024 and 2025. Globally, there is no reduction. The apparent "reduction" of the regular budget for the outcome stems from the fact that some resources that were dedicated to employment creation in the social and solidarity economy in the current biennium, especially in rural areas, will be redirected to the new output 4.5.

In addition, some of the resources dedicated to crisis and post-crisis situations have been redeployed to the priority action programme under outcome 8.

In fact, **we anticipate an increase in the extrabudgetary resources available for outcome 3**. Skills and upskilling was one of the major issues I advocated during my campaign, and it certainly will not be abandoned.

As regards the integration of skills and lifelong learning under outcome 3, this reflects the importance of addressing skills development as part of comprehensive employment policy frameworks. It is based on the recognition that an integrated approach is needed, to ensure that skills and training ultimately lead to real and decent job opportunities.

In terms of resources, **output 3.2 is by far the output with the highest regular budget allocation**. On top of that, a significant amount of resources attributed to other outputs are also dedicated to skills development.

All of this reflects the significance of the skills agenda that will be required to correspond to the huge changes that the world of work will face in the years to come. So once again, I can assure you that **the resources dedicated to skills and lifelong learning will actually increase in the next biennium**.

Fifth, the last point that I want to make is related to the **level of the budget**. We have taken seriously the concerns expressed by ASPAG and IMEC, among others.

To address these concerns – and despite the fact that upcoming vacancies and retirements were already taken into account at the time of the preparation of these proposals, yielding cumulative savings of some US\$18.4 million – we undertook a further in-depth review of the need to fill all remaining upcoming vacancies, including those arising through retirements. The review resulted in further reprofiling, and in some cases the elimination of posts that will become vacant, resulting in an additional saving of US\$1.9 million.

This amount will be used to fund the two meetings of the Standards Review Mechanism Tripartite Working Group. It will also be used to reinforce the capacity of the offices of Internal Audit and Oversight and of the Mediator as I said on Monday.

This will keep the baseline level of the budget unchanged in constant terms.

These new savings will of course have a corresponding negative impact on other parts of our activities. However, I can assure you that this is the only way to address these critical priorities within the limits of a zero-real-growth budget, as was requested.

A number of concerns were raised in relation to cost increases, in particular by IMEC, GRULAC, China and Japan. And I am well aware of the impact of inflation and rising costs on everyone in this room.

I am pleased to report that, since the preparation of my proposals, the ILO was able to set the price of electricity for 2024 at a more favourable rate than forecast in the proposals. This reduces the level of anticipated cost increases by some US\$1.8 million and brings down the overall cost adjustment from 4.6 to 4.4 per cent.

If we consider separately the exceptional and one-off adjustment of US\$7 million for relocating the Conference to Palexpo, which we propose to ring-fence, the overall percentage adjustment for cost increase stands **at what I believe to be a very reasonable level of 3.6 per cent across the Office**. This amount is largely due to International Civil Service Commission (ICSC)-related staff costs and existing contractual obligations for ILO premises around the world.

Let me underline the importance of reaching agreement on adopting the budget.

Yes, it requires trust; it requires mutual understanding. I know it is difficult, but we have a responsibility to come with very clear support to this programme and budget. As I said on Monday, it should not be paralysed because of the ongoing difficult discussion that we are having.

So often in the past, you, the constituents of the ILO, have overcome divisions and differences and achieved consensus. But consensus or not, my plea – not only with regard to the decision on this programme and budget – is to ensure that two years from now we do not

find ourselves in the same situation. Having policy discussions is very welcome but we have to preserve the programme and budget and move forward.

I therefore invite you to recommend the proposed programme and budget for adoption by the International Labour Conference in June this year.

That will be crucial for the future of the ILO and, **above all, for the people we serve.**

Thank you.

► Appendix III

Statement by the Chairperson of the Staff Union Committee

347th Session of the Governing Body (14 March 2023)

Chairperson, Director-General, members of the Governing Body, dear colleagues and all of you here today, in the room or online,

I address you today with great humility and strength as the Chairperson of the Staff Union Committee.

With humility, because this opportunity that is given to the Chairperson of the Staff Union Committee to address the Governing Body twice a year is a chance to give a voice to the 3,600 staff members serving this Organization. In doing so, I certainly do not take the expectations of my colleagues lightly and I thank you for giving them your attention by listening to me now. This humility is also what we need to fulfil the mandate that you have entrusted to us. It is this humility and devotion that is needed for our colleagues who are continuing to work, whether in countries in situations of conflict, war, economic or social collapse, in situations of human rights violations, or even, as happened recently, those colleagues who have lost loved ones in earthquakes.

I also take the floor with strength. Strength given to me by a Union that represents almost two thirds of the staff, at headquarters and in the field, in all categories. It is therefore with the strength of that mandate that I share with you the resolution that was adopted by a large majority at our general meeting this past February: the Resolution on the impact on salaries of the International Civil Service Commission (ICSC) Reform. This resolution calls on the Organization to exercise its duty of care towards affected colleagues, as the decrease could represent the equivalent of up to a month and a half's salary in annual earnings. This resolution demands information to be communicated transparently and accurately. It also reserves the right to examine the legal validity of the ILO Administration's decision, which the Union is currently doing. Lastly, it gives me the mandate to urge you to instruct the Office to work for ICSC governance reform, in accordance with the fundamental principles of the ILO, including collective bargaining, and with the participation of the federations of United Nations staff associations and unions. Remember this when you read document GB.347/PFA/INF/11 on Matters relating to the Administrative Tribunal of the ILO: Amendments to the Statute of the International Civil Service Commission and update on the review of the jurisdictional set-up of the United Nations common system. I will also come back to this document briefly later on.

The strength that I have today is also the strength of a Union that embodies the principles and the DNA of our Organization, by engaging in constructive social dialogue with the Administration, by working to prevent and resolve conflicts and to prevent occupational risks, by negotiating staff regulations and collective agreements, so that our rules keep up with the times and the fundamental rights at work.

Since my predecessor, Carlos Carrión Crespo – who I salute and thank – spoke before you last November, the Staff Union has continued to hold discussions and negotiations, with the wind in our sails provided by a new Administration and the commitments made by the Director-General. As a result, we have made progress towards a new parental leave policy, for which we still need to finalize the provisions of a collective agreement in the coming weeks. We have also

drawn up a new policy on flexible working arrangements. Fundamentally, these negotiations enable the Office to align itself with the other United Nations agencies and funds, they are also based on the principle that the rules should apply to all colleagues, however their contracts are financed and wherever they are, in an inclusive, human-centred manner. In form, these negotiations have been conducted in a “win-win” spirit, identifying shared interests and constantly seeking solutions that take all interests into account. I commend the Administration, in particular the Human Resources Development Department, on this progress and on the implementation of social dialogue.

I would now like to share with you, as is customary, the thoughts of the staff on the items on the agenda of this Governing Body session, and their potential implications on our working conditions.

Ladies and gentlemen, members of the Governing Body, the staff would like you to consider the documents submitted to you here for information or adoption with determination, courage and kindness.

Indeed, it is with determination that you must ensure that the programme and budget has the necessary resources, particularly human resources, for its implementation. We cannot say often enough that it might be dangerous to do more with less, and that the ILO’s main resource are its women and men, with all their diversity and expertise. The Director-General’s programme and budget calls for a return to the basics: social justice. We are often apprehensive of additional efforts that we are asked to make, to deal with non-renewals of retirements, budgetary transfers that turn “staff costs” into “non-staff costs” – that is to say externalization, through the increasing use of consultants rather than staff employed according to the rules. In the service of social justice, it is important to reaffirm that labour is not a commodity.

Many of the documents to be discussed that do not theoretically have budgetary implications need to be viewed from the perspective of their human implications, including the promotion of a safe and healthy working environment as a new fundamental principle and right at work, measures concerning the organization of future sessions of the Governing Body and other meetings, the Global Coalition for Social Justice and the ILO Strategy on knowledge and innovation. To be able to achieve these goals, the Office needs to have a structure in place – and this still seems very unclear to many colleagues as well as to the Staff Union – that can also build on a solid foundation, valuing and providing opportunities to colleagues with in-house experience and skills. Favouring calls for applications and competitions does indeed seem to have taken a back seat in the ongoing recruitment processes for a number of posts.

It is also with determination that I ask you to consider document GB.347/PFA/INF/11 on “Matters relating to the Administrative Tribunal of the ILO: Amendments to the Statute of the International Civil Service Commission and update on the review of the jurisdictional set-up of the United Nations common system”. Our position remains the same regarding the legal basis for the application of the changes to the International Civil Service Commission (ICSC) Statute. The ILO Administrative Tribunal has declined to give its opinion, as it cannot be an advisory body, and only a ruling following a petition to the Tribunal would provide certainty on the legal validity of the division of powers between the ICSC and the United Nations General Assembly and on the application of the methodology for calculating the post adjustment. This document also presents the follow-up to the second report of the Secretary-General on the review of the jurisdictional set-up of the United Nations common system, namely, as far as we are concerned, the jurisdiction and the recognition of the ILO Administrative Tribunal. I cannot repeat the points that my predecessor, Carlos, made to you in November. He did so with all his

legal expertise, in a detailed and well-founded manner. I can only reiterate the importance of preserving “our” Tribunal, the operation and excellence of which make it an example for many courts. It is with your determination that the Office will be able to continue to make its voice heard in the work of the United Nations secretariat.

Let me now appeal to your goodwill. Admittedly, this is unusual in a context such as this speech. And it is even more unusual given that I am appealing to your goodwill with reference to document GB.347/INS/16, “Report on developments relating to the resolution concerning the Russian Federation’s aggression against Ukraine from the perspective of the mandate of the International Labour Organization”. Paragraphs 39 and 40 do indeed refer to the situation of ILO staff in Ukraine and the Russian Federation, and confirm the arrangements made for the process of relocating staff to Kyiv, the maintenance of the operational capacity of the Moscow office and the duty of care at the heart of the approach adopted in the region. The Staff Union would like to acknowledge again the support provided by the Office, its security services and administration. The Staff Union would also like to ask for your kindness in recognizing the dedication of our colleagues who have continued to work and to reinvent themselves to be able to carry out their tasks and to be present, despite difficult personal and professional circumstances.

There is one more document to which I would like to refer: GB.347/PFA/14 “Progress report on the implementation of the Human Resources Strategy for 2022–25”. The reading and subsequent discussion of this document requires courage and determination. One of the reasons why you elected Mr Hounbo was his commitment to harmonizing the working conditions of the staff. This agenda gave us a lot of hope. It is indeed untenable that more than half of the staff is today employed on the basis of precarious contracts and that these differences have persisted for many years. This reality and its professional and personal implications have already been reported to you by my predecessors, and you can find more details in the results of the survey conducted by the Staff Union among all of our colleagues last year. Tackling these inequalities cannot wait any longer: do you find it normal, when we talk about the International Labour Office and social justice, that more and more of our colleagues sign year after year, sometimes for more than 25 years, contracts of one year maximum duration, and do not have the same rights as their colleagues with regular budget positions? The administration and the Staff Union must be able to engage in negotiations that will lead to harmonization and an improvement in working conditions. An ILO official is an official, whether his or her contract is financed by development cooperation funds or by the annual contributions of our Member States. We have a duty to deliver results so that we can continue to carry out the tasks you entrust to us.

Ladies and gentlemen members of the Governing Body, the administration and the Staff Union are determined to engage in these negotiations, and we have agreed with the Administration that we will also examine the rules on mobility. But I will not hide the fact that these negotiations can be daunting because they have stalled for too long. We need you to give us a mandate to think outside the box, and to implement courageous and innovative solutions that will position the ILO as a leader in the promotion of working conditions that respect the dignity of all and value diversity in all its forms.

To conclude, allow me to share a personal reflection. When I took up office as Chairperson of the ILO Staff Union last December, one of the remarks I often heard from my colleagues was: “Is the speech at the Governing Body going to be okay? Aren’t you scared?” Yes, ladies and gentlemen, you are certainly intimidating! Intimidating because of your collective power to make decisions that could potentially “impose” on us, the ILO staff, an unworkable programme and budget, ever more precarious working conditions, or a mandate that we would find

meaningless. Intimidating because it is after all rare that we are able to share our feelings and opinions with you.

I come to you, however, admittedly a little anxious, but confident. Confident in your determination, your courage, and above all in your kindness, towards me and towards all the staff for whom I speak.

Thank you for your attention.