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ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

Review of the administrative and management procedures concerning the programme and budget of the International Labour Organisation

Report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twenty-fifth session

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I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions met from 13 to 22 May 1970 at the headquarters of the International Labour Organisation (ILO) on the invitation of its Director-General. The invitation had been extended in the light of the recommendation in the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, 1/ approved by the General Assembly in resolution 2150 (XXI) of 4 November 1966. The Ad Hoc Committee's recommendation was that:

"The Advisory Committee (on Administrative and Budgetary Questions) should, from time to time, review systematically and in depth the administrative and management procedures concerning the programmes and budgets of the specialized agencies. This might be done by examining in depth one or two agencies each year. This, in addition to its direct usefulness, should enable the Advisory Committee to recommend the application of more consistent standards and approaches to common problems."

2. The Committee would like to record its grateful thanks for the full co-operation and assistance it received from Mr. David A. Morse, the out-going Director-General, Mr. Wilfred Jenks, Director-General, the Deputy Directors-General, the Assistant Directors-General and other officials of the ILO.

3. Like the reports on the United Nations Educational, Scientific and Cultural Organization (UNESCO), 2/ the Food and Agriculture Organization of the United Nations (FAO), 3/ the International Telecommunication Union (ITU) 4/ and the World Health Organization (WHO) (A/8031), the present report is based on the Committee's visit to the headquarters of the Organisation. The Committee did not have the opportunity to study first-hand the organizational arrangements of the ILO at the regional, sub-regional and country levels.

4. The structure of this report follows that of the report on the World Health Organization: the Advisory Committee's observations and conclusions on the administrative, financial and management procedures of the ILO have been brought together in chapter II. The background information and descriptive material on the structure, organization and procedures of the ILO are to be found in annex I to this report, supplemented, as necessary, in annex II by diagrams, tables and other more detailed information.

1/ Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343, para. 90 (d).

2/ Ibid., Twenty-second Session, Annexes, agenda item 80, document A/6905.

3/ Ibid., Twenty-third Session, agenda item 80, document A/7354.

4/ Ibid., Twenty-fourth Session, agenda item 81, document A/7765.

5. After the Advisory Committee has concluded the present cycle of reviews of the administrative and management procedures of the specialized agencies, it would be its intention to formulate general conclusions and recommendations, with particular reference to co-operation and co-ordination between the United Nations and the specialized agencies.

6. The Advisory Committee hopes that this report will prove to be of some service to the General Assembly and Member Governments, and also to the governing organs and the Director-General of the ILO.

II. OBSERVATIONS AND CONCLUSIONS OF THE ADVISORY COMMITTEE

A. The International Labour Organisation

7. Established just over fifty years ago, the International Labour Organisation is one of the oldest agencies in the United Nations family. The Advisory Committee notes that its activities - particularly those of standard-setting and of research into labour questions - have been characterized by a long tradition of continuity. Since the Second World War, and notably since the initiation by the United Nations system of technical co-operation, the ILO has given increasing emphasis to operational activities.

8. The objectives of the ILO, as originally written into its Constitution, were given a broader interpretation in the Declaration of Philadelphia of 1944, which recognized the importance of labour and labour-related questions in the social and economic framework as a whole. The Advisory Committee notes in particular the provision of article II of that Declaration (referred to in paragraph 2 of annex I), by which the ILO is required to examine "all international economic and financial policies and measures" in the light of its fundamental objective. That many related questions fall within the competence of other international agencies is, however, recognized in article IV of the Declaration, which pledges the ILO's full co-operation with bodies concerned with promoting economic activity and development, avoiding economic fluctuations, encouraging price stability for primary products and promoting international trade. The agreement between the ILO and the United Nations and the agreements with various specialized agencies in the United Nations system contain provisions for co-operation and co-ordination of activities of the contracting organizations.

9. The tripartite structure of the ILO, whereby most of its policy-making organs are composed of representatives not only of Governments of member States, but also of employers and workers, was a subject of special interest to the Advisory Committee. In the International Labour Conference, many of whose decisions require a two-thirds majority vote, the number of government members is equal to the number of employers' and workers' members combined. A similar "balance" between governmental and non-governmental members exists in the Governing Body, and indeed in most committees and other bodies of the ILO.

10. The Advisory Committee was informed that the ILO considers its tripartite structure a source of strength, in that it makes possible direct participation of employers' and workers' representatives and thereby guarantees a measure of support among those groups for the Organisation's activities. In the view of the ILO, the participation of employers' and workers' organizations - in the latter case, mostly trade unions - also gives the ILO more direct contact with two important sectors of society and thus helps the results of its activity to filter down to individuals. The Advisory Committee noted, however, that meaningful participation of employers' and workers' representatives in the ILO activities presupposes the existence of well-organized and numerically representative associations of employers and workers, a condition which is not met in all the developing countries. Thus, the tripartite participation in the ILO is likely to

have more meaning and more noticeable effects in the developed, and especially the highly-industrialized, member States of the ILO. At the same time, it should be noted that the promotion of social institutions in the developing countries - including employers' and workers' organizations - is one of the ILO's major technical programmes (see annex I, paragraph 54 below).

11. The Committee was informed that there is no general relationship between the pattern of voting of government representatives in the Conference and the Governing Body, and that of employers' or workers' representatives. While both employers' and workers' representatives frequently take positions contrary to those of government representatives, it is by no means rare for them to adopt similar attitudes.

12. The functions of the forty-eight-member Governing Body (see annex I, paragraphs 13 to 16) are particularly broad. Its authority to fix the agendas for all of the ILO meetings, including the International Labour Conference, and to decide on what action to take on their decisions, gives it a strong influence in the over-all direction of the Organisation; moreover, the Governing Body and its Financial and Administrative Committee have a major role in the review of the ILO's draft programme and budget. ^{5/} There are, however, some moves to seek a greater role in various matters for the International Labour Conference, where all members are represented.

B. The International Labour Office

Headquarters

13. The structure of the International Labour Office is described in annex I below (paragraphs 26-32) and is shown in diagram form in annex II-A. This structure, which reflects recommendations made by an outside consultant in 1964, provides for the division of the Office into Departments, each of which consists of a varying number of branches. The Advisory Committee was informed that this structure was organized along functional, rather than sectional, lines which facilitated an integrated approach to problems; the departmental structure also promoted staff mobility, whereas under the previous system staff were assigned more permanently to smaller organizational units.

14. At the time of the Advisory Committee's visit to the ILO, there was no uniform pattern of allocation of responsibility among the top echelon of the ILO directorate. Thus, the Principal Deputy Director-General was responsible for three Departments (International Labour Standards, Relations and Conference, and Editorial and Public Information), one of which (Relations and Conference Department) was headed by an Assistant Director-General, while the other two were not. The Deputy Director-General, Technical Programmes, also had over-all supervision of three Departments (Human Resources, Conditions of Life and Work and Social Institutions). Prior to April 1970, the latter two Departments had reported to an Assistant Director-General but, on the decision of the Director-General, that official had been placed at the head of the Research and Planning Department, while continuing to advise the Director-General on policy matters and remaining responsible for relations with the International Social Security

^{5/} See paragraphs 51 to 53 below.

Association. The Deputy Director-General, Field Programmes, headed a single department (the Field Department) and was assisted by an Assistant Director-General. The head of the Personnel and Administrative Services Department, who until recently had reported to an Assistant Director-General for Personnel and Administration, reported directly to the Director-General. The Finance and General Services Department had at its head an Assistant Director-General with the title of Treasurer and Financial Comptroller.

15. The Advisory Committee has been informed that in the summer of 1970 the Director-General reassigned responsibilities among the members of the directorate. The Deputy Directors-General have been freed from departmental responsibilities, and now act as Deputies to the Director-General at the major policy level. The five Assistant Directors-General are responsible for the four technical Departments (Conditions of Work and Life; Human Resources; Social Institutions Development; Employment Planning and Promotion) and for the Research and Planning Department; their responsibilities relate to general co-ordination within the Office, matters of over-all departmental policy, liaison with the Governing Body and the Director-General, but not to the day-to-day management of the departments' operations (which is provided by the heads of the departments concerned). Furthermore, the post of Legal Adviser has been assimilated in level to that of an Assistant Director-General (see annex I, paragraph 25).

16. As the reassignment of responsibilities described in the preceding paragraph took place after the Advisory Committee's visit to the ILO, the Committee is not in a position to comment on it.

17. During its visit to the ILO, the Advisory Committee was informed that various steps were contemplated to improve organizational arrangements within individual departments. Since then, two major units (the Human Resources Department and the Field Department) have been reorganized (see annex I, paragraphs 27 to 42). The Advisory Committee believes that further rationalization is possible, and draws the Director-General's attention to the following areas:

(a) The Relations and Conference Department combines two distinct functions: liaison with bodies outside the ILO (including Governments, international organizations and workers' and employers' groups) and the servicing of conferences. The latter function, including document services (stenographic, duplicating and distribution services) accounts for well over half of the Department's manpower. The Advisory Committee was informed that much liaison work with employers' and workers' groups is carried out at meetings and conferences and that the branches concerned devote much of their time to servicing meetings of employers' or workers' representatives during the ILO conferences, such as the sessions of the Governing Body or the Conference. While the Advisory Committee recognizes that the grouping together of the two functions within the same department leads to fewer senior posts being necessary, it wonders whether that grouping is the most rational and efficient in the circumstances.

(b) The Editorial and Public Information Department similarly appeared to the Advisory Committee to combine essentially unrelated activities. Moreover, its functions include the translation and editing of printed official reports and

records (under the ILO programme of publications), but exclude such work related to non-printed documentation for the Governing Body, most of which is done by the Document Services Branch of the Relations and Conference Department. The Advisory Committee was informed that in 1964 the consultant firm which studied the ILO recommended that public information activities constitute a separate department; however, as a measure of expediency, it was decided to combine these functions with the publications programme, since in certain respects their objectives were similar. The Advisory Committee is not convinced that the existing organization of this Department is the most rational one. Moreover, it suggests that, should the Director-General decide on a clearer separation of public information activities, he consider the possible advantages of assigning to the relevant unit responsibility for the visitors' service, which at present is part of the Non-Governmental Organizations Branch of the Relations and Conference Department.

(c) The personnel and administrative services in the ILO, which are grouped in a separate department, are distinct from the financial services, which are combined with general services under the authority of the Treasurer and Financial Comptroller. In response to inquiries, the Advisory Committee was informed that the two departments maintain close working contacts and that no difficulties have arisen because of their administrative separation.

Decentralization

18. The question of decentralization was under active consideration in the ILO at the time of the Advisory Committee's visit, in accordance with the guidelines explained by the Director-General in his introduction to the Programme and Budget for the Biennium 1970-71 (paragraphs 145 to 169). Since then, he has taken a number of steps, which are described in annex I, paragraphs 42 to 45 below.

19. The new approach, which involves the transfer of more functions and more decision-making authority to the Organisation's field offices, is to be put into effect gradually, depending on how soon the necessary staff can be redeployed to the regions; for Asia, the effective date has been set at 1 January 1971. The Advisory Committee will follow with interest the ILO's progress in applying the new decentralization policies. It trusts that the regional offices will be able to exercise the necessary authority to take substantive decisions affecting the work programme of the ILO in their regions, while remaining within the context of the over-all plan and programme developed by the Organisation's central planning machinery. Secondly, technical staff transferred to field offices should perform basically the same tasks as they previously performed at headquarters; their work should not be subject to routine backstopping and "second-guessing" by the technical units of headquarters. In the Advisory Committee's view failure to observe the above conditions would lead to decentralization in name but not in substance and thus would be without meaning.

20. In certain administrative and financial services, for example personnel management and payrolls, where operations are computerized, full decentralization would be impractical. At the same time, the Committee trusts that the difficulties experienced in recruiting local-level competent financial and administrative staff will be overcome. The enlargement of the internal audit service, together with the proposed development of inspection functions, would naturally provide greater control over administrative and financial operations in the field.

21. The Advisory Committee discussed with the Director-General and his representatives the impact on the ILO's field structure of the reorganization of the United Nations Development Programme (UNDP) which is currently under way. It was informed that the Director-General recognizes the central role of the UNDP Resident Representative at the country level and is aware of the need for close co-ordination of all operational activities with UNDP. The Advisory Committee suggests that one question which might be kept under study as decentralization is implemented is whether the existing network of regional, area and country offices of the ILO (outlined in annex I, paragraph 38, and in annex II-B) might not be modified in the interests of greater conformity in the United Nations development system as a whole, particularly in the light of the country-emphasis being given to UNDP programming.

22. The Advisory Committee believes that, as the field establishment is built up, it should be possible for the ILO to realize staff savings at headquarters. The Committee does not expect that every new post allocated to the field should automatically result in one less post at headquarters: decentralization is a complicated process and its advantages lie in increased effectiveness of an organization's work rather than in low costs for personnel. According to the proposals outlined by the Director-General, however, a significant measure of technical responsibility will be assigned to field offices; some headquarters units - for example the major technical departments - should therefore require fewer staff than have been required in the past with a centralized system of technical supervision of operational programmes.

C. The programme

Programme formulation

23. The Constitution of the International Labour Organisation, unlike that of the World Health Organization (WHO) (article 28 (g)), makes no reference to the programme of work of the Organisation. The ILO's objects are set forth, however, in the preamble to the Constitution and in the Declaration adopted at Philadelphia on 10 May 1944, and the programme of work is designed to promote those objects. Over the years, emphasis has shifted to the provision of social security (for example, protection against loss of income, comprehensive medical care) and to the promotion of full and productive employment. Alongside continuing activities in support of freedom of association, added emphasis is now being given to collective bargaining and labour-management co-operation to improve productivity.

24. Before the Second World War, standard-setting and the collection and dissemination of information had been the principal means of action available to the ILO to improve the living and working conditions of workers in its member States, most of which were at that time relatively homogeneous and industrialized; these traditional methods were supplemented by advisory missions which gave direct information and advice to the Governments of member States which requested it.

25. The post-war years saw the rise of technical co-operation activities; direct project expenditure on technical co-operation grew from about 2 per cent of the budget for 1948 (\$101,000 out of \$5,107,000) to 46 per cent in 1969 (\$24.8 million out of \$52.5 million, financed from all sources).

26. The contents of the ILO programme of work are described in annex I, paragraphs 48 to 56 below. The process of programme building, including the role of the International Labour Conference, the Governing Body, the regional conferences and the Director-General, is set out in annex I, paragraphs 78 to 84 below.

27. The Advisory Committee noted^{6/} that on one occasion the Workers' Representative in the Financial and Administrative Committee of the Governing Body suggested that the Draft Programme and Budget should indicate the origin of the various proposals contained therein (for example, whether it was in response to a Conference resolution, a recommendation of a Conference Committee, of a regional conference, of a Governing Body Committee etc.). The Advisory Committee understands that departments have since been instructed to include in their submissions an indication of the legislative authority for their requests; this information will be reported in brief in future programme and budget documents.

28. The conclusion reached by the Advisory Committee is that in the ILO's traditional field of standard-setting, initiatives for new proposals tended to come largely from the Director-General or from workers' representatives; in the case of the technical assistance programme, the requests for projects have come from the Governments concerned. In other areas of ILO activity, initiatives, which may have originated from the representatives of Governments, employers or workers at technical meetings, or within the secretariat, are brought together by the Director-General and submitted to the Governing Body, which, in turn, decides which initiatives are to be accepted or deleted; the Governing Body's selection is then submitted to the Conference for final endorsement. In other words, the Director-General takes the initiative in suggesting priorities, options and degree of emphasis, and the Governing Body takes decisions on the basis of such suggestions.

29. In recent years, the ILO has taken a number of steps to improve the process of programme planning and the setting of priorities. A system of programme planning was introduced following the reorganization of the Office in 1964. A Working Party on Programme and Structure, set up by the Governing Body, submitted reports (endorsed by the International Labour Conference in June 1969) in which it defined three major programmes - human resources, conditions of work and life, and social institutions development - as a framework for the planning and development of activities of the ILO.

30. In May-June 1970, the Financial and Administrative Committee of the Governing Body received from the Director-General the first Draft Long-Term Plan in the history of the ILO. ^{7/} In his introduction, the Director-General explained that the object was to give members of the Committee an opportunity to express their views concerning the priorities, objectives and emphasis of action of the ILO during the period covered by the long-term plan, that is, from 1972 to 1977. It is intended to update the plan every other year and to extend it at the same time for a period of a further biennium.

^{6/} International Labour Office, document GB.174/13/32, para. 12.

^{7/} International Labour Office document GB.180/FA/6/4 and appendix.

31. Thus, with the introduction of the long-term plan procedure, the formulation of the biennial programme proposals as included in the draft programme and budget becomes the culminating stage in a process in the course of which both the legislative organs and the Director-General have the necessary opportunities for expressing their views. In preparing the draft long-term plan, the Director-General is guided by the views expressed at meetings of the competent policy-formulating organs. The plan is revised in the light of the discussion of the draft in the Financial and Administrative Committee and the Governing Body; and it serves as a framework in drawing up the programme and budget proposals which are later submitted to the legislative organs for discussion and adoption.

32. In the Advisory Committee's opinion, success will depend on the way in which priority objectives will be identified and pursued in a manner satisfactory to the membership of the Organisation. In paragraph 4 of his introduction to the draft long-term plan, the Director-General states that:

"while it is envisaged that the major objectives, once endorsed by the Governing Body, would be maintained with a minimum of variation, the programmes of action for achievement of these objectives would be flexible, being revised and updated in the light of a periodic assessment of the results achieved and an evaluation of the effectiveness of the means of action deployed to this end. It is important to regard long-term planning as a continuing process: the plan that exists at any moment can reflect only the judgement of that moment of the types of future action that are most likely to attain the stated objectives. This judgement will constantly need to be reviewed, and wherever necessary the programmes of action will need to be adjusted".

33. A noteworthy feature of the draft long-term plan is the attempt made to indicate in general terms the trends that are expected to occur in technical co-operation activities. While it is recognized that such indications are more tentative than those relating to other methods of action, "since the volume and nature of technical co-operation projects depend on the requests for assistance received from Governments, and on the resources made available to ILO from other sources - especially from UNDP", the likely developments, in the Director-General's view are not completely unpredictable, as "the object of preparing a draft long-term plan and presenting it to the ILO's policy-making bodies is to ensure that the ILO's priorities and objectives correspond to the priorities and objectives of its member States in the social field." 8/

34. The Advisory Committee feels that the ILO's long-term plan taken together with a biennial programme and budget provide a satisfactory framework within which the Director-General can operate a programme that accords with the views of the policy-formulating organs.

35. These views reflect the tripartite structure of the ILO. In the Director-General's opinion, it is of the utmost importance, both for the ILO itself and for the United Nations system as a whole, that the ILO's programme should be such as to

8/ International Labour Office, document GB.180/FA/6/4, para. 60.

enjoy the full support of workers and employers, as well as Governments, and that it should correspond to the needs and preoccupations of all three. 9/

Internal arrangements for the development of the programme

36. The internal arrangements for the development of the programme are described in annex I, paragraphs 85 to 99. They give the departments the opportunity to formulate proposals, while reserving to the Director-General the choice of the programmes to be submitted to the Governing Body. In the Advisory Committee's view, two preconditions are needed to ensure that the system works successfully. The first is the quality of the advice rendered to the Director-General by the internal Programme Committee, and the second is acceptance of the Director-General's decisions by departments competing for resources.

37. The internal Programme Committee machinery is described in annex I below (paragraph 96 to 99). The composition of the Committee ensures that the departmental point of view is available when the analyst's report is being discussed. The decisions are taken by the Director-General in the light of such discussions.

38. As regards the effectiveness of the programme analysis system (which was introduced by the ILO following the management study by an outside consultant carried out in 1964), the information provided to the Advisory Committee indicates that no final judgement can be made. After some initial resistance, the system seems to have been accepted by the technical departments, though they still complain that it involves them in a considerable volume of additional paper-work, questionnaires etc. Furthermore, it was the Committee's impression that where the analyst's conclusions differed from the strongly-held views of senior departmental officials, it was the latter that tended to prevail.

39. Thus, in the final analysis, the effectiveness of the internal Programme Committee procedures can be said to hinge on the second factor mentioned in paragraph 36 above, namely, the extent to which the Director-General's decisions are accepted and respected by the departments concerned. At the same time, the Advisory Committee feels that the very existence of programme analysis, which compels technical departments to assess and defend their programme proposals, creates a psychological climate which inhibits the proliferation of programme proposals of questionable value - although the tendency towards fragmentation of effort does not seem to have been overcome in all areas.

40. The Advisory Committee concluded that despite its imperfections, the ILO system of programme analysis is a worth-while attempt to prepare a programme based on priority needs and to eliminate programmes of marginal importance.

9/ Ibid., para. 16.

Execution and evaluation of programmes

41. The Advisory Committee was informed that the approved programme of work of the ILO is subject from time to time to changes made on the authority of the Director-General. Such changes may involve the addition of new work items, the deletion of approved work items, changes in the scope or objectives of a given project, or changes in the level and nature of services provided; some changes involve the transfer of resources within budget items. Chiefs of Departments have authority from the Director-General to effect changes within their major programmes. However, if the proposed changes involve major policy issues or are politically or otherwise sensitive, or if they would lead to major departures from the approved resource levels of programmes, they must be referred to the internal Programme Committee. The types of programme changes requiring referral to the Programme Committee are described in detail in annex II-C below.

42. The Advisory Committee noted that chiefs of departments are required, as a matter of course, to exhaust all possibilities for adjustment of programme and resources within their major programmes through elimination or reduction of lower priority work items before requesting the Programme Committee to consider possible ways of providing supplementary allocations for new or expanded work items. To that end, they have, inter alia, full authority to transfer resources (including established posts) from one unit to another within the same department and to shift resources from one subprogramme to another within each programme, except to or from field projects.

43. Every year the Director-General submits to the Governing Body a financial performance report and a report on programme implementation. The Advisory Committee noted from the programme performance report for 1969 that it covered certain activities which had not been mentioned in the programme and budget and that other activities specifically mentioned in the latter were not carried out because the Director-General had found it desirable to re-allocate resources to meet new needs or changes in priorities. ^{10/} The Advisory Committee feels that such departures from the approved programme should be clearly identified (which was not the case in the report for 1969); indeed, it would be very helpful to the reviewing bodies of the ILO if such changes were brought together in an annex to the report.

44. In general, the programme implementation report suffers from being too descriptive and not sufficiently analytical. For instance, it does not include any comparative tables showing what had been programmed and what had been actually performed, or explanations for such deviations. Admittedly, not all items of work are easily quantifiable. Nonetheless, the Advisory Committee feels that much can be done to improve programme performance reporting in the ILO.

45. The Committee is also of the view that the value of the report on programme implementation would be enhanced if the Director-General included in it information and observations that would enable the Governing Body to evaluate the results of the ILO's activities and to consider ways in which performance could be improved.

^{10/} International Labour Office, document GB.180/FA/1/5, para. 2.

46. The report on programme implementation is discussed in the Financial and Administrative Committee of the Governing Body; the Committee then reports thereon to the Governing Body itself. The Advisory Committee noted from the relevant report to the 180th session of the Governing Body 11/ that several members of the Financial and Administrative Committee made specific suggestions for improving the format of the report on Programme Implementation and that the representatives of the Director-General took note of those suggestions.

47. Generally speaking, it is the Advisory Committee's conclusion that, despite the recent introduction of periodic in-depth reviews of selected ILO programmes, 12/ there is room for improvement in the ILO procedures for the evaluation of its programmes, especially in the light of the increasing share of resources being devoted to the major technical programmes as against the ILO's traditional interest in standard-setting, in which evaluation is not of primary importance.

D. The budget

48. The procedures in the ILO for the preparation, consideration and approval of the budget estimates (see annex I, section D) form part of an integrated process which encompasses both programme and budget. The Advisory Committee was informed that the introduction of programme budgeting in the ILO was greatly facilitated by the change-over to the two-year budget cycle.

49. As can be seen from paragraph 89 of annex I below, the programme guidance letter sent out to departments by the Director-General includes alternative percentage targets within which resources requests are to be maintained. Working within these targets the departments submit their programme proposals, which are costed by the Finance and General Services Department. After adjustment in the light of recommendations made by the Internal Programme Committee these proposals - and the corresponding estimates - are incorporated in the Director-General's draft programme and budget proposals. Thus the percentage targets indicated in the programme guidance letter may exert a major influence on the eventual level of the ILO budget.

50. The technical steps taken to cost the programmes are described in detail in paragraphs 112-120 of annex I below. In the Advisory Committee's opinion they are, generally speaking, well adapted to the production of accurate estimates. In particular, the Committee was informed that the use of standard cost factors for staff has proved very satisfactory. The one area where the Committee feels that there is room for different interpretations of requirements is in the calculation of the man-years and man-months of Professional and General Service time required for individual programmes and their constituent sub-programmes and work items. The Committee was informed that the system had been in use for some three years and that it was based on experience aided, in the case of repetitive operations, by actual work measurements; moreover, there was sufficient continuity in the ILO activities to make it possible for programme managers, the programme analysts and for the Financial Services to make a fairly accurate assessment of the manpower requirements. While this

11/ International Labour Office, document GB.180/8/33.

12/ Only one such review has been carried out to date.

may be true for a major programme as a whole, the Advisory Committee feels that the detailed estimates at the sub-programme or work-item level are much less reliable because of the effect of factors such as variations in the performance of individual staff members etc. If one also bears in mind the latitude given to chiefs of departments to transfer resources within their departments (see paragraphs 41 and 42 above) in order to implement programme changes, it will be seen that the man-year figures given in the Programme and Budget for individual sub-programmes can only be regarded as indicative of the manpower resources that would actually be utilized. While entering the above reservation, the Advisory Committee recognizes the value of the man-year calculation as a tool of management and control.

51. As regards the consideration of the Director-General's proposals by the organs of the ILO, the first and most exhaustive scrutiny takes place in the Financial and Administrative Committee of the Governing Body. This Committee consists of twelve government members, ten employer members and ten worker members, equality of voting power among the three groups being ensured by a system of weighted voting. In the course of reviewing the programme and budget proposals, the Financial and Administrative Committee holds a general discussion and makes an item-by-item ^{13/} examination of the estimates. The Advisory Committee was informed that there is no requirement that members of the Financial and Administrative Committee be experts in financial or budgetary matters; on the other hand, there is a considerable degree of continuity in the Committee which gives members expertise in ILO questions. After the discussion - in the course of which speakers make suggestions for both increases and decreases in the programme and budget proposals - the Director-General indicates which suggestions he can accept and which he cannot. The proposals, as amended after discussion in the Committee, are then considered by the Governing Body, where the voting power of the employer and worker members combined equals that of the Government members.

52. The Advisory Committee noted that the objective aimed at in the course of the consideration of the programme and budget proposals in the Financial and Administrative Committee and the Governing Body is to obtain a consensus through negotiation, and the broadest possible support from all constituents of the Organisation.

53. While the discussion in the Financial and Administrative Committee can and does lead to fairly substantial changes in the original draft estimates, their subsequent consideration in the Governing Body itself, in the International Labour Conference and in the latter's Finance Committee of Government Representatives, does not, as a rule, result in changes in the draft programme and budget. These discussions, however, do provide opportunities for the expression of views which are taken into account by the Director-General when he prepares his programme and budget proposals for future financial periods.

54. The Advisory Committee concluded that under the ILO procedures the programme and budget proposals are subjected to adequate scrutiny by the policy-making bodies. At the same time, the Committee feels that it would be to the advantage of the Organisation if there were a specific requirement that some of the members of the Financial and Administrative Committee were

^{13/} An "item" of the ILO budget corresponds to a section of the United Nations budget.

experts in financial and budgetary matters, and knowledgeable about the problems and practices of other organizations in the United Nations system.

55. As regards the form of the budget, the Advisory Committee noted that it is divided largely on the basis of organizational units; thus, "major programme" corresponds in the organizational sense to department, and "programme" to branch. There are some exceptions, such as the "major programmes" of the International Labour Conference, Governing Body and Major Advisory Meetings. At the same time, an examination of the ILO budget for 1970-71 shows that the latter "major programmes" do not include all the identifiable expenses relating thereto. Thus, the costs of producing the printed minutes of the Governing Body are divided between three major programmes - Governing Body (item 2 - for printing), Relations and Conference Services (item 11 - for translation) and Publications and Public Information (item 12 - for proof-reading). Similarly, the major programme "International Labour Conference" (item 1) does not provide for all the identifiable costs of the Conference; in particular, the costs of servicing the Conference with language staff are divided between programme 11.3 "Conference Services", sub-programme "Servicing the Conference", and programme 1.1 "Ordinary sessions of the Conference". The Programme and Budget document does not contain any schedule or annex where these data are brought together.

56. A feature of the ILO budget is the existence of an appropriation line (item 17) entitled "Other budgetary provisions". For 1970-71, this line amounts to \$1,264,066 for various "non-programme" expenditures, including \$652,864 towards the amortization of the actuarial deficit of the ILO Staff Pension Fund, and \$300,000 by way of a cash contribution towards the costs to ILO of providing services and support for UNDP (Special Fund) projects.

57. The Advisory Committee noted that the ILO regular budget also includes lump sum subsidies to outside bodies which are partly or largely financed from outside sources; these bodies are listed in paragraphs 68 to 77 of annex I.

58. While the presentation of the ILO budget has been improved in recent years, there are still certain areas where further improvements can be made. Thus, during the discussion of the draft programme and budget for 1970-71 in the Financial and Administrative Committee of the Governing Body, several speakers had criticized the lack of clarity in the presentation of research projects. Similarly, the programme and budget documents provide only limited information on the operational activities financed from voluntary funds. The Advisory Committee trusts, therefore, that the Director-General will continue his efforts to improve the presentation of the ILO programme and budget.

E. Financing the budget

59. The regular budget of the ILO is financed by (a) contributions from member States, and (b) receipts from the UNDP/TA Special Account. As indicated in paragraph 68 below, the ILO credits casual income not to the general fund, but to its Working Capital Fund.

60. In past reports to the General Assembly on the budgets of the specialized agencies, the Advisory Committee has drawn attention to the disparities between the ILO scale of assessment and that of the United Nations. The Committee has also informed the Assembly of the measures taken to bring the ILO scale closer to the United Nations scale (see paragraph 154-157 of annex I below). The Committee recognizes that the principal cause of the differences between the two scales is historical, notably the fact that the minimum rate under the League of Nations scale - on which that of the ILO was based - was three times the minimum under the United Nations scale.

61. In accordance with the formula worked out by the ILO Allocations Committee for the years 1969, 1970 and 1971, there has been a gradual narrowing down of the differences between the rates at which many individual member States are assessed by the ILO and the United Nations. Thus, the minimum assessment under the ILO scale, which used to be three times that of the United Nations scale (0.12 per cent as against 0.04 per cent), will be reduced to twice the United Nations minimum by 1971 (0.08 per cent. 14/).

62. There still remain, however, significant variations between the two scales. Now that the Allocations Committee of the ILO has available to it the new scales for 1971, 1972 and 1973 recommended by the United Nations Committee on Contributions, the Allocations Committee should be in a position to continue its efforts towards greater uniformity, in accordance with the wishes of the General Assembly expressed in resolution 2190 A (XXI).

63. The Advisory Committee was informed (see table 5, paragraph 160, of annex I below) that between 1965 and 1968 there had been a gradual improvement in the cumulative percentage of current year's contributions collected by 31 December; this percentage rose from 91.65 at the end of 1965 to 92.95 at the end of 1968. The position at the end of 1969, however, was far less satisfactory: the cumulative percentage then stood at only 85.83. The delay in the collection of contributions had an adverse effect on the position of the Working Capital Fund, which is discussed in paragraphs 66-68 below.

64. As indicated in paragraphs 161-169 of annex I below, the ILO has two possibilities for financing unforeseen and extraordinary expenses which cannot be met out of savings. The first is a special appropriation line for "unforeseen expenditure", which has been included in the ILO budget since the financial year 1965; 15/ this is in keeping with the suggestion of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies that there should be a separate budget line to provide "a small amount of funds to meet contingencies which may arise and which cannot be met by savings or postponed until the adoption of the next budget" 16/. The provision for Unforeseen Expenditure cannot be drawn upon without the approval of the Governing Body or, in cases of particular urgency, by the Chairman of the

14/ The minimum for 1970 is 0.09 per cent.

15/ \$260,000 for the biennium 1970-71.

16/ Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343, para. 41.

Governing Body. The Advisory Committee has been informed that the latter procedure has not been resorted to so far.

65. Secondly, in accordance with article 18.1 (b) of the Financial Regulations of the ILO, the Working Capital Fund can be used "in exceptional circumstances and subject to prior authorization of the Governing Body, to provide advances to meet contingencies and emergencies". This is in line with the recommendation of the Ad Hoc Committee that working capital funds should not be used to finance additional expenses without prior appropriation, except in clearly exceptional cases. 17/

66. As for the level of the Working Capital Fund, the Advisory Committee was informed that the unencumbered balance of the Fund at the end of 1969 had been at a lower level than at any time in the previous four years, 18/ despite the measures taken to strengthen the Fund (which are described in paragraphs 177 to 179 of annex I below). In this connexion, the Committee noted that the introduction to the Audited Accounts for 1969 ascribed "the dangerous position of the Fund" at the end of 1969 to "its limited authorized level (\$6,830,824), the withdrawal in respect of supplementary credits... and the failure of a number of member States to pay their contributions during the year in which they were due". In his report on the audit of the accounts, the External Auditor of the ILO stated that "it seems clear that steps should be taken to ensure that the Working Capital Fund is brought to, and maintained at, a level adequate to meet the Organizations's requirements".

67. Because of the differing views held by its members, the Working Party on the Working Capital Fund has been unable to make an agreed recommendation on the question of the establishment of an appropriate ratio between the size of the Working Capital Fund and that of the budget of the Organizations. The Advisory Committee was informed that it is the view of the Director-General that at the beginning of a financial year the Fund should stand at not less than 25 per cent of the budget for that year.

68. In the meantime, following a recommendation by the Working Party, the ILO has strengthened the Fund by way of payments into it from the regular budget of \$150,000 in 1969 and \$100,000 in 1970; a further payment of \$100,000 is provided for 1971. Secondly, the Working Capital Fund is credited with miscellaneous income, such as net receipts from the sale of publications. The Advisory Committee noted that this procedure, which is governed by the provisions of article 11 of the Financial Regulations of the ILO, is inconsistent with the recommendation by the Ad Hoc Committee of Experts that miscellaneous income should be paid into the general fund. 19/ In reports to the General Assembly, the Director-General of the ILO has explained the reasons why the ILO has been unable to comply with the recommendation in question.

17/ Ibid., paras. 42, 43 and 47.

18/ See annex II-D below.

19/ Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343, para. 47.

F. Control over the implementation of the budget

69. The internal and external controls over budget implementation are described in section F (paragraphs 180-207) of annex I below. As far as internal controls are concerned, the Advisory Committee welcomes the Director-General's intention to propose such amendments to the ILO Financial Regulations as may be required to bring them generally into line with agreed recommendations of interagency bodies aimed at securing greater uniformity in the common system (see annex I, paragraph 180).

70. In any system of control over budget implementation one of the major concerns must be to ensure that allocations to the responsible officers - the programme managers in the case of the ILO - are used for the purpose for which the credits were appropriated in the budget. The Advisory Committee is satisfied that the procedures described in paragraphs 185 to 191 of annex I provide adequate safeguards. It notes that in the case of extra-budgetary resources and regular-budget technical co-operation projects, allocations to programme managers are made on a yearly basis (that is, for each half of the budget period). Other regular-budget funds are allocated for the whole biennium, subject to control over how departments apportion programme implementation between the two years. Financial progress reviews are carried out quarterly; this, the Committee was informed, applies to field offices and also to headquarters offices (except at the beginning of the biennium), which must submit every three months a full statement of expenditure and obligations and expected calls on the funds remaining at their disposal.

71. The man-month system of calculating staff resources, as applied in the ILO, allows programme managers considerable flexibility in the use of the funds allocated to them. A programme manager, for example, is allocated resources sufficient for a given number of professional man-months (or man-years), which may or may not correspond to the number of established posts existing in the offices under his control. ^{20/} Any additional man-months available to him, over and above those corresponding to established posts, may be applied to temporary assistance or consultant services. Moreover, should a programme manager be unable to fill one or more established posts, he can similarly have recourse to temporary or consultant help, up to the equivalent of the unobligated balance of man-years allocated to him. This ensures that the programme for which he is responsible will not be artificially retarded by recruitment delays. The Advisory Committee sees merit in this system. As man-power resources are allocated in the budget on the basis of standard cost factors, control over actual expenditure on personnel services is also exercised through clearing accounts for Professional and General Service Staff, in which actual expenditure is compared on a monthly basis with standard costs. In this way, the necessary corrective action can be taken without delay.

72. The annual report on financial performance reveals in general terms whether programme managers have fully used the staff resources available to them. Such a check, however, does not provide any indication as to whether the same work might have been done as well by fewer staff; this is a point which is considered by the

^{20/} The number of man-years may be greater than the number of established posts; it cannot be less unless the post is left unfilled or is transferred.

programme analysts; moreover, the efficient use of staff resources is assisted by information on the status of allocations provided by the Budget and Control Branch of the Finance and General Services Department, and also of the Management Services Branch, which is described in paragraphs 192-195 of annex I below.

73. The Advisory Committee inquired into the application of article 28 of the Financial Regulations, and rule 10.20 of the Internal Financial Rules, which provide for the calling of tenders from at least three suppliers whenever a single purchase of goods is likely to exceed \$2,500, except when the Director-General decides in the interest of the ILO to waive the requirement (see paragraph 190 of annex I). It was informed that most large purchases made by the ILO are for operational projects, such as those financed through UNDP or trust funds; while the usual practice is to invite broad bidding, there are occasionally cases where the waiver authority is exercised, mainly when the equipment involved is highly specialized.

74. The ILO has a Contracts Board which, in the case of major contracts, decides which tender shall be accepted. However, the Advisory Committee was informed that there exists no formal provision and no established practice for the opening of tenders. In view of the fact that single ILO purchases are sometimes in amounts of more than \$50,000, the Advisory Committee suggests that consideration be given to the adoption of a formal established procedure for the opening of bids.

75. Until 1 September 1969, the ILO had no office of Internal Audit. The Advisory Committee was informed that the decision to set up an internal audit service (annex I, paragraphs 196-198) was inspired by a suggestion by the External Auditor. Since then, the Service has mainly concentrated on external offices, but it is the Director-General's intention to extend the Service as soon as possible to review financial transactions at headquarters. The Advisory Committee agrees with the observation of the External Auditor in his report on the accounts for 1969 that, taking into account the vast field which the Internal Audit Service is going to cover, it is advisable to strengthen the Service beyond the establishment of a second Professional post envisaged for 1971.

76. The scope of activities of the Management Services Branch is limited by the size of the unit - five Professional three General Service officials, to whom should be added some resources for consultant services: (in the budget for 1970/71, these total \$23,000, or the equivalent of \$11,500 a year. ^{21/} The total cost of the Branch's activities during the biennium is expected to be about \$290,000. The Advisory Committee understands that the ILO has found it difficult to recruit candidates of the right calibre for the professional posts in the Management Services Branch, and that turnover in the Branch has been high. Because of the small size of the Management Services Branch, it does not have the resources to undertake a periodic review of individual units or a desk-by-desk survey; it has been used, however, to help assess departmental requests for more staff. In the Advisory Committee's opinion, consideration should be given at the appropriate time to strengthening the Management Services Branch.

^{21/} ILO, Programme and Budget for the Biennium 1970-71, para. 628.

77. The Committee was informed that there exists no permanent machinery for the exchange of views between the administrative management services of the organizations in the United Nations system. Yet such exchanges could be beneficial to all concerned because they would lead to the dissemination of ideas on how to simplify procedures, forms etc. For instance, the simplified standard travel authorization form developed by the Management Services Branch for use in the ILO and made available to other organizations in the United Nations system on the initiative of the Director-General of the ILO might be of benefit to them.

78. The Advisory Committee has been informed that the Management Services Branch, in co-operation with the Electronic Data Processing Branch, has been working on a project of considerable potential interest to all organizations in the United Nations family - that of computer storage and retrieval of texts of documents or parts thereof, which recur with considerable frequency. An ILO study had shown that nearly 30 per cent of all typing in the office consists in retyping passages from previous documents. Hence considerable savings could be realized if such retyping were replaced by computerized printouts.

79. External auditing in the ILO is carried out by an External Auditor who is appointed by the Governing Body in his personal capacity. The External Auditor reports to the Governing Body. The Advisory Committee was informed that the External Auditor of the ILO has not undertaken any management studies, because he considers that that might conflict with his independence as auditor.

80. Control by policy-making organs is exercised in the first place by the Financial and Administrative Committee of the Governing Body, which considers the report by the Director-General on budgetary performance and transfers, and recommends to the Governing Body such transfers between items of the budget as may be necessary.

81. The Financial and Administrative Committee also considers and takes note of the audited accounts and of the Auditor's reports thereon. The Advisory Committee noted that these reports include schedules not only of transfers from item to item as approved by the Governing Body, but also of transfers between programmes within budgetary items, which are made on the authority of the Director General.

82. The reports of the Financial and Administrative Committee on budgetary performance and transfers and on the audited accounts are considered by the Governing Body in plenary. On the basis of reports by the Governing Body, the audited accounts are adopted by the International Labour Conference

G. Co-ordination

83. The achievement of internal co-ordination in any organization - that is, the harmonization of the activities of its various units to reach a broad common objective - depends not only on the efforts deployed by departmental heads, but also on the extent to which the organizational structure fosters a clear delimitation of responsibilities. The Advisory Committee's comments on this subject should therefore be read in the context of its remarks in section B above.

84. In particular, the Advisory Committee believes that the responsibilities of the Relations and Conference Department for liaison with workers' and employers' groups, Governments and other bodies require close and continuing co-ordination with each of the major technical departments, whose expertise must often be called upon in such work. The Committee was gratified to note that representation of the ILO at technical meetings at and away from Geneva is normally the subject of consultations between the Relations and Conference Department and the technical department interested.

85. The Committee was informed that while institution-building is the principal responsibility of the Social Institutions Department, it is also one of the means used by the Human Resources Department - another of the major technical departments in the ILO - to stimulate popular support for its activities in member States. Here again there is a clear need for interdepartmental consultation.

86. In the view of the Advisory Committee, the Director-General should exercise care to ensure co-ordination of activities both within the major technical programmes and between them and the Research and Planning Department and the International Labour Standards Department.

87. At the same time, the Committee recognizes that the programming and planning system in use in the ILO, by channelling all departmental programme proposals through a single unit and through the Programme Committee, provides a built-in safeguard against the blurring of responsibility between individual departments and offices.

88. Co-ordination functions between headquarters and the field and liaison with multilateral, bilateral and non-governmental aid-giving organizations are performed by the new Technical Co-operation Department whose terms of reference are described in paragraph 45 of annex I below. Since the new relationships between headquarters and the field were defined after the Advisory Committee's visit to the ILO and since the new field structure is yet to be implemented, the Committee is not in a position at this stage to offer any observations thereon. At the same time, the Committee trusts that the Director-General will follow closely how the decentralization process will work in practice, so as to take such corrective steps as may be necessary to ensure that the activities in the field are co-ordinated within the over-all activities of the ILO and that headquarters departments will provide the necessary backstopping without this leading to "second-guessing" or duplication of activities.

89. Co-ordination between the work of the ILO and that of other organizations both inside and outside the United Nations system, the Advisory Committee was informed, is a continuing subject of concern to the Director-General.

90. The principal area where duplication may arise between the ILO and the United Nations is industrialization. The Committee welcomes the signing by the executive head of the ILO and UNIDO of a "Memorandum of guidelines for co-operation" between the two organizations. At the same time, the Advisory Committee believes that, in view of the interdependence of labour and industry, it may be unrewarding to seek to delineate categorically the bounds of responsibility of the two organizations; a better approach might be to seek at both the intergovernmental and secretariat levels a positive working arrangement, one aspect of which could

be co-operation in operational projects. The Advisory Committee was pleased to note that a beginning has been made in this direction. Thus, an ILO/UNIDO intersecretariat Working Party, established under the Memorandum, meets regularly to discuss activities of mutual concern. Again, UNIDO is participating in four UNDP projects being executed by the ILO, and the ILO in nine projects being executed by UNIDO.

91. Another area in which special care is required to avoid duplication between the ILO, the United Nations and, to a lesser degree, UNESCO is that of human rights, where potential overlapping of activities may be increased with the entry into force of the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights. The multitude of initiatives taken in various organizations in recent years on human rights matters calls for vigilance - by the agencies themselves and through the interagency co-ordination machinery - to ensure that what is being started by one is not already being done, albeit in a slightly different way, by another.

92. In this context, the Advisory Committee noted that for the first time specific provision is made in the ILO budget for 1970-71 for "general human rights co-ordination, research and reports", which entails collaboration with other international organizations, research and other tasks arising from the co-ordination of human rights activities within the ILO, and certain public information activities. The resources allocated to this new programme, however, are small, amounting to \$36,240 for the biennium. ^{22/} The Advisory Committee understands that the Director-General is aware that the dividing line between certain human rights activities is sometimes not clearly drawn, and that it is his intention to study this problem.

93. A third area of possible overlapping is that of tourism; here again care will have to be taken to delineate the spheres of competence of the various organizations interested in the question.

94. With respect to relations between the ILO and other agencies in the United Nations family, the Advisory Committee notes the numerous relationship agreements and memoranda listed in paragraph 211 of annex I below, and the joint bodies for co-ordination in which the ILO participates, examples of which are listed in paragraph 215 of the annex.

95. The success of the ILO's World Employment Programme will clearly depend on the extent to which its objectives can be harmonized with those of other global strategies, including that for the Second United Nations Development Decade and FAO's Indicative World Plan for agriculture. Co-ordination with the International Development Strategy for the Second United Nations Development Decade will have to await international agreement on how that strategy is to be formulated. In the case of the Indicative World Plan, the Committee was informed that the implications for employment of such phenomena as the "green revolution" and land reform are now being studied by the ILO, on the invitation of the Director-General of FAO.

96. The Advisory Committee stresses that co-ordination between organizations should entail not only their common participation in operational or research

^{22/} ILO, Programme and Budget for the Biennium 1970-71, paras. 377-378.

projects, but also, and especially, close consultation in the elaboration of programmes, particularly those with interdisciplinary ramifications. While this is partly a task for the international secretariats, it is also a responsibility of Governments, which must try to ensure that their representatives in different organizations adopt uniform positions. Failure to observe these requirements leads to interagency jealousies and rivalries, to wastage of resources, and to a loss of prestige for the United Nations system as a whole. The Advisory Committee therefore welcomes the decision of the Director-General (see paragraph 212 of annex I below) not only to circulate the ILO programme and budget proposals to other organizations, but to ask them specifically for comments; it trusts that this initiative will meet with positive response in the other organizations and that constructive comments will be forthcoming.

97. Moreover, in the Advisory Committee's opinion one way to avoid the emergence of new co-ordination difficulties is for all organizations to proceed with caution when contemplating their entry into a new field. Consultations at this point could forestall a disorganized approach to such new problems - some of which may be of real urgency.

98. The Advisory Committee noted with interest that the Governing Body has set up a special Committee - the International Organizations Committee - to study and make recommendations on questions of co-operation between the ILO and other international intergovernmental organizations.

99. The comments of the Advisory Committee on the application by the ILO of the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of United Nations and the Specialized Agencies, in so far as they apply to certain aspects of the Organization's activities, are given in the appropriate chapters of this report.

H. Programme of conferences and meetings, languages documentation and publications

100. The ILO's programme of conferences and meetings, the use of languages and the procedures governing the issue of documentation and publications are described in annex I below (section H, paragraphs 226 to 252).

101. The Advisory Committee noted that in the ILO the programme of conferences and meetings is subject to strict control by the Governing Body. This control is exercised in the following manner:

(a) In the case of the International Labour Conference, the Governing Body considers all suggestions as to the agenda and settles the agenda for all meetings 23/ of the Conference. 24/ If the conference wishes to include a new item, "that subject shall be included in the agenda for the following meeting". 25/

23/ In this context, "meeting" corresponds to "session" in United Nations terminology.

24/ Constitution of the International Labour Organisation, article 14.1.

25/ Ibid., article 16.3.

(b) "Major meetings" are subject to an annual pattern established by the Governing Body (see annex I, paragraphs 230 and 231).

(c) The Governing Body has approved a standard programme of meetings for its own sessions (annex I, paragraph 232).

102. Furthermore, the detailed programme of conferences and meetings, including dates and places, is approved by the Governing Body on the basis of the over-all programme for the budgetary period as laid down in the approved Programme and Budget.

103. Thus, the ILO has the necessary centralized machinery to guard against the proliferation of conferences and meetings which are becoming such a burden for other organizations in the United Nations system.

104. The limitation of the programme of conferences and meetings ipso facto restricts the volume of related reports and records. In this connexion the Advisory Committee noted further that no records are provided for committees of regional conferences or for meetings of experts; technical sub-committees of Industrial Committees receive short minutes. The Advisory Committee was informed that the volume of summary records was reduced in recent years; a further review was carried out two years ago, but no additional reductions in records were found possible.

105. As regards the publications programme of the ILO, the Advisory Committee understands that there exists a degree of overlapping between the statistical publications of the organization and those of the United Nations Statistical Offices: some basic series appear in both sets of publications. This question has been investigated by the United Nations Statistical Commission and by ACC's Sub-Committee on Statistics, which concluded that there was no unnecessary duplication, and that there was need for both sets of publications to include the basic series in question. The Advisory Committee was informed that there was no duplication in the collection of statistical data and that the ILO passed on to the United Nations the statistics it collected.

I. Staff of the International Labour Office

106. Information on the growth of staff of the ILO and on recruitment and retention problems is contained in paragraphs 253-257 of annex I and in annex II E.

107. During the 1960s, the staff of the ILO nearly trebled to almost 3,000. The number of headquarters staff nearly doubled, while that of experts assigned to field projects increased nearly fivefold. There has thus been a relatively faster growth in the number of staff serving away from headquarters. This trend may well be intensified as a result of the steps being taken to promote decentralization (see paragraphs 18-22 above).

108. The man-power resources of the ILO consist of permanent and temporary staff. Allocations for both are made as global authorizations for given numbers of man-years and man-months. The number of staff who may be recruited with permanent contracts is limited by a special allocation of "posts". The proposed distribution of posts by major programme and programme is reflected in the

schedule of established posts annexed to the programme and budget document. The actual allocation and control of posts are effected at the department - rather than branch - level in the interests of flexibility. In recent years, there has been a relative decline in the percentage of posts to total staff resources (from 84.9 per cent in 1966 to 78.3 per cent in the biennium 1970-71) attributable to the Director-General's intention to keep the number of new posts to a minimum. 26/

109. The Advisory Committee was informed that the non-"post" resources could be employed either consecutively (for example, one man from January to December = 1 man-year) or concurrently (for example, three men from January to April = 1 man-year) depending on the work at hand.

110. The table below shows the occupation of posts and temporary appointments as at 1 April 1970 for both the regular budget and extra-budgetary accounts. It will be noted from this table that temporary staff account for about one third of the Professional strength of the Office and for nearly one half of the General Service staff.

111. The established posts are subject to more detailed scrutiny on the part of the Governing Body and the Conference than do the supernumerary resources. Thus, the programme and budget document contains a schedule of established posts by grade and location and lists of new posts and regradings. Again, article 6.2 (b) of the Financial Regulations provides that "A confidential list showing the names of the officials of the organisation and setting out their nationalities, duties, salaries and entertainment allowances (if any) shall be circulated to the Conference at the session at which the budget estimates are submitted". Since 1964, information on the distribution of staff in the Professional category and above by nationality has also been provided to the Governing Body.

112. The Advisory Committee inquired into the recruitment practices of the ILO. It was informed that the Office makes extensive use of the government services of the member States. Vacancy notices are sent to the ILO's local contacts (Ministries of Labour, employers' and workers' associations, trade unions, universities, law schools). On occasions (for example, to recruit experts) vacancies are advertised in the press, including trade journals; experience with press advertising has been very good in terms of the number of replies received; but the average qualifications of the applicants were not very high.

113. The Advisory Committee concluded that, in practice, the ILO tends to recruit its staff on a narrower basis. It suggests that more attention be paid to the development of other potential sources of recruitment, especially in the industrialized countries, where recruitment problems seem to be particularly acute.

114. Article 4.2 (f) of the Staff Regulations of the ILO provides that the method of filling any Professional post below the grade of P.5, otherwise than by appointment for a fixed term, is decided by the Director-General after consulting the Administrative Committee (which consists of a Chairman appointed by the Director-General, three members and three substitutes appointed by the

26/ ILO, Programme and Budget for the Biennium 1970-71, Director-General's introduction, paras. 170-171.

Occupation of posts and temporary appointments as at 1 April 1970

| SOURCE OF FUNDS AND LOCATION (1) | PROFESSIONAL CATEGORY AND ABOVE | | | | GENERAL SERVICE CATEGORY | | | |
|--|--|--------------------------|----------------------|-------------------------|--|--------------------------|----------------------|-------------------------|
| | NUMBER OF PERMANENT POSTS AUTHORIZED (2) | NUMBER OF STAFF EMPLOYED | | | NUMBER OF PERMANENT POSTS AUTHORIZED (6) | NUMBER OF STAFF EMPLOYED | | |
| | | PERMANENT (3) | TEMPORARY (4) | TOTAL (3 + 4) (5) | | PERMANENT (7) | TEMPORARY (8) | TOTAL (7 + 8) (9) |
| <u>REGULAR BUDGET</u> | | | | | | | | |
| HEADQUARTERS | 577 | 446 | 174 | 620 | 596 | 479 | 280 | 759 |
| EXTERNAL OFFICES | 117 | 84 | 34 | 118 | 114 | 82 | 106 | 188 |
| TOTAL | 694 | 530 | 208 | 738 | 710 | 561 | 386 | 947 |
| <u>EXTRA-BUDGETARY ACCOUNTS</u> | | | | | | | | |
| HEADQUARTERS | 38 | 25 | 76 | 101 | 51 | 34 | 124 | 158 |
| EXTERNAL OFFICES | 2 | - | 4 | 4 | - | - | 1 | 1 |
| CINTERFOR | 3 | 1 | 1 | 2 | 4 | - | 1 | 1 |
| TOTAL | 43 | 26 | 81 | 107 | 55 | 34 | 126 | 160 |
| TOTAL AT HEADQUARTERS | 615 | 471 | 250 | 721 | 647 | 513 | 404 | 917 |
| TOTAL AT EXTERNAL OFFICES | 119 | 84 | 38 | 122 | 114 | 82 | 107 | 189 |
| CINTERFOR | 3 | 1 | 1 | 2 | 4 | - | 1 | 1 |
| GRAND TOTAL | 737 | 556 | 289 | 845 | 765 | 595 | 512 | 1 107 |

Note: Field project staff are not included in the above figures. The figures indicated for regular budget posts (694 posts in the Professional category and above and 710 posts in the General Service category, for a total of 1,404) include, in addition to 1,278 posts in regular grades, 19 manual worker posts, 29 posts equivalent to the Professional category in external offices, 74 posts equivalent to the General Service category in external offices and 4 reserve posts for officials seconded to other organisations (i.e. 126 further posts in all). The figures in columns 3 and 7 show only the number of permanent staff actually in post at the date of the table and to not include staff in process of recruitment at that date.

Source: International Labour Office, document GB.180/FA/3/7.

Director-General and three members and three substitutes appointed by the Staff Union Committee). Thus the ILO gives its staff a voice in the decision of how a particular vacancy is to be filled. 27/

115. The Advisory Committee noted that annex I, Recruitment procedure, to the Staff Regulations specifies that, in the filling of any post, account shall be taken of the linguistic knowledge of the candidates. Officials in the Professional category whose mother tongue is one of the working languages must have a good knowledge of a second working language and may be required to acquire a knowledge of a third working language. Officials in the Professional category whose mother tongue is not one of the working languages must possess a fully satisfactory working knowledge of one of the working languages of the office and may be required to acquire a knowledge of a second working language. The Advisory Committee understands that despite this requirement the Office has encountered difficulties in recruiting staff with the requisite language skills, and that it has organized an extensive subsidized language-training programme during and after office hours (in the school year 1968, a total of 3,574 hours of language teaching were provided by the Office).

116. The Committee was informed that, for historical reasons, the ILO employs a larger proportion of permanent staff than other organizations in the United Nations system. Fixed-term appointments are made to secure necessary expertise or for administrative reasons (for example, to speed up the recruitment process, fixed-term appointees do not have to undergo the competitive examination required for outside recruitment to permanent posts). Most fixed-term contracts are for two years or less; but a fairly high proportion of staff originally engaged on fixed-term contracts are subsequently granted permanent appointments.

117. Except for language training (see paragraph 115 above), the ILO does not have a well-developed staff training programme. In 1968, the total number of hours of courses (computer courses etc.) other than language courses amounted to only 250, and the number of grants for outside study to forty-nine. Appropriations for training and staff planning in 1970/71 are just under \$281,000, that is, at an annual rate similar to that of 1968 (\$145,000). At the same time the Advisory Committee noted that a reorientation of the training programme of the Office is underway. One of the basic features of this scheme is a new career planning system which will attempt to provide relevant job experience in broad areas of office activity in such a way as to match the interests and talents of promising staff members with the long-term needs of the office; a new scheme for managerial and supervisory training is also under consideration. 28/ The Advisory Committee recommends that the scope of in-service training programmes be expanded to ensure that the staff of the Office are kept informed of the latest developments in the various substantive fields with which ILO is concerned.

27/ Generally speaking, management-staff consultations play a larger role in the administrative processes of the ILO than in the other organizations in the United Nations system.

28/ ILO, Programme and Budget for the Biennium 1970-71, para. 576.

J. Accommodation

118. The ILO headquarters in Geneva are now housed in a building inaugurated in 1926 (since when it has been extended on two occasions) and in several other premises, some of which are owned by the Organisation and others rented. In order to overcome this dispersion of staff and provide for additional accommodation needs in the future, the ILO has decided to construct a new headquarters building in Geneva which would be able to accommodate approximately 50 per cent more staff than the number employed at headquarters in 1966. The details of the new building and of the present ILO accommodation in Geneva are given in annex I below (section J, paragraphs 259 to 273).

119. The Advisory Committee was informed that the Financial and Administrative Committee of the Governing Body has set up a Building Sub-Committee, which examines the accommodation needs of the Organisation and the plans for meeting them. The Sub-Committee consists of twelve members (six Government, three Employer and three Worker members), equality of voting power between the members representing each group being ensured by a system of weighted voting.

120. The new ILO headquarters building was designed to meet the Organisation's accommodation needs at Geneva until about 1981. If the rate of growth of the headquarters staff is slowed down as a result of the planned decentralization of some ILO activities to the regions, the full capacity of the building may not be reached until later in the 1980s. Nonetheless, and despite the burden which the construction of the headquarters building will place on the ILO budget, the Advisory Committee is of the opinion that the ILO is acting prudently in not reducing the size of the new premises, as the experience of other organizations in the United Nations system has shown that such reductions lead in the long run to very much higher expenditure. At the same time, the Advisory Committee would warn that the advantages of having a larger building suitable for future expansion would be dissipated if the availability of extra space were to lead to lavish accommodation standards, which not only would be costlier per staff member, but also would make it much more difficult to return to more economical standards in the future. Instead, the Committee would urge that the Organisation explore with the other Geneva-based international organizations the possibility of letting to them the space which will not be immediately needed for the ILO's own needs.

121. The Advisory Committee welcomes the ILO's decision not to build into the new premises a large Conference room of a size capable of accommodating the International Labour Conference, and to rely instead on the facilities of the Palais des Nations. In this way, more rational use can be made of the space in the building now under construction.

122. As regards the ILO's premises away from headquarters, the Advisory Committee notes that it is the Organisation's policy to share premises with other organizations in the United Nations system wherever there is a balance of advantages in doing so. As the great majority of ILO external offices are housed in rented rather than owned premises, it should be possible to review the situation at frequent intervals in the light of the circumstances in each locality; the UNDP Resident Representative could play an important co-ordinating role in this respect and take the necessary initiatives wherever local circumstances favoured the establishment of common premises.

K. Use of electronic data processing

123. The ILO installed its first computer, an IBM 1440, in 1966. Since then, the volume of electronic data processing has been considerably expanded. In March 1969, the Organisation changed over to an IBM 360/30 model, and plans are now in hand to install a larger model, an IBM 360/40. Details of the main applications and general policies governing the use of the ILO computer are given in annex I below (section K, paragraphs 276-281).

124. The Advisory Committee noted that, in 1969, administrative applications accounted for just over half the total computer time used. In the first eight months of 1970, this proportion fell to about 43 per cent, and the Committee was informed that a further decline was expected as substantive applications were developed. Nonetheless the Committee feels that the ILO should continue to review the range of computerized reports being produced for administrative purposes so as to eliminate those of marginal usefulness.

125. As regards non-administrative applications, the Advisory Committee noted with interest the progress made by the ILO in its Integrated Scientific Information Service (ISIS) - a computer-based system of information storage and retrieval. The Committee was informed that several organizations, including FAO, UNESCO, UNCTAD, UNIDO and OECD, are co-operating with the ILO in the development of ISIS. The ILO has offered to make the ISIS facilities available to UNDP for developing the technical and scientific information sub-system proposed in the report entitled "A study of the capacity of the United Nations development system". 29/

126. Quite obviously, information available in the ILO library and archives may often be of considerable use to other organizations in the United Nations system and vice versa. For this reason, and in order to avoid a situation where the same documents and publications will be abstracted in the libraries of the various organizations, working independently and perhaps even in ignorance of each other's activities, the Advisory Committee attaches great importance to ensuring that there is compatibility between the information systems. In this connexion, the Committee recalled that in his report entitled "Electronic data processing in the United Nations family of organizations" (A/8072, annex), the Auditor General of Canada had suggested that interagency task forces be set up for areas of particular importance. The ILO, which was the first United Nations agency to embark upon computerized information storage and retrieval, might play a useful role in a task force on compatible computerized documentation systems.

127. Bearing in mind the proposals for the creation in Geneva of a large-capacity interagency computing centre, the Advisory Committee inquired into the ILO's attitude to those proposals. The Committee was informed that the ILO intended to retain its own computer even if an interagency centre were set up in Geneva. The Organisation considered it essential to retain adequate in-house capacity first of all for applications on which its current operations were entirely dependent, and for which prompt and uninterrupted processing, coupled with maximum flexibility of operations scheduling, was indispensable; and secondly for applications which call for continuous close contact between the units concerned and the data processing staff and ready access by the former to the computer. As the ILO was already running out of central processing capacity, it believed that the computer under its own control should have the capacity of an IBM 360 model 40; the Organisation had no plans to go beyond the capacity of a 360/40, for

29/ DP/5, vols. I and II.

it assumed that, when its computer workload reaches the limits of that model, spare computer capacity would be available on other installations in Geneva. Furthermore, it appeared to the ILO on the basis of current cost data that the cost to the Organisation of using the interagency computer centre would be significantly higher than the cost of operating its own installation at the level envisaged.

128. In its consideration of the question, the Advisory Committee noted that a recent study of the ILO's electronic data processing installation had concluded that a concentrated programme of consolidation and refinement of existing systems might accomplish more than could be achieved by a further computer equipment conversion at this time; in particular, it was pointed out that the 360/30 model now in use had been installed as recently as March 1969 and that, since it took time to eliminate the initial inefficiencies following the introduction of a new computer, it could not be said that the ILO obtained maximum throughput with its IBM 360/30. Moreover a substantial number of programmes had been written originally for the IBM 1440; hence they were not using the full capabilities of the current equipment. In that connexion the ILO informed the Advisory Committee that maximum possible throughput had already been reached; the initial inefficiencies on the model 360/30 have been largely eliminated, many of the 1440 programmes having been rewritten; in the remaining cases, the inefficiencies could be eliminated only by upgrading the computer memory.

129. The Advisory Committee agrees with the ILO that maximum results should be obtained for the Organisation's expenditures and that therefore cost-effectiveness must be the guiding criterion. At the same time, the Advisory Committee does not find very convincing some of the Organisation's other arguments for changing over to a 360/40 model at a time when an interagency computer centre is being planned for Geneva. Firstly, the Advisory Committee cannot accept that all the ILO's current computer applications would qualify for in-house processing under the ILO's own definition (see paragraph 127 above). Secondly, many applications that would, until quite recently, have required access to an in-house computer can now be processed with the help of a remote access terminal. The transfer of such applications to an interagency computer, together with the elimination of some of the present detailed administrative reporting which could be discontinued without detriment to the efficient management of the Office, would release additional capacity on the 360/30.

130. As regards cost-effectiveness, the Advisory Committee would point out that, if the interagency centre is to be used to handle overflow programmes only, as and when they arise, it would have to operate well below optimum capacity, whereas if the large central computer were fully utilized, all the agencies concerned would benefit from the greatly reduced costs of the second and third shifts, and the costs per job would be well below those of the present separate facilities. Again, it should not be forgotten that the capacity of the 360/40 model is greater than that of the 360/30. In this connexion, the Committee was informed by the ILO that a model 360/40 involves only a 30 per cent greater throughput on average than a model 360/30, assuming that only the central processing unit is changed. The Committee understands, however, that the makers of the 360/40 claim that it gives an increase in capacity of approximately 100 per cent, and that the increased costs are therefore more than offset by the increase in capacity. Moreover, the Committee has been informed that the International Computing Centre in New York, by upgrading its 360/30 to a 360/40, has achieved a throughput on the 360/40 which is more than three times that of the 360/30. This expansion has involved changes

in the peripheral devices which more fully exploit the greater capacity and speed of the 360/40. Hence, by installing a 360/40 at this time and adding peripheral devices as necessary, the ILO could, for a considerable time ahead, run all its applications on its own machine, regardless of whether they qualified for in-house processing on the basis of the criteria discussed above.

131. In the light of the above considerations, the Advisory Committee concluded that the ILO should subject to a critical review its current plans to install a 360/40 computer. The Committee would draw the ILO's attention to the decision taken by the Economic and Social Council at its 1725th meeting, whereby the Council commended the Secretary-General's proposals for the establishment of the International Computing Centre in Geneva, as an effective form of co-ordination that would bring to the co-operating agencies the advantages of a large-scale computer installation and the greater efficiency of modern computer methods, and recommended that all organizations represented in the ACC review their electronic data processing work with a view to co-ordinating it with that of the International Computing Centre and consider the desirability of participating in the Centre.

ANNEX I

A. The International Labour Organisation

1. The Organisation and its purpose

1. The International Labour Organisation was established in 1919. As described in the preamble to its Constitution, its objective is to contribute to the achievement of universal and lasting peace by fostering conditions which would lead to social justice. Thus, according to the preamble, the Organisation should foster improved labour conditions, for example, by the regulation of working hours and of the labour supply, the prevention of unemployment, the provision of an "adequate living wage", protection of the worker against sickness, disease and injury arising out of his employment, the protection of children, young persons and women, provision for old age and injury, protection of the interests of workers employed outside their own countries, recognition of the principles of equal pay for work of equal value and of freedom of association, and the organization of vocational training.

2. The aims and purposes of the Organisation were further elaborated in the Declaration of Philadelphia, adopted by the International Labour Conference in 1944 and annexed to the Constitution. Article II of the Declaration states that the ILO has a responsibility to "examine and consider all international economic and financial policies and measures" in the light of the fundamental objective of attaining conditions in which all human beings can pursue "both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity". In article III the Conference recognized the solemn obligation of the ILO to further programmes which would achieve a number of specific objectives: full employment and raised standards of living; the employment of workers in occupations where they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being; the provision of facilities for training and the transfer of labour; policies calculated to ensure "a just share of the fruits of progress to all, and a minimum living wage to all employed and in need of such protection"; the effective recognition of the right of collective bargaining; the co-operation of management and labour in the improvement of productive efficiency; the collaboration of workers and employers in the preparation and application of social and economic measures; the extension of social security measures; adequate protection for the life and health of workers; provision of child welfare and maternity protection, and of adequate nutrition, housing and facilities for recreation and culture; and the assurance of equality of educational and vocational opportunity. In article IV, the Declaration pledges the full co-operation of the ILO with international bodies concerned with the expansion of production and consumption, measures to avoid severe economic fluctuations, the promotion of economic and social advancement of the less developed regions, greater stability in prices of primary products and the promotion of a high and steady volume of international trade.

3. Originally established as an autonomous institution associated with the League of Nations, the ILO became in 1946 the first specialized agency to be associated in a formal manner with the United Nations. Its original membership of forty-five States has grown to 121.
4. A unique feature of the ILO is its "tripartite" structure: its policy-making organs, dealt with in section 2 below, include representatives not only of Governments, but also of workers' and employers' organizations in each member State. This tripartite representation in policy-making organs is provided for in articles 3 and 7 of the ILO Constitution and has been respected in the ILO since its inception.
5. Under the terms of the formal agreement between the United Nations and the ILO, which came into force in 1946, the United Nations recognizes the ILO as "a specialized agency responsible for taking such action as may be appropriate under its basic instrument i.e., the Constitution, including the annexed Declaration of Philadelphia for the accomplishment of the purposes set forth therein".
6. In line with the constitutional provisions quoted in paragraphs 1 and 2 above, a principal task of the ILO is the adoption of international labour standards, in the form of conventions and recommendations, for implementation by member States. The areas affected include child labour, protection of women workers, hours of work, rest and holidays with pay, labour inspection, vocational guidance and training, social security protection, workers' housing, occupational health and safety, conditions of work at sea and protection of migrant workers. The standards also cover such basic human rights as freedom of association, the abolition of forced labour and the elimination of discrimination in employment. As of August 1970, 130 conventions and 134 recommendations had been adopted by the ILO. They are intended as a model and stimulus for legislation and practice in member States and constitute what has come to be known as the International Labour Code. A system of supervision consisting of an independent Committee of Experts and a tripartite committee of the International Labour Conference has been developed to secure respect for the obligations which States undertake by ratifying ILO conventions.
7. In addition to its standard-setting activities, the ILO has been engaged for the past two decades in an expanding programme of technical co-operation to assist developing countries. Nearly half of the resources it administers are now devoted to these activities, which are carried out in association with the United Nations Development Programme (UNDP) and often in collaboration with other specialized agencies. Major fields of ILO technical assistance activity are the development of human resources, conditions of work and life, and the development of social institutions.
8. Standard-setting and technical co-operation are supported by extensive research and publications. The ILO is a major source of publications and documentation on labour and social matters, and serves as an international clearing house of information. It has established the International Institute for Labour Studies in Geneva - a centre for the scientific study of labour problems - and the International Centre for Advanced Technical and Vocational Training in Turin, which trains instructors from developing countries in advanced vocational training and management techniques.
9. Details of the programmes of the ILO are provided in section C below.

2. Composition and functions of the main organs

10. The International Labour Organisation is composed of a general conference, which normally meets each year in June (the International Labour Conference); an executive council (the Governing Body) and its committees; and a permanent secretariat (the International Labour Office). a/ The Organisation also works through other bodies such as regional conferences, regional advisory committees, industrial committees and panels of experts.

(a) The International Labour Conference

11. The International Labour Conference, the supreme deliberative body of ILO, is composed of four representatives from each member State: two government delegates, one employer delegate and one worker delegate, each of whom may speak and vote independently. It elects the Governing Body, adopts ILO's biennial programme and budget (on the recommendation of the Governing Body), adopts international labour standards and provides a forum for the discussion of social and labour questions. Although the agenda of all its meetings is fixed by the Governing Body, the Conference by a two-thirds majority may itself decide to include any subject as an agenda item for its following meeting. By the same majority it can adopt amendments to the Constitution; such amendments take effect only when ratified by two thirds of the members of the ILO, including five of the ten members of the Governing Body designated as States of chief industrial importance (see paragraph 13 below). The Conference elects a president and three vice-presidents; of the latter, one must be a Government representative, one an employers' representative, and one a workers' representative.

12. The Conference is assisted in its work by a number of committees. These include the following:

(a) The Selection Committee. This Committee arranges the programme of the Conference, fixes the time and agenda for the plenary sittings, makes proposals relating to the setting-up and composition of other committees, and reports to the Conference on any other questions requiring a decision for the proper conduct of its business. The Committee consists of forty-eight members (twenty-four Government, twelve Employer and twelve Worker members).

(b) The Credentials Committee. This Committee examines the credentials of delegates and their advisers, and any objection relating thereto. It consists of three members (one Government, one Employer and one Worker member), appointed on the nomination of the Selection Committee.

(c) The Conference Drafting Committee. This Committee's functions follow from the rules concerning Convention and Recommendation procedure and the rules concerning the procedure for the amendment of the Constitution. In general, it is responsible for expressing in the form of Conventions and Recommendations the decisions adopted by the Conference, and for ensuring agreement between the

a/ See section B below.

English and French versions of the texts of all formal instruments submitted to the Conference for adoption. The Committee consists of at least three persons, who need not be either delegates or advisers, appointed on the nomination of the Selection Committee. The drafting committees appointed by the various technical committees established to discuss the text of proposed Conventions or Recommendations form part of the Conference Drafting Committee when any proposed Convention or Recommendation is submitted to the Conference by the Committee concerned.

(d) The Resolutions Committee. This Committee examines all resolutions relating to matters not included in the agenda of the Conference. It considers whether such resolutions are receivable and may amend them in form or substance. It has the special duty of distinguishing (by appropriate drafting) resolutions, the adoption of which would involve exact legal consequences from resolutions not creating any legal obligation. The size and composition of the Committee are determined in accordance with the general procedure laid down in the Standing Orders of the Conference concerning the appointment of Committees. Under this procedure, committees are appointed by the Conference on the recommendation of the Selection Committee, which considers lists of names submitted to it by the three groups.

(e) The Finance Committee of Government Representatives. This Committee considers the approval, allocation and collection of the budget of the Organisation, the audited accounts and the Auditor's reports thereon, proposals to restore the voting rights of members who are in arrears in the payment of their contributions, and other matters referred to it by the Conference. The Committee consists of one Government delegate from each member State represented at the Conference.

(f) The Committee on the Application of Conventions and Recommendations. This Committee considers the measures taken by member States to give effect to the provisions of conventions to which they are parties and the information supplied by them concerning the results of inspections, the information and reports concerning conventions and recommendations communicated by them, and the measures taken by them with regard to the application of conventions to non-metropolitan Territories. The size and composition of the Committee are decided by the Conference in accordance with the general procedure indicated in (d) above.

(g) Other (Technical) Committees. These Committees consider the text of proposed conventions or recommendations referred to them by the Conference under the single or double discussion procedure laid down in its Standing Orders. Their size and composition are decided by the Conference in accordance with the general procedure indicated in (d) above.

(b) The Governing Body

13. The Governing Body normally meets three times a year in Geneva to decide questions of policy and programme. It is composed of twenty-four Government members, twelve employer members and twelve worker members, plus twelve deputy members for each group, who may participate in its discussions, but may not vote. The Government members always include the representatives of the ten States of chief industrial importance, designated by the Governing Body in the light of the findings of an independent body of experts; b/ the others are elected every three years by the appropriate group in the Conference. The Governing Body elects a chairman and two vice-chairmen; of these three posts, one must be occupied by a Government representative, one by an employers' representative and one by a workers' representative.

14. The functions of the Governing Body may be summarized as follows:

(a) It draws up the agenda of each session of the Conference and decides what specific action should be taken on the resolutions passed;

(b) It settles the dates, duration, agenda and composition of all subsidiary meetings, and follows up, as appropriate, their proposals or conclusions;

(c) It examines the application by member States of the conventions and recommendations adopted by the Conference;

(d) It considers programme and budget proposals submitted by the Director-General and recommends the programme and budget to be approved by the Conference (which customarily adopts it without change);

(e) It appoints the Director-General.

15. The Governing Body has established the following Committees:

(a) The Financial and Administrative Committee. This Committee considers the Director-General's programme and budget proposals and financial, personnel and other administrative questions; it reports to the Governing Body on such questions. The Committee consists of thirty-three members (twelve Government, ten Employer and ten Worker members, together with the Chairman of the Governing Body as ex officio chairman). Equality of voting power as between the members representing each of the three groups is ensured by a system of weighted voting.

(b) The Allocations Committee. This Committee considers questions relating to contributions and to their allocation among the members of the ILO; it reports to the Governing Body on this subject. The Committee consists of Government representatives only; its membership is twelve.

b/ At present, the ten States are Canada, China, the Federal Republic of Germany, France, India, Italy, Japan, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, and the United States of America.

(c) The Committee on Standing Orders and the Application of Conventions and Recommendations. This Committee examines all matters relating to the working of the constitutional provisions concerning the effect given to conventions and recommendations, considers questions relating to standing orders, and reports to the Governing Body on these matters. It consists of sixteen members (eight Government, four Employer and four Worker members). Equality of voting power as between the members representing each of the three groups is ensured by a system of weighted voting.

(d) The Committee on Industrial Committees. This Committee's functions include consideration of the conclusions of industrial and analogous committees prior to their submission to the Governing Body, consideration of the programme of activities of these committees, gradual establishment of a procedure to enable them to fulfil their objectives, and the definition of the part to be played by them in the general work of the ILO and the United Nations system. The Committee consists of thirty members (twelve Government, ten Employer and eight Worker members). Equality of voting power as between the members representing each of the three groups is ensured by a system of weighted voting.

(e) The International Organisations Committee. This Committee makes recommendations to the Governing Body concerning questions relating to co-operation between the ILO and other international intergovernmental organizations. It consists of twenty-two members (ten Government, six Employer and six Worker members). Equality of voting power as between the members representing each of the groups is ensured by a system of weighted voting.

(f) The Committee on Operational Programmes. This Committee keeps under continuous review all aspects of the operational activities of the ILO in whatever technical field or fields they may be carried out and however they may be financed; participates in the elaboration of a vigorous over-all programme of technical co-operation, in order to maintain a proper balance both between major technical programmes and between regions; co-ordinates work done under the various technical co-operation programmes; considers problems arising in the field of technical co-operation, including questions such as the association of employers' and workers' organizations in the preparation, implementation and evaluation of programmes and projects; suggests priorities, including those pertaining to technical co-operation activities financed by the ordinary budget of the ILO, having regard to the aims and purposes of the ILO and its tripartite character, and taking into account the priorities adopted by other intergovernmental organs responsible for the allocation of extra-budgetary resources for technical co-operation programme activities; reviews and evaluates the results achieved in the light of the aims and purposes of the ILO and its tripartite character; and examines the action to be taken on Conference decisions concerning technical co-operation matters. The Committee consists of thirty-four members (sixteen Government, ten Employer and eight Worker members). Equality of voting power as between the members representing each of the three groups is ensured by a system of weighted voting.

(g) The Committee on Freedom of Association. This Committee considers, for recommendation to the Governing Body, allegations relating to infringements of trade union rights. It consists of nine members (three per group) and an equal number of substitutes.

(h) The Committee on Discrimination. This Committee examines the most efficient way of reinforcing the action of the ILO in the field of discrimination in employment and occupation. It consists of seventeen members (seven Government, five Employer and five Worker members), plus the chairman.

16. Working through its committees, the Governing Body supervises ILO activities and the administration and management of the International Labour Office. The tripartite composition of the Governing Body and of most of its committees ensures that supervisory responsibilities are shared between government, employer and worker members.

B. The International Labour Office

17. The International Labour Office, headed by the Director-General, is the permanent secretariat of the Organisation. It is based in Geneva and has external offices in thirty-five countries. Its functions may be summarized as follows:

(a) It organizes the International Labour Conference, meetings of the Governing Body and its committees and other conferences and meetings, and provides documentation and secretarial services for them;

(b) It undertakes inquiries and research, publishes the results and makes use of them; it assembles and disseminates information on labour and related questions;

(c) It prepares the first drafts of international labour standards and promotes their application;

(d) It administers technical assistance programmes in close collaboration with national authorities, employers' and workers' organizations, and UNDP and other participating and executing agencies.

18. A chart showing the organization of the International Labour Office at the time of the Advisory Committee's visit to ILO headquarters in May 1970 is provided in annex II-A below.

1. The Director-General and his staff

19. The Director-General, who is appointed by the Governing Body, is the chief executive of the ILO. Subject to the instructions of the Governing Body, he is responsible for the efficient management of the International Labour Office. It falls to him to propose to the Governing Body a comprehensive programme of activities and to suggest to the Governing Body, the Conference and the constituents of the Organisation new lines of exploration and action on matters within the ILO's sphere of work.

20. The Director-General acts as Secretary-General of the International Labour Conference, and represents the Organisation, as required, at the United Nations General Assembly, the Economic and Social Council and meetings of other intergovernmental organizations. He also represents the ILO at meetings of the executive heads of the United Nations and the specialized agencies, including the Administrative Committee on Co-ordination (ACC) and the Inter-Agency Consultative Board.

21. Subject to guidance and instructions given by the Governing Body, the Director-General is responsible for preparing, during each biennium, programme and budget proposals for submission to the Governing Body and the International Labour Conference. c/ He is responsible for the preparation and submission to the Conference each year of a report on the work of the Organisation in the preceding year.

22. The Director-General has established, in accordance with article 11 of the Constitution, a procedure whereby he has direct contact with government departments of member States which deal with questions of labour, welfare and employment. He is also empowered to establish relations with other international organizations.

23. Article 4.6 of the Staff Regulations provides that "the Director-General shall be appointed for a period of ten years. The appointment may be renewed for such further period or periods as the Governing Body may decide. No single extension shall exceed five years". In practice, the duration of the term of office is determined on each occasion by the Governing Body. There is no constitutional limit to the term of office of the Director-General.

24. The staff of the International Labour Office is appointed by the Director-General within the framework of regulations laid down by the Governing Body, subject to principles set forth in the Constitution. The basic constitutional requirements are: that so far as possible, persons of varying nationalities are to be selected, having due regard to the efficiency of the work of the Office; that a certain number of staff members are to be women; and that the responsibilities of the Director-General and the staff are to be exclusively international in character. d/ Staff questions are dealt with in detail in section I below.

25. The Programme and Budget provides for three posts of Deputy Director-General, and five Assistant Director-General posts. Moreover, with effect from 1 June 1970, the post of Legal Adviser has been assimilated in level and emoluments to that of an Assistant Director-General.

2. The services responsible for programmes of activity

26. In November 1964 a major reorganization of the International Labour Office, based on a study by an international firm of management consultants was put into effect. It established an organizational structure which reflected, as far as

c/ A more detailed account of the programme-formulating process is given in section C below.

d/ Constitution, art. 9.

possible, the ILO programme and, through it, the principal constitutional and operational objectives of the Organisation. Although some of its aspects have changed somewhat since 1964, the basic pattern has remained.

27. The Office is organized on a departmental basis, the major units (departments) being subdivided into branches and further into sections, and in some cases, into units as indicated in the organizational chart in annex II-A. Four of the headquarters departments are known collectively as the major technical departments, and carry the primary operational responsibility for the substantive programmes of the ILO. They are: e/

- (a) The Conditions of Work and Life Department, which includes:
 - (i) The General Conditions of Work Branch;
 - (ii) The Occupational Safety and Health Branch;
 - (iii) The Social Security Branch;
 - (iv) The Maritime Branch.
- (b) The Human Resources Department, which includes:
 - (i) The Vocational Training Branch;
 - (ii) The Management and Entrepreneurship Development Branch;
- (c) The Employment Planning and Promotion Department f/ which includes:
 - (i) The Employment Planning Branch;
 - (ii) The Employment Promotion Branch;
 - (iii) The Programming, Research and Reports Branch.
- (d) The Social Institutions Development Department, which includes:
 - (i) The Labour Law and Labour Relations Branch;
 - (ii) The Labour Administration Branch;
 - (iii) The Workers' Education Branch;
 - (iv) The Co-operative, Rural and Related Institutions Branch;
 - (v) The Research Section.

e/ The offices listed under each department in this and the following paragraphs are those which report directly to the departmental head.

f/ The Employment Planning and Promotion Department was organized after the Advisory Committee's visit to the ILO. At that time, the functions now assigned to this department were performed by the Human Resources Department.

28. The other five Headquarters departments responsible for programmes of activity are:

- (a) The Research and Planning Department, which includes:
 - (i) The Economic Branch;
 - (ii) The Statistical Branch;
 - (iii) The Central Library and Documentation Branch;
 - (iv) The Policy Reports Branch;
 - (v) The Programme Committee Section;
- (b) The International Labour Standards Department, which includes:
 - (i) The Application of Standards Branch;
 - (ii) The Freedom of Association Section;
 - (iii) The Discrimination Section;
- (c) The Technical Co-operation Department, *g/* which includes:
 - (i) The Planning Branch;
 - (ii) The Operations Branch;
 - (iii) The Reports Branch;
 - (iv) An Administrative Section;
- (d) The Relations and Conference Department, which includes:
 - (i) The Official Relations Branch;
 - (ii) The Employers' Relations Branch;
 - (iii) The Workers' Relations Branch;
 - (iv) The International Organizations Branch;
 - (v) The United Nations Liaison Office, New York;
 - (vi) The Non-Governmental Organizations Branch;
 - (vii) The Conference Services Branch;

g/ This department was set up in connexion with the reorganization of the ILO's regional structure in the summer of 1970. At the time of the Advisory Committee's visit to the ILO, the functions of this department and functions that have now been decentralized were performed by a Field Department. For further details, see paragraph 45 below.

- (viii) The Industrial Committees Branch;
- (ix) The Document Services Branch;
- (e) The Editorial and Public Information Department, which includes:
 - (i) The Editorial and Translation Branch;
 - (ii) The Public Information Branch.

3. Supporting Services

29. Three departments provide legal and administrative support services for ILO activities. They are:

- (a) The Office of the Legal Adviser
- (b) The Personnel and Administrative Services Department, which includes:
 - (i) The Employment Branch;
 - (ii) The Administration Branch;
 - (iii) The Internal Administration and Travel Branch;
 - (iv) The Records Management and Communications Branch;
 - (v) The Training and Planning Branch;
 - (vi) The Benefits Branch;
 - (vii) The Building Branch;
- (c) The Finance and General Services Department, which includes:
 - (i) The Budget and Control Branch;
 - (ii) The Finance and Accounts Branch;
 - (iii) The Management Services Branch;
 - (iv) The Electronic Data Processing Branch;
 - (v) The Internal Audit Section.

30. The Office of the Legal Adviser provides advice on all legal questions affecting the conduct of ILO operations, including questions relating to the employment of staff and their status as international civil servants. It helps draft international legal instruments such as ILO conventions and recommendations, and instruments prepared jointly with other international bodies.

31. The Personnel and Administrative Services Department provides a centralized recruitment service for all types of staff, including experts hired for technical co-operation projects. It is responsible for administering rules and practices relating to conditions of service and terms of employment (including pensions) of

staff; it provides certain central housekeeping facilities for the Office as a whole and it supervises the work on the new ILO headquarters building.

32. The Finance and General Services Department is responsible for the planning and conduct of the budgetary and financial aspects of the Organisation's work, including internal audit, review of the methods, procedures and organizational arrangements of the office and the application of electronic data processing.

33. The following table shows the number of established posts for the biennium 1970-71, by department, prior to the reorganization decided upon in the summer of 1970, (that is, after the Advisory Committee's visit to the ILO);

| <u>Department</u> | <u>Established posts</u> | | |
|---|-----------------------------------|------------------------|--------------|
| | <u>Professional and above</u> | <u>General Service</u> | <u>Total</u> |
| Conditions of Work and Life | 64 | 18 | 82 |
| Human Resources | 72 | 23 | 95 |
| Social Institutions Development | 52 | 14 | 66 |
| Research and Planning | 69 | 54 | 123 |
| International Labour Standards | 31 | 11 | 42 |
| Field | 131 | 130 | 261 |
| Relations and Conferences | 74 | 185 | 259 |
| Editorial and Public Information | 91 | 35 | 126 |
| Legal Adviser | 5 | 3 | 8 |
| Personnel and Administrative Services | 39 | 127 | 166 |
| Finance and General Services | 41 | 69 | 110 |
| TOTALS: ^{a/} | <u>669</u> | <u>669</u> | <u>1,338</u> |

^{a/} Not including twenty-three Professional and higher posts and twenty General Service posts for general management. A more detailed analysis of the staff of the ILO is made in section I below.

4. Decentralization

34. Under article 38 of its Constitution, the ILO "may convene such regional conferences and establish such regional agencies as may be desirable to promote the aims and purposes of the Organisation". It organizes regional conferences and meetings of regional advisory committees in all four continents and possesses a field structure consisting of regional and area offices, country representatives, branch offices and full-or part-time correspondents.

(a) Regional meetings

35. The Office convenes regional conferences and regional advisory committees at fairly regular intervals in each of the major regions (Africa, the Americas, Asia, Europe). Their general purposes are to evaluate social needs and problems of the region, review the effectiveness of ILO action, set targets to be pursued by countries, and indicate the action which the ILO should undertake. The World Employment Programme, a major component of current ILO activities, h/ was initiated in regional meetings.

(b) The field structure

36. During the early years of the ILO, branch offices and national correspondents were established in some member States to serve as a link between them and the ILO. They had no operational responsibilities. With the launching of operational programmes in 1949, the need was felt for a new type of field office which would be responsible for all technical co-operation activities in a given region, and make possible close and continuing collaboration between the ILO and the countries receiving assistance. The first "field office" of this nature, staffed by international officials, was set up in Asia in 1949. By the early 1960s, there were six such offices.

37. From 1965, new impetus was given to the development of the field structure. Priority was attached to decentralization especially in the light of the need for the total ILO programme to reflect the priority needs of each country and region, and for co-ordination of field activities. The guiding policy was that all work that could be done in the field without abandoning central control of major policy issues, and without increase in cost or loss of efficiency, should be considered for transfer from headquarters to the field.

38. The present ILO field structure provides for four regional entities having departmental status, subdivided into area and, in some cases, country units. The regional offices are located in Addis Ababa (for Africa), Lima (for the Americas), Bangkok (for Asia) and Geneva (for the Middle East and Europe). The head of a regional office is the Regional Director (in the case of the Middle East and Europe, the Director of ILO Activities), who is responsible for ILO activities in the region concerned. Under the authority of the Regional Directors, there are seventeen area offices, responsible for groups of countries (seven in Africa, five in the Americas, three in Asia, two in the Middle East and Europe), and four country representatives (one in Africa, one in Asia, two in the Middle East and Europe). i/

39. The earlier network of ILO branch offices and national correspondents has been adjusted and adapted, and now survives mainly in industrialized countries. At present, there are ten branch offices and six national correspondents, of whom five are on a part-time basis; they are particularly useful for the recruitment of experts and the placing of fellowships.

h/ See section C below.

i/ Detailed information on the field structure is provided in annex II-B below. The ILO Liaison Office with the United Nations in New York is not regarded as part of that structure.

40. As of mid-1970, a total of 132 Professional ILO staff financed from the regular budget were serving in field offices. Of these, twenty-seven were regional advisers, j/ responsible for providing expert technical advice to Governments, twelve technical staff outposted from Geneva, fourteen officials responsible for regional implementation of the World Employment Programme, and seven financial and administrative personnel.

41. The present field structure may be summarized as follows:

| | <u>Africa</u> | <u>The Americas</u> | <u>Asia</u> | <u>Middle East</u> | <u>Europe</u> |
|----------------------------|---------------|---------------------|-------------|--------------------|---------------|
| Regional offices | 1 | 1 | 1 | | 1 |
| Area offices | 7 | 5 | 3 | 2 | 0 |
| Country representatives | 1 | 0 | 1 | 2 | 0 |
| Branch offices | 0 | 3 | 2 | 0 | 5 |
| National correspondents | 0 | 0 | 0 | 0 | 6 |

42. At the time of the Advisory Committee's visit to the ILO, the structure as a whole was organized as a Field Department consisting of four units at headquarters (Programme Section, Operations Planning Branch, Operations Management Branch, and Operations Report Branch). In the summer of 1970, on the basis of recommendations made by an internal task force, the Director-General began to implement new arrangements which, when fully effective, will alter considerably the balance of responsibilities, functions and staffing as between headquarters and the field. The date of full implementation in each region will depend on how soon the necessary staff can be redeployed; for Asia, the effective date has been set at 1 January 1971.

43. Under the new arrangements, each Regional Director will have responsibility for co-operation with Governments, workers' and employers' organizations, regional bodies, and UNDP Resident Representatives. He will be empowered to carry out the programme and other functions assigned to chiefs of department under the ILO internal programme planning and control system. He will be responsible for the general management of all technical co-operation activities in his area, including the deployment of resources, delegation of responsibility, the organization of project prospecting and identification and of preparatory and development work on projects. He will organize regular in-depth country reviews in co-operation with national authorities and UNDP Resident Representatives.

44. Regional Directors will also be responsible for the proper management of those aspects of personnel finance and general administrative services and public information activities that are delegated to the regions from headquarters. As far as administrative and financial responsibility is concerned, the Advisory Committee was informed that a degree of decentralization has already been achieved. The budget estimates for the ILO field offices are prepared in the regions, and regional directors exercise discretionary authority within the allotments made

j/ Twenty-two others were being financed by UNDP Technical Assistance.

to them. According to the programme and budget for 1970-71, it is intended that field staff will be able to "settle a broad range of financial, personnel and administrative questions relating to the administration of external offices, technical co-operation experts, regional advisers, decentralized technical officials and other field staff". k/ The Committee understands, however, that the ILO has had difficulty recruiting locally officials capable of assuming these responsibilities; this was one reason for the establishment of a small internal audit service, which is dealt with in section F below.

45. The effect of the reorganization at headquarters has been the redesignation, with effect from 15 July 1970, of the former Field Department as the Technical Co-operation Department, with the following responsibilities:

(a) To serve as a focal point for ILO relations with multilateral and bilateral aid-giving agencies, in particular with UNDP, and also with the International Centre for Advanced Technical and Vocational Training (the "Turin Centre") and the Standing ILO/UNIDO Working Party;

(b) To maintain liaison and conduct negotiations with multilateral, bilateral and non-governmental aid-giving agencies on the formulation and administration of technical co-operation programmes;

(c) To furnish information and support needed for central direction and development of technical co-operation programmes (including responsibilities in relation to inspection of field activities);

(d) To co-ordinate programme-planning and the management of resources within the field structure;

(e) To provide central supervision and management of all matters related to reports on technical co-operation activities;

(f) To administer fellowship programmes;

(g) To administer the supply of operational equipment;

(h) To assist in implementing the policy of decentralization.

C. The programme

1. General trends and objectives

46. The programme of the ILO reflects the objects set forth in the preamble to the Constitution of the Organisation and in the Declaration adopted at Philadelphia on 10 May 1944. 1/

k/ ILO, Programme and Budget for the biennium 1970-71, Director-General's Introduction, para. 159.

1/ See paras. 1 and 2 above.

47. The ILO's technical work is now largely carried out under four "major programmes" of activity - Conditions of Work and Life, Human Resources, Employment Planning and Promotion and Social Institutions and Development, which correspond to the four major technical departments of the Office. m/ The ILC envisages these programmes as closely interrelated and mutually supporting.

(a) Conditions of work and life

48. The major programme of the Department of Conditions of Work and Life is oriented mainly towards the needs and problems of workers in activities where large numbers of persons are employed - particularly non-manual workers - and the least favoured groups of workers - mainly rural workers in developing countries. Another emphasis under this major programme is on those measures concerning working conditions and safety and health in industry which can make a direct contribution to industrialization. Particular attention is paid to extending social security protection to broader groups of workers in developing countries, and to adapting social security schemes in advanced countries to meet the needs created by technological change and labour mobility.

49. The individual programmes which make up the major programme of the Department of Conditions of Work and Life are the following:

(a) General Conditions of Work: Remuneration, (the level and structure of wages and salaries, the determination and protection of wages, fringe benefits), conditions of work (hours of work, shift work and night work, holidays with pay, rest periods, working conditions of women and young workers) and welfare facilities, leisure and workers' housing.

(b) Occupational Safety and Health: Prevention of occupational accidents and diseases, promotion of occupational safety and health.

(c) Social Security: Statutory and non-statutory social security schemes and measures dealing with medical care, loss of earnings due to sickness, employment injuries, invalidity, old age, death of the breadwinner, unemployment and family benefits.

(d) Maritime Workers: Conditions of work and life of seafarers, fishermen, dockworkers and workers in inland water transport.

(b) Human resources

50. At the time of the Advisory Committee's visit to the headquarters of the ILO, Human Resources was the ILO's largest major programme and included activities now allocated to the major programme of Employment Planning and Promotion (see paragraphs 51 to 53 below). Since the reorganization carried out in the summer of 1970, the main objective of the major programme of Human Resources has been defined as contributing to the development of ever-growing segments of the human

m/ See para. 27 above. Paragraph 6 of the Explanatory Preface to the ILO Programme and Budget for the Biennium 1970-71 states that "the designations 'major programme' and 'programme' correspond in the organizational sense to departments and branches".

resources of Member States for gainful and productive occupation. It is concerned with the training and development (a) of workers of all types and skills (beyond what is covered by the regular school system); (b) foremen and technicians below the level of engineer; (c) managers at all levels; (d) entrepreneurs. The individual programmes which make up the major programme of Human Resources are the following:

(a) Vocational training: for all categories of workers, including technicians; measures for the identification of vocational and other occupational aptitudes and abilities.

(b) Management and Entrepreneurship Development: for all economic sectors (including promotion of achievement motivation).

(c) Employment Planning and Promotion

51. This major programme has responsibility for assisting member States to achieve and maintain a high level of productive and remunerative employment in rural and urban areas (in agriculture, handicrafts, industries, construction and the tertiary sector) and for social groups requiring special attention (youth, women, disabled and older people). It is also concerned with employment and related problems of foreign workers. It includes the following individual programmes:

(a) Employment Planning: assessment of national manpower resources and requirements; design of manpower and employment planning systems related to national economic and social development plans; continuous programmes of manpower and employment information; facilities required for the effective operation of the labour market.

(b) Employment Promotion: policies, methods and techniques such as rural and industrial extension services, small-scale industry, labour-intensive methods, intermediate technology application, youth employment and training schemes.

52. The major programme of Employment Planning and Promotion has the primary technical responsibility for the World Employment Programme, n/ and co-ordinates activities under other programmes at headquarters and in the field which can contribute to the objectives of the World Employment Programme.

53. The objective of the World Employment Programme, launched in 1969, is to bring about a substantial increase in productive employment, particularly in the developing world, and to orient national and international policies for development to the attainment of that objective. The Programme is constituted mainly by three regional programmes - the Ottawa Plan of Human Resources Development, which will become the Regional Employment Plan for Latin America and the Caribbean; the Asian Manpower Plan; and an African Jobs and Skills Programme. Additional activities will be undertaken to provide for the needs of the Near and Middle East and the industrialized countries. The operating arm of the Plan in each region

n/ The World Employment Programme is not a "programme" in the technical meaning of the term as used in the ILO Programme and Budget.

will be a team of specialists whose main function will be to assist countries in formulating clear programmes for attaining the highest possible level of employment - and training the necessary skilled personnel - in the years ahead. They will be supported by programming, research, evaluation, information and co-ordination activities at the headquarters of the ILO, Geneva.

(d) Social institutions development

54. Under this major programme, apart from the strengthening of rural institutions as an essential aspect of the World Employment Programme, emphasis is placed first on building up national labour administrations, and second on developing workable and equitable systems of labour relations. Its individual programmes are the following:

(a) Labour Law and Labour Relations: Helping Governments prepare, revise and codify labour legislation; helping Governments and employers' and workers' organizations define and improve labour relations policies and methods.

(b) Labour Administration: Helping Governments establish or strengthen agencies for administering labour laws, and helping them with the functioning of labour inspection systems, including the training of civil servants.

(c) Workers' Education: Helping trade unions and other organizations develop their activities for workers' education.

(d) Co-operative, Rural and Related Institutions: Promoting co-operative, rural and similar institutions; emphasis is placed on organization and the training of management personnel. Fostering the integration of indigenous, tribal and nomadic populations into national social systems.

(e) International Labour Standards

55. The constituent parts of this major programme are control over the application of international standards, the promotion of freedom of association and action against discrimination. Since its establishment, the ILO has adopted 268 Conventions and Recommendations designed to stimulate progress towards better working and living conditions. The control machinery consists of a standing committee of independent experts (the Committee of Experts on the Application of Conventions and Recommendations), whose reports are considered by a committee of the International Labour Conference (the Committee on the Application of Conventions and Recommendations). The Conference recently noted that, as a result of observations made by these two committees, there had been more than 400 cases between 1964 and 1968 in which measures were taken by Governments to bring national legislation and practice into closer conformity with ratified conventions. The freedom of association programme is mainly concerned with processing complaints and restrictions on trade union liberty and activity. The discrimination programme provides educational and technical services with a view to eliminating discrimination in employment and occupations.

56. The remaining "major programmes of activity" are Major Advisory Meetings (see paragraph 227 below), Central Research and Planning, Relations and Conference Services and Publications and Public Information. To these should be added the new major programmes corresponding to the functions of the Technical Co-operation Department at headquarters and to those of the regional components of the ILO field structure, which, at the time of the Advisory Committee's visit to the ILO headquarters, were combined under the title "Management of Field Programmes". The regular budget also makes separate provision for the Organisation's Policy-Making Organs (International Labour Conference; Governing Body), and General Management, Service and Support Activities (Legal Services; Personnel and Administrative Services; Financial and General Services).

2. Budgetary and extra-budgetary technical co-operation activities

57. The rapid expansion of technical co-operation activities of the ILO since 1950 is shown in table 1 below.

Table 1
Expenditure on technical co-operation programmes
(1950-1969)^{a/}
(In thousands of US dollars)

| <u>Year</u> | <u>Regular Programme^{b/}</u> | <u>UNDP/TA</u> | <u>UNDP/SF</u> | <u>Trust funds^{c/}</u> | <u>Total</u> |
|--------------|---------------------------------------|-----------------|------------------------|---------------------------------|------------------|
| 1950-51 | - | 341.2 | - | - | 341.2 |
| 1952 | - | 1,616.4 | - | - | 1,616.4 |
| 1953 | - | 1,942.0 | - | - | 1,942.0 |
| 1954 | - | 1,728.2 | - | - | 1,728.2 |
| 1955 | - | 2,310.1 | - | - | 2,310.1 |
| 1956 | 116.2 | 2,665.3 | - | - | 2,781.5 |
| 1957 | 131.0 | 2,759.6 | - | 42.8 | 2,933.4 |
| 1958 | 146.5 | 2,925.1 | - | 77.2 | 3,148.8 |
| 1959 | 140.4 | 2,869.4 | - | 141.2 | 3,151.0 |
| 1960 | 334.9 | 2,744.8 | 132.0 | 272.9 | 3,484.6 |
| 1961 | 465.6 | 3,120.8 | 1,304.6 | 195.8 | 5,086.8 |
| 1962 | 640.5 | 4,403.1 | 3,342.0 | 299.0 | 8,684.6 |
| 1963 | 1,177.4 | 3,770.3 | 5,500.2 | 528.3 | 10,976.2 |
| 1964 | 1,331.9 | 5,365.8 | 5,292.9 | 525.4 | 12,516.0 |
| 1965 | 1,620.7 | 4,516.0 | 5,908.6 | 1,029.1 | 13,074.4 |
| 1966 | 1,979.6 | 6,213.4 | 6,663.3 | 1,248.0 | 16,104.3 |
| 1967 | 2,171.0 | 5,654.0 | 8,393.0 | 1,660.0 | 17,878.0 |
| 1968 | 2,339.0 | 6,429.0 | 10,642.0 ^{d/} | 1,393.0 | 20,803.0 |
| 1969 | 2,862.8 | 4,127.0 | 16,278.9 ^{d/} | 1,596.1 | 24,864.8 |
| <u>Total</u> | <u>15,457.5</u> | <u>65,501.5</u> | <u>63,457.5</u> | <u>9,008.8</u> | <u>153,425.3</u> |

a/ Technical and administrative servicing and support costs not included.

b/ Financed from the regular budget of the ILO.

c/ Including costs of associate experts, projects on a reimbursable basis, the special Swedish programme for training women and girls and the United Nations Programme for the Democratic Republic of the Congo.

d/ Including one project financed by the Fund of the United Nations for the Development of West Irian (FUNDWI).

58. Table 2 gives a breakdown of 1969 technical co-operation expenditures by fields of activity. The major programme of Human Resources o/ accounted for 82 per cent; Conditions of Work and Life, Social Institutions Development and other programmes accounted for 4 per cent, 12 per cent and 2 per cent respectively.

Table 2
Analysis by field of activity of
technical co-operation expenditure in 1969
(In thousands of United States dollars)

| <u>Field of Activity</u> | <u>Expenditure</u> | | | |
|--|--------------------------|-----------|-------------|--------------------|
| | <u>Regular Programme</u> | <u>TA</u> | <u>UNDP</u> | <u>Trust Funds</u> |
| | | | <u>SF</u> | |
| Human resources | 1,521 | 2,561 | 15,148 | 1,262 |
| Conditions of work and life | 260 | 326 | 361 | 35 |
| Social institutions development | 953 | 1,110 | 669 | 218 |
| Over-all economic and social development | 129 | 130 | 101 | 81 |
| Total ILO technical co-operation programmes . . . | 2,863 | 4,127 | 16,279 | 1,596 |

o/ Now divided into two major programmes (Human Resources; and Employment Planning and Promotion).

59. Technical co-operation expenditure in 1969 has been broken down by region in table 3.

Table 3
Analysis by region of technical co-operation
expenditure in 1969

| <u>Region</u> ^{a/} | <u>Thousands</u> <u>of \$ US</u> | <u>Percentage</u> <u>of total</u> |
|-----------------------------|-------------------------------------|--------------------------------------|
| Africa | 9,960 | 40 |
| Americas | 4,282 | 17 |
| Asia | 5,083 | 21 |
| Europe | 3,322 | 13 |
| Middle East | 1,326 | 5 |
| Inter-regional | 892 | 4 |
| Total | 24,865 | 100 |

a/ The regional classification of countries follows the pattern adopted by the United Nations.

60. The bulk of ILO technical co-operation activities - currently about 80 per cent - is financed by UNDP. In 1969, resources available from the Special Fund component constituted, as in previous years, the major share, accounting for 65 per cent of total expenditure for technical co-operation. The Technical Assistance component provided 17 per cent, trust funds provided 6 per cent and the ILO regular budget provided 12 per cent.

61. At present, the ILO administers about 350 projects under the Technical Assistance component of UNDP. Thirty of these are regional or interregional in scope; in general, these comprise seminars, study tours and the assignment of regional advisers in the major fields within the competence of the ILO. In Human Resources, which received more than half the funds allocated in 1969, most projects were in vocational training and management development.

62. From 1959 to the end of 1969, the ILO was made executing agency for 139 projects under the Special Fund component of UNDP. By 31 December 1969, thirty-nine of them had been completed. In the course of 1969, the ILO was entrusted as executing agency with twenty-eight new projects estimated to cost about \$45 million.

63. In 1969, the ILO was administering twelve projects in Africa, the Americas, Asia and the Middle East for which other organizations had been designated as participating agencies, and it had been designated as a participating agency in 17 projects administered by other organizations.

64. A comparatively large proportion of the ILO operational projects relating to conditions of work and life, social institutions development and rural development have been financed through the regular budget. According to revised criteria and guidelines adopted by the Governing Body in November 1968 for the selection of such projects, special consideration is given to balance between major technical programmes and between regions, indications that Governments have consulted workers' and employers' organizations on individual requests, and characteristics making projects particularly suitable for the regular programme (that is relatively short duration, well-defined objectives). Under these guidelines preference is given to exploratory, preparatory or follow-up missions, pilot or experimental projects essentially aimed at perfecting or trying out methods adapted to local needs, field studies or surveys and other action in support of field projects, and help to other intergovernmental organizations and joint technical co-operation with them.

65. The ILO administers a number of trust funds established by developing countries for special projects (for example, vocational training projects in Saudi Arabia and Kuwait) and by developed countries for specific types of technical assistance (for example, associate experts). In 1969, twenty-seven associate experts from Belgium, the Netherlands and Sweden were assigned to ILO projects in co-operative development and rural training, labour administration and labour statistics. Expenditure in that year under all trust funds was \$1.6 million.

66. In 1969, an agreement for joint technical assistance and project co-operation was concluded between the ILO and the Swedish International Development Agency; negotiations have been initiated in other countries for the conclusion of similar agreements. The ILO has also taken part in UNICEF pre-vocational training schemes.

67. The machinery for appraisal and evaluation of technical co-operation projects is dealt with in paragraphs 106 and 107 below.

68. The ILO contributes from its regular budget to a number of activities which are also financed from other sources. The main ones are the International Institute for Labour Studies; the International Centre for Advanced Technical and Vocational Training (the "Turin Centre"); the Inter-American Vocational Training Research and Documentation Centre (CINTERFOR); the International Social Security Association (ISSA); the Inter-American Committee on Social Security (IACSS); and the International Occupational Safety and Health Information Centre (CIS). The resources made available from sources outside the ILO include gifts or contributions by Governments and intergovernmental organizations, resources from UNDP, trust funds administered by the ILO at the request of Governments, and miscellaneous income such as receipts from the sale of publications. Such resources are generally administered by the ILO in the form of extra-budgetary accounts; the Turin Centre, however, manages its own finances, and ISSA manages most of its income.

69. The International Institute for Labour Studies established in 1962, is an autonomous centre for advanced studies in the social and labour field. It has two broad aims:

(a) The development of leadership ability in formulating and applying labour policy;

(b) Comparative research into long-term trends in society. This objective, which is receiving increasing emphasis, complements the ILO's own more action-oriented research.

70. In 1966, the Institute established an International Industrial Relations Association, which links national associations of industrial relations specialists and encourages the formation of such associations.

71. In 1969, \$275,000, or about 45 per cent of the Institute's budget, was provided from the ILO regular budget. Annual contributions in the same amount are provided for in the ILO programme and budget for 1970-71. In addition, the ILO bears the cost (at present \$50,000 a year) of an internship programmes operated for it by the Institute. The Institute also receives income from its Endowment Fund, to which more than fifty countries, several employers' and workers' organizations and some other institutions have made contributions, UNDP/TA fellowship grants, and miscellaneous income.

72. The International Centre for Advanced Technical and Vocational Training, Turin, which began operations in 1965, helps meet the needs of developing countries for advanced technical, vocational and management training. Its main function is to train instructors, but this aspect is backed up by a research programme on training methodology, adapted to developing countries' needs. It is giving increased attention to the training of consultants, a form of training considered to have a high multiplier effect.

73. Up to the academic year 1969-70, the budget of the Centre was financed by voluntary contributions from Governments, by UNDP fellowships and by contributions from other intergovernmental organizations.

74. In 1968, the Board of the Centre set a programme target corresponding to the optimum economic use of the Centre's present capacity; it envisaged the training each year of about 1,500 fellows and a budget of \$5 million. In June 1970, the International Labour Conference adopted a proposal by the Governing Body to provide \$700,000 from the ILO regular budget by way of a subsidy to the budget of the Centre in 1971. p/

75. The Inter-American Vocational Training Research and Documentation Centre (CINTERFOR) provides research and documentation services in vocational training for American countries, holds seminars, and organizes courses in co-operation with national vocational training institutions. In 1969, the ILO

p/ It is proposed that the \$5 million budget of the Centre would be derived from the following sources: the Italian Government - \$1.5 million, the ILO - \$1 million (\$700,000 by way of a cash subsidy, and \$300,000 for fellowships from within existing technical assistance credits in the ILO budget); fellowships financed by UNDP - \$2 million; other international organizations and bodies - \$0.5 million.

contributed \$30,000 from its regular budget, and annual contributions in the same amount are provided for in the programme and budget for 1970-71, approved by the International Labour Conference in 1969.

76. The International Social Security Association (ISSA) and the Inter-American Committee on Social Security (IACSS) complement the work of the ILO in social security. They hold technical meetings and provide documentation services on social security matters. In 1969, they received cash contributions of \$55,000 and \$17,500, respectively, from the ILO regular budget. The approved programme and budget for 1970-71 provides for increasing the contribution to the International Social Security Association by \$8,350 in each year of the biennium in view of the steady increase in costs over the years; the contribution to the Inter-American Committee on Social Security is unchanged. The ILO also provides the International Social Security Association with certain services in kind.

77. The International Occupational Safety and Health Information Centre (CIS) provides documentation services to national associations and to individual subscribers. The cash contribution to the Centre in 1969 from the ILO regular budget was \$170,000; it is being maintained at the same level in 1970 and 1971. The ILO also provides the Centre with staff services and other services in kind.

3. Programme Building

Roles of the International Labour Conference, Governing Body, regional conferences and the Director-General

78. The Constitution of the ILO, unlike that of WHO (article 28 (g)) makes no reference to a programme of work. In 1970, the Organisation introduced a system based on a long-term plan for a six-year period (see paragraphs 85 to 88 below).

79. The general framework for the ILO's activities is provided by the purposes and goals defined in the preamble to the Constitution and the Declaration of Philadelphia. Within that framework, general guidance on the content of the programme is provided by the International Labour Conference, and more specific guidance by the Governing Body.

80. Guidance by the Conference is furnished through: the discussion of policy and programme, which culminates in the adoption of the biennial programme and budget; the adoption of international labour standards, which provide a framework of reference; the consideration of annual reports by the Director-General, generally on issues of current or likely future concern to member States, in the course of which the Conference may indicate new directions; and the adoption of formal resolutions which may call for changes in programme emphasis.

81. The Governing Body provides more continuing and specific programme guidance. Its Financial and Administrative Committee examines the Director-General's programme and budget proposals, and the Governing Body recommends the programme and budget to the Conference. In recent years, it has also considered preliminary information on the programme and budget proposals to be submitted by the Director-General in the following year; in 1970, such preliminary information was replaced by a draft long-term plan, covering the period 1972-77.

82. Certain committees of the Governing Body advise it, and in the process provide guidance on specific areas of activity. The Committee on Operational Programmes reviews technical co-operation activities and has established guidelines for operational activities financed from the regular budget. The Committee on Industrial Committees reviews the conclusions of industrial and analogous committees and considers their programmes, objectives and roles. Other committees (the Committee on Freedom of Association, the Committee on Discrimination) are concerned with specific programme areas. Finally, the Working Party on Programme and Structure, established by the Governing Body in response to a Conference resolution of 1969, has carried out a review of the objectives, scope and content of the ILO programmes dealing with conditions of work and life, human resources and social institutions development. Its report on these programmes was approved by the Conference at its 1969 Session.

83. The ILO regional conferences review activities in each region, assess emerging trends and make recommendations to the Governing Body on regional programmes.

84. The Director-General is guided by the policies and priorities established by the above bodies when he draws up the long-term plan of the Organisation and his programme and budget proposals. He is also guided by the advice of expert committees and other technical meetings.

Development of the programme

85. The Advisory Committee was informed that, in accordance with procedures recently introduced by the ILO, the starting point for the development of the programme and budget is the formulation of a long-term plan q/ which covers a six-year period. The process of drawing up this plan begins with the issuance of guidelines by the Director General for the preparation of position papers by each regional structure and headquarters department. Position papers take account of the guidance of the ILO deliberative organs, of the requirements of interorganization programme co-ordination and of the directives given by the Director-General for the planning period.

86. The position papers for the regions give particular attention to the needs of member States for technical co-operation, and to related servicing and support requirements at headquarters.

87. The headquarters departments, particularly the major technical departments, formulate long-term objectives and corresponding programmes of action. The position papers from the regions are made available at an early date to the headquarters departments, which are expected to take account of regional and country needs and trends.

88. All position papers are submitted to the Secretary of the Internal Programme Committee (see paragraphs 96-99 below), who analyses them and

q/ The first long-term plan, intended to cover the six-year period 1972-1977, was submitted to the ILO Governing Body in May 1970; hence the procedures described in paragraphs 85 ff have not yet been fully tested in practice.

prepares a first draft of the over-all long-term plan for review by the Programme Committee and decision by the Director-General. A revised draft, drawn up on the basis of the Director-General's decisions, is then submitted to the Financial and Administrative Committee of the Governing Body and to the Governing Body itself. This takes place eighteen months before the beginning of the next budgetary period, which represents the first two-year "slice" of the six-year plan. The long-term plan is reviewed every other year in the light of the progress made and of new developments. At the same time, it is extended for a further period of two years.

89. Although the analyses of position papers by the Secretary of the Programme Committee are addressed to larger issues of concern during the whole six-year planning period, they also contain specific suggestions on objectives and programmes for the next two-year budgetary period. After the Programme Committee has reviewed them and the position papers, the Director-General issues a programme guidance letter, outlining in some detail the priorities and programme content to be incorporated by departments in their programme proposals, which become a basis for drawing up the programme and budget. At the same time, the procedures to be followed in preparing programme proposals are communicated to departments, together with alternative percentage targets within which resource requests are to be maintained. The first such target assumes no increase for programme growth; the second, which is different for different groups of departments, includes a margin for programme growth. The use of targets helps departments submit proposals according to priorities, and gives the Director-General a choice in deciding on the content of his aggregate programme and budget proposals.

90. Each branch in each department then prepares its detailed programme proposals; after review and consolidation, these are submitted as departmental proposals to the Secretary of the Programme Committee for analysis, and to the Treasurer and Financial Comptroller r/ for costing. They are then transmitted, together with the Secretary's analysis, to the Programme Committee for its recommendations and to the Director-General for decision. The Director-General's programme and budget proposals are drawn up in consequence.

91. Operational activities financed from the regular budget are planned in a similar manner, but not as part of the cycle described above. A forecast of the probable level and composition of these activities is prepared for each budgetary period, although at the time the programme and budget proposals are prepared only general information is usually available on possible new projects and the regions in which they will be located. A firm over-all figure is nevertheless included in the programme and budget proposals, with indicative figures for the distribution of projects among programmes. Detailed project proposals, and the Secretary's analysis of them, are considered annually by the Programme Committee, some six months before the beginning of the year in which the projects are to be implemented; this applies to certain UNDP/TA projects as well as regular budget projects. Proposals concerning

r/ At the present time, the functions previously assigned to the Treasurer and the Financial Comptroller (Assistant Director-General) are being carried out by the Chief of the Finance and General Services Department.

other technical co-operation projects to be administered by the ILO involve discussions with Governments, review by headquarters departments, and approval by the Director-General before they are submitted to the aid-giving agencies concerned. Reports on the development of new projects and progress made in implementing existing ones are considered by the Programme Committee.

92. A number of arrangements exist to ensure that the programme of the ILO takes account of the programmes of other organizations working in related fields. They are described in section G below (see paragraphs 209-212 and 214-220).

Internal programme planning and control

93. A programme planning and control system has been established to help the Director-General prepare long-term plans and programme and budget proposals, to implement the approved programme and to assess the results achieved.

94. Each programme in the ILO is a group of activities contributing to one or more common objectives, which represent end-products of ILO activity. Programmes having related objectives are grouped within major programmes, s/ which have broader and more far-reaching objectives reflecting the basic constitutional goals of the ILO. Individual programmes are broken down into sub-programmes, which generally correspond to the basic means of action chosen to achieve programme objectives, and which represent complementary methods of achieving them. Within sub-programmes, specific activities are defined in terms of work items, these being the smallest groups of operations having end-results which can be identified and measured or evaluated. Thus a research study on employment trends would be a work item constituting part of the sub-programme of research, reports and other publications; the sub-programme would be part of the programme of Employment Planning which is itself part of the major programme of Employment Planning and Promotion.

95. When programme proposals are prepared and subjected to analysis, the relevance of particular work items is tested against the objectives of the programme and major programme.

96. The internal programme planning and control system operates as follows:

(a) All programme proposals and other questions concerning the development, implementation and appraisal of the ILO programme are reviewed by an internal Programme Committee composed of the Director-General, who acts as Chairman, the Deputy and Assistant Directors-General and two or three other senior officials. The Programme Committee advises the Director-General on each of the issues placed before it. The Programme Committee Section forms part of the Research and Planning Department, and the Assistant Director-General in charge of the Department acts as Secretary of the Programme Committee. The Committee usually meets once and sometimes twice a month.

s/ See paras. 47-56 above.

(b) Proposals for consideration by the Programme Committee are prepared by the departments, but, before they are placed before the Committee, they are examined by programme analysts. There are ten programme analysts, who have different backgrounds and grades, but whose common characteristic is an inquiring and critical approach. The programme analysts are independent vis-à-vis the departments whose programme proposals they are called upon to analyse; they attend meetings of various policy-making organs including the Financial and Administrative Committee, in order to be acquainted with the views of such organs. This staff is responsible to the Secretary of the Programme Committee, who reviews the appropriateness of each proposal, ensures that there is no duplication, assesses the feasibility of the proposal and makes recommendations to the Committee.

97. Each programme analyst deals with one department and is responsible for advising the Secretary on matters which concern it. Each Chief of Department, in turn, has a staff assistant, the departmental planning officer, responsible for preparing departmental proposals for consideration. This official serves as a liaison officer to the programme analyst for the department and provides information which he requires.

98. In its recommendations to the Director-General, the Programme Committee divides the sub-programme and work-item proposals into several categories: essential, highly desirable, desirable if resources permit, marginal etc. In the process, an attempt is also made to eliminate very small items and to combat tendencies towards undue fragmentation of effort.

99. All proposals for programmes to be financed under the regular budget (both operational and non-operational) must pass through the programme planning and control system, as must certain types of projects financed under UNDP/TA. Other technical co-operation activities are programmed and reviewed outside the system, but reviews of new projects and of progress in implementing existing projects are conducted from time to time within the system.

4. Implementation of the programme

100. Chiefs of department have full authority to implement the work programme of their departments, as reflected in the allocations issued on the basis of the approved programme and budget for the biennium. However, under the ILO's programme planning and control system, progress in implementing programmes is reviewed during each year, and an annual report is prepared on programme implementation. Procedures have also been established for amending approved programmes to take account of changing circumstances or priorities.

101. The control and amendment procedures are set out each year in an ILO circular, entitled Programme Planning in /Year/, which describes the main steps in the cycle of programme implementation and contains a detailed time-table. t/

102. Chiefs of department enjoy the right to make many programme changes on their own authority, provided they keep within the limits of approved allocations. However, above certain dollar limits and for certain types

t/ For the 1970 circular, see annex II-C.

of changes, programme change proposals must be submitted either to the Secretary of the Programme Committee and the Treasurer and Financial Comptroller for their joint approval, or through the Programme Committee to the Director-General for his approval. Such proposals are subjected to programme analysis by the Secretary of the Programme Committee.

103. Three times a year, the Treasurer and Financial Comptroller reviews in detail income and expenditure and prepares a financial progress report for the Programme Committee. At the same time, the financial plan for the biennium is updated. The Committee is asked to recommend corrective action where necessary on problems revealed by these financial reviews. Other progress reviews are prepared periodically throughout the year on specific aspects of the programme; along with the Secretary's analysis of them, they are also considered by the Programme Committee, which again is asked to recommend corrective action if necessary.

104. Three types of performance reports are prepared for consideration by the Financial and Administrative Committee and the Governing Body. They are an annual report on programme implementation and a report on budgetary performance, normally submitted at the same time, which compare actual performance with the plans set out in the approved programme and budget; and a more recent innovation, an in-depth review of a selected ILO programme, setting out its history and achievements, current concerns and difficulties and indications of possible and desirable future orientations.

105. In addition, a report on performance concerning technical co-operation activities financed from all sources of funds is prepared annually for consideration by the Committee on Operational Programmes and the Governing Body.

5. Appraisal and evaluation

106. At present, the performance reports described above are the principal instruments of programme appraisal and evaluation by ILO policy-making bodies. However, special studies are undertaken by research units of the Office into the effectiveness of means of ILO action. Studies have for example been made of the costs and benefits of activities such as the ILO's vocational training operations. One form of appraisal and evaluation which applies to technical co-operation projects is the inspection mission, carried out by headquarters or field officials or by others working on such projects. During these missions, progress is reviewed, and decisions to modify project plans are normally taken only after careful study of the inspection reports. When projects involve co-operation with other agencies, joint inspection missions are carried out.

107. Separate reporting and evaluation procedures exist for UNDP/SF projects. The reports compare actual achievements with the plan of operations, indicate special difficulties and assess results. Project managers submit quarterly progress reports to the Office, and semi-annual reports to the Office and to the appropriate UNDP Resident Representative. Technical reports are submitted from time to time by the Office to the Government concerned. Terminal reports, which indicate the main findings and recommend future action, are prepared by the Office for submission to the Government through the secretariat of UNDP.

108. Similar reporting procedures are being extended to projects financed from other sources of funds.

D. The Budget

1. Method of calculation of the budget estimates

109. Pursuant to article 5 of the Financial Regulations, "the Director-General shall submit the budget estimates to the Governing Body in time for them to be considered at its first session in the year preceding each financial period".

General

110. In general, the ILO follows the practice of full budgeting under which the estimates are calculated to include provision for increases or decreases in prices and salaries that can be clearly foreseen or that result from the projection of trends through the period covered by the estimates. The only exception currently made to this rule is in the calculation of the basic salaries of staff in the Professional category and above, since under the common system such increases result from decisions taken by the United Nations General Assembly, which the Director-General has not felt able to anticipate.

111. The ILO budget distinguishes between cost increases (resulting from the application of the principle of full budgeting), programme increases (representing actual growth of the volume of activities) and other changes (resulting mainly from accounting or financial transactions).

Staff costs

112. Staffing requirements are expressed in terms of man-years and man-months; these man-years and man-months are in most cases costed on the basis of standard cost factors; and a separate adjustment is made for expected staff turnover and expected delays in recruitment.

113. The ILO budget shows, for each major programme, programme and sub-programme, the resources expected to be required during the budget period, in terms first of inputs of staff time and second of inputs of financial resources. Estimated inputs of staff time are shown separately for staff in the Professional category and above and for staff in the General Service category. The man-year and man-month figures represent staff resources corresponding both to established posts (one post equals one man-year per year) and to positions for which no posts are provided (that is, positions for temporary staff).

114. The corresponding financial provisions represent essentially the costing at a standard rate of the man-year and man-month provisions, with the addition of whatever amounts may be required for overtime and staff costed at actual cost. Separate standard cost factors are used for (a) grades P-1 to D-1 inclusive (other than technical co-operation experts), (b) the General Service category and (c) technical co-operation experts. Standard cost factors are not used for locally recruited staff assimilated to the General Service category in external offices, in view of the variety of conditions of service and the comparatively small numbers involved, or for staff paid by the hour or by the day.

115. The standard cost factors consist of a number of elements, the provisions for which vary from one period to another with changes in the cost of living, conditions of service, the places of recruitment and assignment of staff and other factors. They cover all directly identifiable staff costs (basic salaries; post adjustments; dependency allowances; the ILO contributions to pension funds and to the Staff Health Insurance Fund and other staff insurance; education grants and scholastic travel; travel on appointment, home leave, transfer etc.; installation allowances and removal expenses; terminal payments; assignment allowances; and per diem allowances for short-term staff). They are calculated on a net basis. The factors for a given financial period are essentially a projection of the actual costs during the base period, with adjustments for expected changes, the effect of policy decisions (such as decentralization), changes of staff entitlements etc.

116. In the view of the ILO, the standard cost system has two main advantages. First, it provides meaningful information to management on the comparative costs of different programmes and sub-programmes, undistorted by variables which are not related to the level of the staff services involved. Second, it vastly simplifies budgeting and budget administration; whereas estimating future expenditures on the basis of actual costs requires complicated and time-consuming calculations, it is a simple matter when standard cost factors are used.

117. It has been the experience of the ILO that, if certain conditions are met (e.g. where large numbers of staff are involved), standard cost factors can be developed which reflect with considerable accuracy actual average staff costs for the categories considered. Table 4 indicates, for each year since 1967, when the standard cost system was introduced, the standard cost factors used for the Professional and General Service categories, the corresponding actual average costs incurred, and the percentage differences:

Table 4

| <u>Year</u> | <u>Professional category</u> | | | <u>General Service category</u> | | |
|-------------|------------------------------|---------------|--|---------------------------------|---------------|--|
| | <u>Standard</u> | <u>Actual</u> | <u>Difference</u> | <u>Standard</u> | <u>Actual</u> | <u>Difference</u> |
| | <u>cost</u> | <u>cost</u> | <u>between</u> | <u>cost</u> | <u>cost</u> | <u>between</u> |
| | \$ | \$ | <u>actual and</u> <u>standard</u> Per cent | \$ | \$ | <u>actual and</u> <u>standard</u> Per cent |
| 1967 | 15,180 | 15,321 | + 0.93 | 6,000 | 5,946 | - 0.90 |
| 1968 | 15,960 | 15,983 | + 0.14 | 6,528 | 6,262 | - 4.07 a/ |
| 1969 | 17,112 | 16,524 | - 3.44 b/ | 6,612 | 6,571 | - 0.62 |

a/ Net difference mainly due to unforeseen change in methodology for determining General Service salaries in Geneva.

b/ Net difference largely due to unexpected delay in change of Geneva post adjustment, and unexpectedly low expenditure for travel on appointment, transfer, home leave and separation.

118. The staff cost estimates based on standard cost factors show the full amount that would be spent if no savings were to accrue from staff turnover and delays in recruitment; if an adjustment for such savings were made in the standard cost factors themselves, the effect would be that an average net deduction would automatically be distributed to all programmes, including those where staff turnover and delays did not in fact correspond to the average. To avoid this, the adjustment is made in the form of a lump-sum deduction from the total estimates under the heading of staff costs.

Meeting costs

119. The estimates for meetings in the ILO budget cover all separate and identifiable costs chargeable to the ILO which can be directly attributable to the meetings for which provision has been made. These consist of the travel and subsistence of participants where these are paid by the ILO, the cost of external collaboration to prepare for meetings etc. If a meeting is held outside Geneva, provision is made for the travel costs of the staff of the Office and of any Governing Body delegation, the salaries of temporary staff servicing the meeting, and any necessary transport or purchase of equipment and supplies. For the International Labour Conference and regional conferences, the travel and subsistence expenses of participants are met by the Governments of their countries. For the Conference, the Governing Body, regional conferences and some other meetings, provision is also made for the cost of reproducing relevant documents.

120. Estimates made on this basis do not take into account the indirect costs of holding meetings. These costs, which in some cases may be substantial, are met from resources made available for servicing programmes and, in the case of technical servicing, under credits provided for the technical programmes concerned. u/

2. The budget cycle

121. Up to and including the financial period 1969, the ILO had an annual budget cycle. On the recommendation of the Governing Body, the Conference decided, at its fifty-second (1968) session, to adopt the programme and budget of the Organisation for a two-year instead of a one-year financial period, beginning with the period 1970-71. At the same session, it adopted consequential amendments to the Financial Regulations.

122. The adoption of a biennial budget cycle has resulted in savings of time both for the ILO policy-making organs and for the Office. Inter alia, it has enabled the Director-General, following a request made in the Financial and Administrative Committee, to make arrangements for the Committee and the Governing Body, in the years when they are not called upon to consider programme and budget proposals, to

u/ The Consultative Committee on Administrative Questions has now developed, with the co-operation of the ILO, a standard budget annex for use by the organizations in the United Nations system to show estimated expenditures pertaining both directly and indirectly to conferences and meetings.

conduct in depth programme reviews, as mentioned in paragraph 104 above. The first such review took place in February-March 1970, and concerned the Occupational Safety and Health Programme.

3. Form of presentation of the estimates

General

123. Up to and including the financial period 1966, the ILO budget was presented mainly in terms of objects of expenditure. Subsequently, it has been presented in terms of programmes and the resources required to implement them.

124. This change was one of the results of the consultant study which led to the reorganization of the International Labour Office in late 1964. The study facilitated the introduction of programme budgeting in two ways: first, it led to the establishment of a programme structure, which could then be reflected in the Office's organizational structure; and second, it led to the introduction of the programme planning and control machinery described in section C above. These innovations made it possible to develop and cost programme proposals through an integrated series of procedures linked to the organizational structure and, after approval of the programme and budget, to issue, control and adjust resource allocations on the basis of that structure.

125. The ILO informed the Advisory Committee that the current form of presentation of the budget is designed to meet the requirements of programme budgeting. Since 1967, it has been steadily improved and adjusted, and this process is expected to continue as the ILO moves closer to a complete system of planning, programming, budgeting and evaluation, and as suggestions for improvements in presentation are put into effect. The principal characteristics of the current programme and budget presentation are the following:

(a) The programme and budget document begins with an appropriation resolution, summarizing estimated income and expenditure;

(b) The appropriation resolution is followed by a Director-General's introduction, giving an over-all view of main programme objectives and priorities and general resource requirements, and by an explanatory preface, dealing with other matters relating to the programme and budget as a whole;

(c) The expenditure estimates are set out in tables showing, by major programmes, the estimates for the period covered by the programme and budget and for the current financial period, and actual expenditures for the preceding financial period, together with indications of cost and programme increases or decreases. The expenditure estimates are divided into separate parts for the ordinary activities and expenditures of the Organisation (part I), for unforeseen expenditure (part II), and for any payments into the Working Capital Fund (part III). Part I is divided into items v/ corresponding to the various types of activities or expenditures;

v/ An item of the ILO budget corresponds to a Section of the United Nations budget.

(d) The expenditure estimates are followed by programme descriptions and detailed estimates for each major programme, programme and sub-programme. The detailed estimates indicate, for programme units, requirements in terms of staff resources and financial resources, the latter broken down by objects of expenditure;

(e) The programme descriptions and detailed estimates are followed by a schedule of established posts, showing all such posts by programme and by category and grade;

(f) The expenditure estimates are supplemented by a series of information annexes. The annexes included in the 1970-71 programme and budget were: a summary of resources by major programme; an analysis of estimated Professional staff resources in the field; a summary of new posts and regradings; a breakdown of the estimates by object of expenditure; a schedule of meetings; a summary of funds expected to be available from all sources; and a breakdown of expenditure according to the standard classification adopted by the Administrative Committee on Co-ordination for reporting to the Economic and Social Council;

(g) The programme and budget document includes also the income budget which consists of a statement of contributions due from member States.

Programme classification

126. The programme structure developed following the consultant study of 1964 is divided into major programmes, programmes and sub-programmes. Departments and branches of the Office correspond generally to major programmes and programmes, respectively; however, the International Labour Conference, the Governing Body and major advisory meetings as a whole are treated as separate major programmes. The items and sub-items of the budget also correspond generally to major programmes and programmes respectively; in part I of the budget for 1970-1971, the items are grouped under five chapters, as follows:

Policy-making organs:

1. International Labour Conference
2. Governing Body

General Management:

3. General Management

Programmes of Activity:

4. Major Advisory Meetings
5. Central Research and Planning
6. Conditions of Work and Life
7. Human Resources
8. Social Institutions Development
9. International Labour Standards
10. Management of Field Programmes
11. Relations and Conference Services

- 12. Publications and Public Information
- 13. International Institute for Labour Studies w/

Service and support activities:

- 14. Legal Services
- 15. Personnel and Administrative Services
- 16. Financial and General Services

Other budgetary provisions:

- 17. Other budgetary provisions.

The budget for 1972-1973 will have a different breakdown by item, to reflect the reorganization carried out in the summer of 1970.

Functional classification

127. Standard titles for sub-programmes have been developed for use in the programme descriptions and estimates to show the resources provided for each of the various means of action available for attaining programme objectives. Under the current classification, the means of action or component activities of technical programmes are grouped under the following standard titles: departmental management; programme development and control; research, reports and other publications; collection and dissemination of information; standard-setting activities; technical co-operation (planning and technical support; field projects); other technical and administrative activities; and secretarial and clerical support. In the case of non-technical (service and support) programmes, some of these headings are applicable and are used; others do not apply. In particular, under these programmes no separate indication can be given of the administrative support provided to technical co-operation programmes as such support is integrated with the other work of the units concerned.

Object-of-expenditure classification

128. Although the budget is organized around programmes, the ILO has found it necessary for various reasons, including the requirements of internal accounting and control, to continue the use of objects of expenditure. The following standard objects are used: staff costs; travel on official business; rental and maintenance of premises; other contractual services; supplies and materials; grants and contributions; acquisition of assets; operational activities and non-programme expenditure. These objects are shown both in the tables setting out the detailed estimates and in the information annex in which the budget as a whole is broken down into objects of expenditure.

Presentation of meeting costs

129. As indicated in paragraph 126 above, the International Labour Conference and the meetings of the Governing Body are presented as separate major programmes under separate budget items, and a further separate item is provided for major advisory meetings, to cover regional conferences, sessions of regional advisory

v/ A new item 13A is to be added for the International Centre for Advanced Technical and Vocational Training.

committees and Industrial Committees and all other meetings which are included in the Governing Body's definition of major meetings. x/ Decisions whether or not to include specific major meetings in the programme and budget for a given period are normally based less on the programme content of their agendas than on other factors such as periodicity, special regional requirements and the relationship of the agendas to the requirements of a particular session of the Governing Body or the Conference. In addition, the agendas of such meetings usually span a number of fields, so that it is not practicable to show them under individual technical programmes.

130. However, more specialized meetings - meetings of experts or consultants, preparatory technical conferences and the like - almost invariably come within the framework of a particular technical programme, and are therefore provided for under the programmes concerned. Both major advisory meetings and specialized meetings are brought together in an information annex showing the programmes involved, the titles of the meetings, and the related budgetary provisions.

Presentation of technical co-operation projects

131. The programme descriptions and estimates provide, for each programme, information on technical co-operation projects to be carried out under the regular budget and on their estimated costs. Information is also provided on the resources made available through the budget for the planning and technical support of technical co-operation projects, whatever their source of financing. The provisions made for both of these purposes represent tentative projections only, since the final figures are not known with certainty in advance.

132. Project costs for technical co-operation projects financed from sources other than the regular budget are not included in the detailed estimates for individual programmes, but as far as possible information on such projects is given in the programme descriptions. In addition, tables are presented showing, for each major programme concerned, the total budgetary and extra-budgetary resources expected to be available; they reflect the cost of such projects as can be foreseen with reasonable certainty. The information contained in the tables is brought together in an information annex, which for each major programme distinguishes between the resources expected to be available for operational and for other activities.

Presentation of overhead costs for extra-budgetary programmes

133. The estimates of extra-budgetary resources referred to above include provisional estimates of the funds to be received for headquarters technical and administrative servicing and support costs arising from projects financed by the Special Fund component of UNDP and under trust fund arrangements. (UNDP allocations for overhead costs in respect of Special Fund projects are supplemented by a lump-sum contribution by the ILO provided under item 17 of the budget).

134. For projects financed under the Technical Assistance component of UNDP, all resource requirements for headquarters technical and administrative servicing and support work are integrated into the budget estimates; the allocation received from UNDP for such costs is deducted as an item of receipts from the total expenditure budget.

x/ See paragraphs 277-230 and 231 below.

135. The ILO indicates that, in the case of both Technical Assistance and Special Fund projects, substantial expenditures are incurred for headquarters servicing and support over and above the overhead cost allocations received from UNDP. Aside from a lump-sum contribution to Special Fund executing agency costs, which the ILO considers far from sufficient to fill the gap for Special Fund projects, no attempt is made to identify in the budget the amounts actually made available. Given the integration of headquarters technical and administrative servicing and support work for UNDP projects into the over-all programme of the ILO, such identification is considered hardly feasible.

Presentation of General Overhead Costs

136. The common services costs applicable to all the ILO activities are provided for in the budget under the programmes where they can most easily be estimated and administered. Thus rentals, utility charges, postal expenditure, expenditure on stationery and similar types of expenditure at headquarters are included under items 15 (Personnel and Administrative Services) and 16 (Financial and General Services). Similar costs at the ILO field offices, like all other costs of such offices, are included under the headings relating to the ILO services in the various regions. Certain types of overheads which involve separate and clearly identifiable additional costs (for example, rental of accommodation and purchase of supplies for the annual session of the Conference) are shown separately under the appropriate items of the budget.

4. Procedure for the adoption of the budget

137. The procedure for the adoption of the ILO programme and budget follows the provisions of article 6 of the Financial Regulations, which reads as follows:

Article 6

"1. The Governing Body shall examine the budget estimates and prepare a report thereon in time for both documents to be despatched to the Members of the Organisation two months before the next regular session of the Conference;

"2. (a) The Director-General shall submit to the International Labour Conference the budget estimates as approved by the Governing Body;

...

"3. The International Labour Conference shall provide opportunity for a general discussion of the policy and programmes of the Organisation in its bearing on the budget estimates;

"4. The International Labour Conference shall set up a committee consisting of one Government representative of each State Member of the Organisation represented at the Conference;

"5. The International Labour Conference shall refer the estimates submitted by the Director-General to this committee for examination and report;

"6. The Director-General, accompanied by a tripartite delegation from the Governing Body, shall be entitled to attend the committee in order to explain the estimates;

"7. The decisions of the committee shall be taken by a two-thirds majority of the votes cast by the members of the committee present at the meeting;

"8. The committee shall submit the budget estimates as approved by it to the Conference for adoption;

"9. The decision of the Conference adopting the budget shall be taken on a record vote by a two-thirds majority of the votes cast by the delegates present."

138. The programme and budget proposals derived from the programme-building machinery described in section C above are dispatched to all members of the Governing Body at the close of the year preceding the year in which they are to be considered. The session at which they are considered by the Governing Body is normally held in the second half of February and the beginning of March.

139. The Standing Orders of the Governing Body provide, in article 22, that its Financial and Administrative Committee shall examine the estimates and the expenditure of the ILO; the Director-General's programme and budget proposals are accordingly reviewed by that Committee in the first instance.

140. The Committee devotes as much time as it finds necessary to this task (usually more than a week). Its discussion is opened by the Director-General, who makes an introductory statement outlining the main programme emphases and calling attention to important financial aspects of the proposals. This is followed by a general discussion, then by an item-by-item discussion, during which the Committee examines each major programme and its component programmes and sub-programmes.

141. After this examination, the Director-General considers the comments made, in particular the indications given by spokesmen for the Employer and Worker members and by representatives of Governments as to the priorities they attach to the activities proposed. He then replies, circulating a paper which describes the adjustments he proposes to make. The Director-General takes account of negotiations among the three groups in the Committee and seeks to arrive at a set of revised programme and budget proposals which the Committee as a whole can support. The Committee then discusses the proposed adjustments, which it may or may not find fully acceptable; if not, the process is repeated until a satisfactory solution is reached and the Committee is prepared to recommend the programme and budget proposals as adjusted to the Governing Body for approval.

142. The Governing Body examines the programme and budget proposals on the basis of the report submitted by the Financial and Administrative Committee, in which its discussions and the adjustments made are recorded in detail. It customarily hears statements in which government members and spokesmen for the Employer and Worker members indicate their positions on the proposals. At the close of this discussion, it approves the proposals, either as submitted by the Committee or with amendments. Such amendments are normally few in number and limited to major policy issues.

143. Immediately following the session of the Governing Body at which the programme and budget proposals are approved, the Director-General prepares a report communicating them, in the form of a draft programme and budget, to the members of the organisation. This report contains in extenso the record of the relevant discussions in the Financial and Administrative Committee and the Governing Body, and of the statements made by the Director-General. In view of the deadline specified in article 6, paragraph 1, of the Financial Regulations, y/ and since the Conference normally begins early in June, this report is dispatched by 31 March.

144. The International Labour Conference is a forum for discussion of the policy and programme of the organisation in relation to the draft programme and budget. In recent years, it has been the practice of the Conference to discuss the programme in plenary sitting before the draft programme and budget is considered by the Finance Committee of government representatives provided for in article 6, paragraph 4, of the Financial Regulations, z/ in order to give that Committee the benefit of a wide spectrum of views.

145. Discussion of the draft programme and budget in the Finance Committee of government representatives is opened by statements by the Director-General and by the Chairman of the Governing Body (always a government member), who presents the draft programme and budget to the Committee on behalf of the Governing Body. The Committee also hears statements by spokesmen of the Employer and Worker members of the Governing Body. The Committee then holds a general discussion on the draft programme and budget; this is followed by a detailed discussion, during which each item is approved individually. Although it is not the custom of the Finance Committee of government representatives to make changes in the draft programme and budget as approved by the Governing Body, its meetings provide the opportunity for Governments not represented on the Governing Body to express their views on the budget. Such views are taken into account by the Director-General when he prepares his programme and budget proposals for future financial periods.

146. The draft programme and budget is then considered by the Conference in plenary sitting on the basis of a report submitted by the Director-General and the report of the Finance Committee of government representatives. The discussion is opened by the Chairman of that Committee, who presents the draft programme and budget to the Conference on its behalf. At the close of the discussion, the programme and budget is adopted by a record vote.

Supplementary budgets

147. Provision for the adoption of supplementary budgets is made in article 7 of the Financial Regulations, which reads as follows:

Article 7

"1. A proposal for expenditure on a purpose for which provision is not made in the budget as communicated to Members of the Organisation must be placed in the hands of the Director-General at least one month before the date fixed for the opening of the Conference;

y/ See para. 137 above.

z/ Ibid.

"2. If such a proposal is received later than one month before the opening of the session or made during the session, it shall be dealt with as follows:

- "(a) it shall be submitted directly by the Director-General to the Governing Body for a report upon its general financial consequence;
- "(b) unless, after considering the report of the Governing Body, the Conference or its Finance Committee, by a special resolution adopted by a two-thirds majority, decides to take it into consideration during the current session, the proposal shall be adjourned until the next session of the Conference.

"3. The Director-General shall incorporate the estimates referred to in paragraph 1 above, and estimates for any increase in the budget which he himself considers it necessary to propose, in a single supplementary budget, which shall be circulated to the Members of the Organisation not later than two weeks before the opening of the annual Conference."

148. The only occasion on which recourse has been had to this provision was at the February/March 1970 session of the Governing Body and the June 1970 session of the Conference; it concerned the financing of the programme of the International Centre for Advanced Technical and Vocational Training (Turin). aa/ The need for this special financing did not arise until after the adoption of the budget for the 1970-1971 biennium. The amount involved exceeded the resources available in the budget for unforeseen expenditure, and no assumption could be made of budgetary savings going beyond those already discounted in the budget itself; moreover, as a major departure from previous policy was involved, the Director-General felt that the matter was one which should be submitted to both the Governing Body and the Conference. The proposal for a subsidy of \$700,000 to the Centre from the ILO regular budget in 1971 was accordingly submitted in the form of a supplementary budget; it was recommended by the Governing Body for adoption by the Conference and was adopted by the latter at its fifty-fourth session in June 1970.

The tripartite principle as reflected in the adoption of the budget

149. It can be seen from the above paragraphs that action on the programme and budget is taken in four stages by four bodies, each of which has a different composition. In the Financial and Administrative Committee of the Governing Body, which consists of twelve Government, ten Employer and ten Worker members, equality of voting power between the three groups is ensured by a system of weighted voting. In the Governing Body, which consists of twenty-four Government, twelve Employer and twelve Worker members, the voting power of the Employer and Worker members combined equals that of the Government members. In the Finance Committee of Government representatives of the International Labour Conference, which consists exclusively of Government delegates, Employers and Workers have no voting power. Finally, in the Conference itself, consisting of four delegates - two Government,

aa/ See para. 72-74 above.

one Employer and one Worker - from each member State, each of whom may vote and speak independently, the voting power of the Employer and Worker delegates combined equals that of the Government delegates. Where votes are taken in the Financial and Administrative Committee and in the Governing Body, decisions require a simple majority of the members present, a quorum having been attained; in the Finance Committee of Government representatives and the plenary sittings of the Conference, decisions on the budget require a two-thirds majority of the delegates present, a quorum having been attained.

150. Since the most detailed examination of the programme and budget proposals and the fundamental decisions on them take place in the Financial and Administrative Committee of the Governing Body, the Government, Employers' and Workers' groups have, in practice, an equal voice in the main determination of programmes and levels of expenditure. Furthermore, action in the Committee and the Governing Body is generally taken on the basis of agreement reached through negotiation. It is also the policy of the Director-General that the programme and budget be based on the widest possible support from all constituents of the organisation; through dialogue with the Committee, and by encouraging discussion between the groups and their members, he seeks to obtain a consensus in the Committee, and this consensus is then reflected in the Governing Body.

E. Financing the budget

1. Determination of the assessed budget

151. In determining the assessed budget, the total expenditure estimate is reduced by the estimated lump-sum payment to be received for administrative and operational service costs to be incurred by the ILO in managing UNDP Technical Assistance projects. bb/ Since estimates for staff costs are calculated on a net basis, no reduction is required for staff assessment income.

152. Under article 10, paragraph 1, of the Financial Regulations, half of the contribution of each member for a given biennium is due and payable on 1 January of the first calendar year of the biennium, and the balance on 1 January of the second calendar year.

2. The scale of assessments

153. The assessed contributions of member States are calculated on the basis of a percentage scale of assessments which is determined for each financial period by the International Labour Conference on the recommendation of its Finance Committee of Government representatives. This Committee examines draft scales submitted by the Governing Body, whose Allocations Committee is responsible for drawing them up.

154. For mainly historical reasons, there are at present differences between the United Nations scale and the ILO scale. Most have resulted from the fact that

bb/ Overhead cost allocations received for Special Fund projects are handled outside the budget.

the ILO scale had its origin in the pre-war League of Nations scale: for example, the minimum rate of assessment in the ILO was for many years 0.12 per cent of the budget, which was the percentage equivalent of the minimum rate in the scale inherited from the League, whereas the minimum rate in the United Nations scale has been 0.04 per cent. Adjustments have been made to the ILO scale to bring it gradually into closer conformity with that of the United Nations, account being taken of differences in membership.

155. Since 1965, the Allocations Committee has studied a number of problems of principle and policy which must be solved if there is to be any acceleration in the movement towards greater conformity with the United Nations scale. In 1966, the General Assembly adopted resolution 2190 (XXI), which included a recommendation that "the specialized agencies which apply methods of assessment similar to those of the United Nations and whose scales of contributions still differ appreciably from the United Nations scale take steps to bring their scales into harmony with the United Nations scale as soon as possible, taking into account differences in membership and other pertinent factors". Following that decision, and as a result of studies carried out by the Allocations Committee in response to wishes expressed by the majority of the ILO's member States, the Committee proposed in May 1968, and the Governing Body and the Conference accepted, that the improvement of the ILO scale of contributions be dealt with in two phases.

156. As the first phase, and without prejudice to its final conclusions, the Committee put forward scales for 1969, 1970 and 1971 based on a formula designed to narrow, in the case of certain member States, the comparatively wide percentage difference between their rates of assessment in the ILO and in the United Nations. These were adopted by the Conference. In the second phase, the Committee is to continue its study of a long-term solution to the problem of improving the ILO scale; it has still to decide whether its future work should be based on the principle of full alignment of the ILO scale with that of the United Nations.

157. The percentage assessments of new member States are aligned with their percentage assessments under the United Nations budget for the year in which they join the ILO, except that when the United Nations assessment is lower than the minimum rate in the ILO scale, the ILO minimum is applied. Where a new member State is not a Member of the United Nations, the ILO rate of assessment is calculated by comparing the most recent economic data available for that country with similar data for other member States of the ILO.

158. Article 13, paragraph 4, of the Constitution provides that a member in arrears in the payment of its financial contributions to the ILO shall have no vote in the Conference, in the Governing Body, in any committee, or in the election of members of the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two full years; however, the Conference may by a two-thirds majority of votes cast permit such a member to vote if it is satisfied that the failure to pay is due to conditions beyond its control. There have been a number of cases where the non-payment of contributions has called for the application of this article; in some of them, the Conference has restored the member's voting rights.

159. In exceptional circumstances, the Governing Body and the Conference have voted to cancel the arrears of member States in the payment of contributions.

160. The percentage of current year's contributions collected at the end of each quarter from 1965 to 1969 is given in the following table:

Table 5

| <u>Year</u> | <u>Cumulative percentage of current year's contributions collected</u> | | | |
|-------------|--|-----------------------|----------------------------|---------------------------|
| | <u>By 31 March</u> | <u>By 30 June</u> | <u>By 30 September</u> | <u>By 31 December</u> |
| 1965 | 26.20 | 48.25 | 71.78 | 91.65 |
| 1966 | 20.89 | 52.54 | 78.93 | 92.60 |
| 1967 | 27.01 | 53.07 | 71.77 | 92.91 |
| 1968 | 26.68 | 48.14 | 74.20 | 92.95 |
| 1969 | 27.46 | 52.26 | 72.94 | 85.83 |

3. The financing of unforeseen expenses

General

161. Requests for supplementary financial authorizations to cover unforeseen expenses, arising either out of unexpected increases in the cost of approved programme items or out of unexpected needs for new programme items, are submitted by the Director-General to the Financial and Administrative Committee of the Governing Body and to the Governing Body itself for prior approval. It is the custom of the Governing Body to specify, if it approves such expenses, that the Director-General is to finance them in the first instance and as far as possible from such savings as may accrue under part I of the programme and budget; cc/ this is done through the established procedures for budgetary transfers. The Governing Body may direct that the necessary savings are to be found by the deletion or postponement of one or more other programme items.

162. If savings are expected to be insufficient to meet the approved unforeseen expenses, the Governing Body generally authorizes the Director-General to charge the expenses to the budgetary credit for unforeseen expenditure (part II of the programme and budget). Should the resources available from savings and from part II not be expected to suffice to cover approved unforeseen expenses, the Governing Body generally authorizes the Director-General to charge the expenses to a "supplementary credit", to be financed by means of a withdrawal from the Working Capital Fund.

163. Unusually heavy expenditure was incurred in 1969 for unforeseen items; table 6 below describes them and the manner in which they were financed:

cc/ Which provides for the ordinary activities and expenditures of the ILO; see para. 126 above.

Table 6
(In US dollars)

| | Amount authorized | Expenditure charged to part I of budget | Expenditure charged to part II of budget | Expenditure charged to supplementary credit | Total expenditure |
|--|-----------------------|--|---|--|----------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Cost of final stage of work of Study Group on Labour and Trade Union Situation in Spain | 86,500 | - | 83,793 | - | 83,793 |
| Decision relating to Education Grant . . | 35,000 | - | 22,359 | - | 22,359 |
| Adoption of new rates of subsistence allowance for members of Governing Body and of Committees | 49,100 ^{a/} | 31,253 | - | - | 31,253 |
| Adoption of new salary scales for Professional and higher categories . . . | 532,000 ^{a/} | - | - | 514,582 | 514,582 |
| Expenditure in connexion with new premises for the ILO Regional Office for the Americas (Lima) | 31,000 ^{a/} | 7,152 | 23,848 | - | 31,000 |
| Cost of providing accident and sickness insurance for members of Governing Body and of Committees | 4,400 ^{a/} | 4,473 | - | - | 4,473 |
| Higher rates of representation allowance payable to Chairman of Governing Body and to Directorate of the ILO | 13,500 | 13,062 | - | - | 13,062 |
| Cost of first stage of work of Commission of Inquiry to examine observance by Greece of Conventions on Freedom of Association | 27,700 | 27,534 | - | - | 27,534 |
| Amendment to article 3.13 of Staff Regulations (family allowance in General Service category) | 30,500 | 31,054 | - | - | 31,054 |
| Adoption of new salary scales and new methodology for determining salaries of General Service staff in Geneva | 237,000 | 18,251 | - | 215,267 | 233,518 |
| Total | 1,046,700 | 132,779 | 130,000 | 729,849 | 992,628 |

^{a/} Authorized to be financed to the extent possible by savings within part I of the budget, thereafter from any balance that should remain in part II of the budget (Unforeseen Expenditure), and to the extent that this was not possible, by means of a withdrawal from the Working Capital Fund.

164. The possibility of financing unforeseen expenses by means of supplementary budgets is dealt with in paragraphs 147 and 148 above.

The budget credit for unforeseen expenditure

165. Specific provision for unforeseen expenditure has been included in the ILO budget since the financial period 1965. Its use is governed by article 15 of the Financial Regulations:

Article 15

"When a sum is voted in the budget by the Conference without specification of the precise purposes for which it is to be applied, no part of such sum shall be expended until a detailed statement as to the nature and object of the expenditure has been considered and approved by the Governing Body, or in cases of particular urgency by the Chairman of the Governing Body."

166. The provision for unforeseen expenditure (part II of the programme and budget), which was originally set at \$125,000, has been maintained at an annual level of \$130,000 since 1966. It was not fully spent in any of the years 1965-1968, but was exhausted in 1969 (see table 6 above).

Withdrawals from the Working Capital Fund

167. Withdrawals from the Working Capital Fund^{dd/} to finance unforeseen expenses are provided for in the Financial Regulations in article 18, paragraph 1, which states that the purposes of the Fund are:

"(a) to finance budgetary appropriations pending receipt of contributions or other income; and

"(b) in exceptional circumstances and subject to prior authorisation of the Governing Body, to provide advances to meet contingencies and emergencies."

168. When the ILO had an annual budget cycle, withdrawals for unforeseen expenses were reimbursed to the Fund by including a credit in the programme and budget for the next year but one. The current procedure is governed by article 20, paragraph 3, of the Financial Regulations, which reflects the change to a biennial budget cycle:

Article 20

".....

"3. (a) Sums withdrawn from the Working Capital Fund in any financial period to meet contingencies and emergencies shall be reimbursed to the Fund by adding to the contributions assessed on member States for the second year of the succeeding financial period an additional assessment equivalent to the amount so withdrawn;

^{dd/} See also paras. 173-179 below.

"(b) If, before or during the session of the International Labour Conference in the first year of a financial period, contingencies or emergencies arise of such magnitude as would, in the opinion of the Director-General, be likely to lead to the exhaustion of the financial resources in the Working Capital Fund before the end of the financial period as a whole, the Director-General shall propose to the Governing Body that it recommend to the Conference that the amount estimated to be necessary to finance such contingencies or emergencies in the second year of the financial period shall be made the subject of an additional assessment on member States for that year. The Conference at its session during the first year of the said financial period shall take such action as it may deem necessary in the light of the related recommendations of the Governing Body."

169. The procedure provided for in paragraph 3 (a) of article 20 is being applied for the first time to deal with the withdrawal of \$729,849 for unforeseen expenses in 1969 (see table 6 in paragraph 163 above). The procedure provided for in paragraph 3 (b) has not so far been used.

4. Level of the budget

170. The procedure by which the level of the programme and budget is decided has been described in paragraphs 137 to 146 above. This procedure, and the opportunities for the constituents of the organisation to participate in it, are being strengthened by arrangements now being implemented for the submission to the Financial and Administrative Committee and the Governing Body of long-term plans subject to scrutiny and revision at two-year intervals. They are also supplemented by annual reviews, by the same tripartite bodies, of the implementation of the programme and budget and by in-depth reviews of particular programmes.

171. The level of the budget has risen over the years as the result of both cost and programme increases; their effect during the period 1967 to 1971, together with the influence of other factors, is shown in table 7 below. The figures for each year of the biennium 1970-1971 are calculated on a compounded annual basis as compared with 1969. Those included under "Other changes" relate to increases and decreases in the provisions for unforeseen expenditure, payments into the Working Capital Fund and other budgetary provisions of a non-programme nature.

Table 7
(In US dollars)

| Year | Cost increases | | Programme increases | | Other changes | | Budget totals |
|------|----------------|----------|----------------------------|----------|-----------------------|----------|---------------|
| | \$ | Per cent | \$ | Per cent | \$ | Per cent | Per cent |
| 1966 | Base year | - | - | - | - | - | 21,034,412 |
| 1967 | 1,083,400 | 5.2 | 1,457,911 | 6.9 | (258,723) | (1.2) | 23,317,000 |
| 1968 | 1,127,574 | 4.8 | 541,857 | 2.3 | 695,049 | 3.0 | 25,681,480 |
| 1969 | 1,236,174 | 4.8 | 1,106,982 | 4.3 | (523,947) | (2.0) | 27,500,689 |
| 1970 | 1,273,090 | 4.6 | 876,324 ^{a/} | 3.2 | (37,103) | (0.1) | 29,613,000 |
| 1971 | 1,370,326 | 4.6 | 1,643,512 ^{a, b/} | 5.5 | 690,011 ^{b/} | 2.3 | 33,316,849 |
| | 6,090,564 | 29.0 | 5,626,586 | 26.7 | 565,287 | 2.7 | |

^{a/} Annual share of net programme increase for the biennium. This net increase takes account of a programme reduction of \$321,400 corresponding to a part of the cost in 1970-1971 of increased salaries and family allowances for the General Service category in Geneva. Under a decision taken by the Governing Body, this amount is to be financed as far as possible by savings under part I of the programme and budget.

^{b/} Includes 1971 supplementary assessment.

172. About 50 per cent of the total budget increase from 1967 to 1971 is attributable to cost increases and 46 per cent to programme increases; there is a net increase of about 4 per cent in non-programme items.

5. The Working Capital Fund and its level

173. The amount and composition of the Working Capital Fund are governed by article 18, paragraphs 2 and 3 of the Financial Regulations, which provide as follows:

Article 18

"2. The Working Capital Fund shall be of such amount as may be voted from time to time by the Conference and shall be constituted by -

- (a) moneys placed in the Fund by the Members of the Organisation, the amount of the share of each Member being assessed in accordance with the budgetary scale of contributions; and
- (b) any sums which the Conference may cause to be paid into it from time to time.

"3. The sums paid by Members of the Organisation under paragraph 2 (a) for the purpose of constituting or augmenting the Working Capital Fund shall be carried to the credit of the Members which have paid such sums. The sums which the Conference causes to be paid into the Fund from time to time shall be carried to the credit of the Organisation."

174. Interest earnings on the two parts of the Fund are paid into the part on which they accrue. The second part also receives miscellaneous income, as provided in article 11 of the Financial Regulations:

Article 11

"Receipts other than contributions payable by governments, such as receipts from the sale of publications and other miscellaneous sources and interest, shall be paid into the part of the Working Capital Fund which stands to the credit of the Organisation, except in so far as the Conference may decide otherwise. Receipts from the sale of publications shall be on a net basis, after offsetting the cost of reprints required for sales purposes."

175. Under article 18, paragraph 1 of the Financial Regulations (quoted in paragraph 167 above), withdrawals may be made from the Fund first to finance budgetary cash deficits, and second, under certain conditions, to finance unforeseen expenses. The procedure for reimbursing withdrawals of the second type has been dealt with in paragraphs 168 and 169 above. The reimbursement of withdrawals made to finance budgetary cash deficits is governed by article 20, paragraphs 1 and 2 of the Financial Regulations, which reflects the introduction of a biennial budget cycle:

Article 20

"1. (a) Sums not exceeding the total contribution to the Fund by the Members of the Organisation may be withdrawn from the Working Capital Fund to finance budgetary appropriations for any financial period pending receipt of contributions or other income and shall be reimbursed to the Fund in the course of that financial period as soon as receipts from contributions or other income are available for this purpose.

"(b) Should the sums contributed to the Working Capital Fund by the Members be temporarily inadequate to finance budgetary appropriations pending receipt of contributions, advances may be made from that part of the Working Capital Fund which stands to the credit of the Organisation. Such advances shall be reimbursed to the Fund as soon as receipts from contributions or other income are available. Such advances shall also be reported to the Governing Body at each session following the making of an advance.

"2. If in any financial period any sum withdrawn from the Working Capital Fund to finance budgetary expenditure pending receipt of contributions or other income cannot be reimbursed in the course of the financial period owing to the fact that total budgetary income for the financial period falls short of total budgetary expenditure, the reimbursement of such sum shall be a first charge against arrears of contributions received by the Organisation up to 31 December of the first year of the succeeding financial period; if the arrears so received are insufficient to cover the full reimbursement of such sum the balance shall be reimbursed to the Fund by including an appropriate credit in the budget for the second financial period succeeding the one in which the said withdrawal occurred."

176. Annex II-D contains information on the use of the Working Capital Fund from the close of the financial year 1965 to August 1970, showing the position of the Fund at the end of each month; it thus gives a general picture of the development of the financial situation of the Organisation during that period. No specific target having been set for the level of the Fund, the nominal level shown in column 3 of annex II-D is the level at which the Fund would stand if all amounts payable into it by member States were paid and if the amounts withdrawn temporarily under article 18 of the Financial Regulations were fully restored. Annex II-D also shows, as at the end of each month, the unencumbered balance of the Fund after taking into account the current needs for working capital and the sums due to the Fund or withdrawn from it (column 14) and the unencumbered funds to hand over and above the unencumbered balance of the Fund at times when the excess of income over expenditure has been more than sufficient to cover estimated current needs (column 15). It is the figure in column 14 (the unencumbered balance of the Fund), together with the ratio this figure bears to the level of the budget for the year concerned, that constitutes the best index of the adequacy of the Fund in relation to potential calls upon it.

177. In 1965, the Financial and Administrative Committee of the Governing Body decided to establish a Working Party to study the position of the Working Capital Fund with a view to determining an appropriate level in relation to the level of future years' budgets. The Working Party met in November 1965 and concluded that the Fund should be of such an amount as to ensure that the Organisation had at its disposal sufficient cash reserves to meet its commitments and to maintain its work programmes at the authorized level, even if for reasons beyond the control of the Director-General and the Governing Body there should be a falling-off of current income owing to delays in the payment of contributions.

178. The Working Party recognized that measures taken in the previous year to strengthen the ILO's financial position had, in effect, improved that position and that of the Working Capital Fund. ee/ It concluded, however, that further improvements were necessary. In view of conflicting opinions amongst its members, the Working Party decided that it was not in a position to make an agreed recommendation as to the desirability of setting a target for the Working Capital Fund and as to the level of such a target; it considered that this question might be more profitably examined after longer experience of the effect of the measures taken in 1964. It concluded that the financial position of the Fund and of the Organisation as a whole should be reviewed two years later in the light of developments, and that in the meantime the Working Capital Fund should be increased by \$150,000 annually for each of the years 1967 and 1968.

179. The Working Party was reconstituted in 1967. It decided that the Fund required further strengthening by a series of annual cash payments through the regular budget until 1971. Again, because of the differing views of its members, the Working Party considered that it was not in a position to make an agreed recommendation on an appropriate ratio between the size of the Working Capital Fund and that of the ILO budget. It concluded that the position of the Fund should be reviewed once more towards the end of 1970 in the light of experience in the meantime. In May 1970, the Governing Body decided, at the suggestion of the Director-General, to reconvene the Working Party later in the year.

ee/ The measures were: introduction of full budgeting as far as practicable; inclusion in the budget of a provision for unforeseen expenditure; amendment of the Financial Regulations to provide for the payment into the Working Capital Fund of miscellaneous income; and payment into the Fund of further amounts through the budget.

F. Control over the implementation of the Budget

1. Financial Regulations, Rules and Directives

180. The Financial Regulations of the Organization in their present form were adopted by the International Labour Conference in 1946; they have been periodically amended as required since that time. The most substantial amendments made in recent years were those adopted by the Conference in 1968 to provide for the introduction of a biennial budget cycle. The Director-General intends to propose to the Governing Body, for recommendation to the Conference, such amendments to the Financial Regulations as may be appropriate in the light of recommendations made by the Consultative Committee on Administrative Questions and approved by ACC aimed at greater uniformity between the Financial Regulations of the organizations in the United Nations system.

181. The Internal Financial Rules of the International Labour Office were established in their present form by the Director-General with effect from 1 January 1964, and were approved by the Governing Body, as provided for in the Financial Regulations.

182. Further detailed rules on financial subjects - for example on the payment of travel expenses of members of the ILO bodies - are promulgated when necessary to ensure financial control and economical use of the ILO resources.

183. Directives on financial matters for which Office-wide circulation is desired are issued by circular. At 30 June 1970, ten circulars on financial subjects were in effect. They dealt with such subjects as procedures for instructing payments by external offices, the allocation of funds and the budgetary expenditure coding pattern, authorized contracting officials, financial visas on outgoing letters and telegrams and monthly imprest reports by external offices.

2. Administrative controls

184. Articles 13 and 14 of the Financial Regulations provide as follows:

Article 13

"The adoption of a budget by the Conference shall constitute an authorization to the Director-General to incur expenditure, during the financial period to which the budget relates, for the purpose for which money has been voted in the budget up to, but not exceeding, the amounts so voted."

Article 14

"The Director-General shall not allow any money to be expended for any purpose in excess of the amount provided in the budget for such purpose. In order to prevent any such excess of expenditure, he shall cause all payments, as made, to be appropriated to the proper item of the budget, and shall keep a record of such appropriation and of liabilities incurred showing at all times the amount available under each item."

Compliance with these provisions requires the use of a number of internal systems, in particular for the control of allocations and the control of obligations and payments.

185. The provisions of the Internal Financial Rules dealing with the control of allocations are the following:

"4.20 Responsibility for Allocation of Funds

"The Chief of the Budget and Control Branch shall inform the services concerned of the respective amounts voted in the Organization's budget, or made available to the Organization by outside bodies, and shall ensure that, in the event of funds being insufficient to meet all requirements, the available amounts are apportioned on the basis of such priorities as may have been laid down. Only the Chief of the Budget and Control Branch shall make allocations of funds.

"4.30 Purpose and Nature of Allocation of Funds

"(a) Allocations of funds are made to inform the head of a service of the amount and type of budget credits which he may utilize for the needs of the programme for which he is responsible.

"(b) Allocations of funds must be made in writing and must be signed by the Chief of the Budget and Control Branch or an official designated by him. They shall list all limitations subject to which the funds made available may be utilized.

"(c) An official at headquarters to whom funds are allocated is thereby authorized to initiate requests for the incurring of liabilities including, depending on the nature of the allocation, staff requisitions, purchase requests, applications for mission orders, etc. Action on such requests shall be taken only by officials duly authorized to incur liabilities.

"(d) An allocation of funds to an official away from headquarters may, if the circumstances require this, include the authority to incur obligations and to make payments within the limitations set by the allocation. Allocations made to such officials shall state precisely the authorities delegated thereby.

"(e) Requests for the allocation of funds shall be made in the prescribed form, giving full particulars, including adequate justification, and shall indicate the purpose for which the funds are requested.

"4.40 Periodic Review of Allocations of Funds

"The use made of allocations shall be reviewed periodically by the Chief of the Budget and Control Branch in consultation with the officials to whom the allocations were made. Allocations shall be revised when necessary in accordance with the financial requirements of the Office to the end of the financial period."

186. In conformity with these rules, allocation advices are issued at the beginning of each financial period informing programme managers of the resources allocated to their programmes for the financial period in question and indicating the purpose for which they may be used. Any changes in allocations are dealt with through the programme change procedure described in paragraph 102 above.

187. Records for each programme are kept at headquarters, showing resource allocations, obligations incurred, actual disbursements, unliquidated obligations and unobligated balances. The position of each programme is reviewed each quarter with programme managers to ascertain the planned use of unobligated balances. Any expected savings are reported to the Programme Committee, which may recommend to the Director-General that they be reallocated.

188. Each programme manager who has funds for staff travel at his disposal is responsible for their management; however, all travel proposals which he makes must be reviewed by the chief of the major programme of which his programme is a part, by the Budget and Control Branch and by the Office of the Director-General, any one of which may refuse a proposal which it considers unjustified. The travel of senior officials is personally approved by the Director-General. The Advisory Committee was informed that an effort is made in the ILO to combine travel to meetings with other official travel, and to synchronize official travel with home leave travel, in the interests of economy.

189. As noted in paragraphs 112 to 118 above, the budgetary provisions for expenditure on staff, which constitutes a large proportion of total expenditure, are based for the most part on estimated standard costs. To ensure that actual expenditure on staff does not outrun these budgetary provisions, monthly checks are made on the movement of each of the elements used in calculating the standard costs. The necessary basic figures are produced by the ILO computer as a by-product of the payrolls and accounts programmes.

190. The Financial Regulations contain several further provisions for the control of obligations and payments, as follows:

Article 27

"1. The Director-General shall designate the officials who may incur liabilities and make payments on behalf of, or out of the funds of, the International Labour Organisation.

"2. He shall make rules to secure -

- (a) that no liabilities are incurred or payments made except by such officials;
- (b) that no liabilities are incurred which are not provided for in the budget;
- (c) that no payment is made for which the liability has ceased; and
- (d) generally to establish strict control in enforcing observance of the rules of this article."

Article 28

"1. The Director-General shall make rules to ensure the exercise of the greatest economy in incurring liabilities.

"2. Whenever a single purchase of goods or services is likely to exceed US\$2,500 or the equivalent, tenders from at least three suppliers shall be sought by invitations to bid or by newspaper advertisement, except where the Director-General decides in the interest of the Organisation to waive this requirement.

"3. The Director-General shall determine who may open and accept tenders, and make rules for guidance in accepting tenders."

191. There are provisions in the Internal Financial Rules which specify the officials authorized to incur obligations and make payments, and which lay down procedures for the control of obligations at and away from headquarters, the presentation and payment of claims, competitive bidding and advertising, and the awarding of contracts. There is a safeguard provision to prevent duplicate payment of claims and to separate the functions of purchasing, acceptance of goods and services, auditing and disbursing.

3. Management (Organization and Methods) Services

192. A small management services unit was set up on the recommendation of the external consultants as part of the 1964 reorganization of the Office. As indicated in the organizational chart (annex II-A), it is located in the Finance and General Services Department; its Chief reports to the Chief of that Department. At 1 January 1970, the strength of the Branch was five Professional and three General Service category officials. It is also provided with resources for consultants.

193. In addition to helping to realize specific improvement, the Branch is responsible for the continuous review and improvement of service activities through the analysis of workload, the simplification of methods and procedures and the elimination of needless tasks. It is available on request to help senior staff work out and apply solutions to problems of organization, work methods and procedures; and it is available to advise on the most efficient arrangements for implementing proposed new activities. Its reports are considered internal documents and are not circulated outside the Office.

194. The following are among the projects carried out by the Management Services Branch in recent years:

(a) Study of the communications and current records operations and of the organization of the archives of the ILO Registry;

(b) Studies of decentralization of activities;

(c) Studies of the planning and production of documents;

(d) General review of the electronic data-processing programme;

(e) Studies of organizational and administrative arrangements in technical departments, service and support departments and the Field Department;

(f) Studies of various activities of the Internal Administration and Travel Branch;

(g) Study of methods of processing and production of publications and lengthy documents;

(h) Studies of electronic data-processing applications;

(i) Studies of the efficiency of Office support and guidance for technical co-operation activities.

195. The Advisory Committee was informed that the Director-General had experienced some difficulty in recruiting and retaining Professional staff with the competence required by the Management Services Branch.

4. Internal Audit

196. An Internal Audit Section, reporting to the Treasurer and Financial Comptroller, was established in the second half of 1969. Its staff at present consists of one Professional official and a General Service staff member; provision has been made for a second Professional Official as from 1971. The programme of the Section places considerable emphasis on visits to ILO offices in the field, in view of the transfer to them of greater responsibility for their financial and administrative operations (see paragraph 44 above).

197. The terms of reference of the Internal Audit Section are:

(a) To review and examine actions of the Organisation which have financial implications and to check that the regulations, rules and procedures are followed, that the funds of the Organisation are used economically, that its best interests are protected, and that the accounts are accurately posted and maintained;

(b) To ascertain the extent to which the Organisation's assets are accounted for, and safeguarded from losses; this involves periodic review of the effectiveness and application of all internal controls;

(c) To identify deviations from regulations and instructions; to draw attention to improper practices or transactions; to recommend corrective measures and, where necessary, changes in procedures or practices;

(d) To carry out investigations and special audits of selected activities.

198. Each year the internal auditor will draw up a detailed programme of work for the Section. An Internal Audit Manual has been prepared, dealing with the functions of the Internal Audit Section, the scope of its audits, the preparation of its programme, audit reports, general audit principles, audit working papers and guidelines for audit procedures. The Manual provides that in the performance of its work the Internal Audit Section will not be under the supervision of the external auditor, but that, in order to avoid duplication, its programmes will be decided in consultation with him, his requirements will be met where necessary and full co-operation will be given to him.

5. External Audit

199. Article 31 of the Financial Regulations contains the following provisions:

Article 31

"1. An auditor, who shall be a person in no way in the service of the Organisation, shall be appointed by the Governing Body.

2. The auditor shall be appointed for a period to be decided by the Governing Body, and shall not be removable except by the Governing Body with reasons stated.

3. During his presence at the seat of the Organization for the purpose of an audit, the auditor shall receive subsistence allowance and such other allowances as the Governing Body may determine, and his necessary travelling expenses shall be refunded on production of a duly certified statement.

4. The Governing Body shall, if necessary, appoint a deputy auditor to assist and replace the auditor in case of need. Paragraphs 1 and 3 of the present article shall apply to the deputy auditor."

200. Further provisions on external audit, concerning in particular the scope and conduct of the audits and the contents and manner of submission of audit reports, are contained in articles 32 to 36. While they specify certain financial matters which shall be covered by the external auditor, they do not limit him to reporting only on these items. It has been the practice of the ILO external auditor over the years to make general observations on ILO financial practices, including questions of efficiency of operations as well as the appropriate use of funds. No management studies have been undertaken for it has been the opinion of the present external auditor that such studies should be carried out by internal management services, having recourse as necessary to external consultants.

201. When the recommendations of the Consultative Committee on Administrative Questions on standard provisions for external audit have been formulated and approved, the Director-General intends to propose corresponding amendments in the external audit provisions of the ILO Financial Regulations.

6. Control by the Governing Body and the International Labour Conference

202. Transfers within the expenditure budget are governed by Article 16 of the Financial Regulations:

Article 16

"1. Transfer from one item to another in the same part of the expenditure budget may be effected by special resolutions of the Governing Body. Such resolutions shall be communicated to the Conference.

"2. No transfers may be made between the parts of the expenditure budget."

203. Thus it is impossible under the current budget presentation to transfer funds between the provision for unforeseen expenditure and that for ordinary activities and expenditures, since the unforeseen provision constitutes a separate part of the budget. Governing Body approval is explicitly required for transfers between budget items (that is, between major programmes), while discretionary power is implicitly left to the Director-General to make transfers within budget items (that is, between programmes forming part of the same major programme and between objects of expenditure within programmes).

204. The Financial and Administrative Committee of the Governing Body and the Governing Body itself gave renewed consideration to the question of flexibility in the use of budgetary credits when they discussed the first ILO budget estimates presented on a programme basis, the Director-General's programme and budget proposals for 1967. It was noted that, in considering the budget in its new format, the policy-making organs of the ILO would be examining and approving programmes and programme objectives. Changes in programme objectives would continue to be subject to the scrutiny of the Governing Body, since the budget items referred to in the Financial Regulations corresponded to major programmes under the new presentation.

205. It was further noted that Governing Body approval would not be required for transfers within the major programmes corresponding to budget items. It was felt that the Director-General should have the possibility, once objectives had been approved, of choosing a different way of accomplishing an approved objective where that proved necessary.

206. In reply to a question raised on this subject in the Financial and Administrative Committee, the Director-General expressed the view that there was a difference between the technical authority to make transfers and the judgement to be exercised in deciding what matters should be referred to the Governing Body. Whatever the availability of resources might be, he felt that, if the need arose to convene an important meeting for which budgetary provision had not been made, good judgement would suggest prior consultation with the Governing Body. On the other hand, a matter like calling consultants to Geneva when resources were available, even if they had not been earmarked for that purpose, might not be found to warrant consultation with the Governing Body. ee/

ee/ ILO, Programme and Budget Proposals and Other Financial Questions,
Geneva, 1966, p. 95.

207. It is the practice of the Governing Body, before the close of each financial period, to delegate to its Chairman authority to give provisional approval to the draft list of transfers between budget items which is established at the closing of the accounts for the financial period. This list includes, in particular, all transfers required under authorizations of supplementary expenditure which call for such expenditure to be financed, to the extent possible, out of budgetary savings (see section E above, paragraph 161). Final approval is then given to the transfers by the Governing Body at its first session in the following year. A complete schedule of transfers covering both those approved by the Director-General and those approved by the Governing Body, is communicated to the Conference in the audited accounts.

G. Co-ordination

1. Internal co-ordination

208. Institutional arrangements for internal co-ordination of the work of the Office are incorporated in the programme planning and control system described in section C above. Moreover, arrangements for co-ordination between programmes which make up the major programmes are established by department chiefs as part of their general responsibility for programme management. Special arrangements exist in the Technical Co-operation Department for co-ordination as regards programmes and resource management within the field structure which is described in paragraphs 38 to 45 above.

2. Co-ordination and co-operation with other members of the United Nations system

209. Pursuant to Article 57 of the Charter of the United Nations, and to a resolution adopted by the International Labour Conference at its twenty-seventh session in Paris on 3 November 1945, the ILO in 1946 became the first specialized agency to conclude a relationship agreement with the United Nations. The Agreement provides, among other things, for reciprocal representation, the submission to the International Labour Conference of recommendations of the General Assembly and the Economic and Social Council, co-operation by the ILO in measures for interagency co-ordination, exchange of information and documents, close association of regional and branch offices with those of the United Nations, co-operation in developing common personnel arrangements, and the use of common administrative and technical services and facilities. According to the article of the Agreement dealing with budgetary and financial arrangements (article XIV), the United Nations and the ILO agree to co-operate to the fullest extent possible in establishing close budgetary and financial relationships. The ILO undertakes to consult with the United Nations in the preparation of its budget and to transmit its proposed budget to the United Nations, and the General Assembly is authorized to examine the budget or proposed budget and may make recommendations to the ILO on items in it. The United Nations is authorized to arrange for studies with a view to the provision of common services and the securing of uniformity, and the ILO agrees to conform, as far as practicable, to standard practices and forms recommended by the United Nations.

210. Relationship agreements between the ILO and other organizations invariably recognize the competence of the contracting organizations, each in its field. Provisions for reciprocal representation at meetings are included. The agreements with the United Nations and the other specialized agencies are intended to promote co-ordination through consultation and recommendation and a full and prompt exchange of documents and information in the formative stages of major policy decisions.

211. Within the United Nations system, the ILO has concluded relationship agreements with FAO, UNESCO, WHO, IMCO, IAEA and UNDP, and a Memorandum of Understanding with ICAO. These are supplemented by:

(a) A memorandum of understanding between the ILO and FAO on responsibilities for migration for land settlement;

(b) An understanding supplementary to the agreement between the ILO and FAO on vocational training in agriculture, migration for land settlement, co-operatives and rural industries;

(c) A memorandum on collaboration between the ILO and UNESCO in technical and vocational education and related matters;

(d) A memorandum of agreement between the ILO, FAO and UNESCO supplementing the UNESCO/FAO agreement on agricultural education;

(e) Principles for co-operation and co-ordination in occupational health activities agreed between the Directors-General of the ILO and WHO.

212. Under the programme planning and control system described in section C above, programme proposals assembled in the departments of the Office are discussed as appropriate with other organizations before they are submitted to the ILO's policy-making bodies. The Director-General has decided that as from 1971, in addition to circulating the ILO programme and budget proposals to the other member organizations of the United Nations system as in the past, he will specifically ask them for comments, which the Governing Body can consider when it examines the proposals.

213. The ILO recognizes that the eventual development of a single unified international civil service is desirable from the standpoint of effective administrative co-ordination, and co-operates with other organizations in interagency bodies to this end. Consultations have helped make possible greater uniformity in personnel and other administrative matters of mutual interest. The secondment of staff and the posting of liaison officers are other methods of co-operation.

Joint machinery for co-ordination

214. The ILO participates in the Administrative Committee for Co-ordination (ACC), and in virtually all its subsidiary organs, including its Preparatory Committee. The Director-General is a member of the Inter-Agency Consultative Board, which advises the Administrator of UNDP on interagency co-ordination relating to technical co-operation activities.

215. Joint machinery has also been set up to co-ordinate the ILO activities with those of other organizations in fields of common interest. Thus, by way of example, the ILO participates in the following bodies:

(a) Joint FAO/UNESCO/ILO Advisory Committee on Agricultural Education, Science and Training;

(b) Joint ILO/IMCO Committee on Maritime Safety Training;

(c) Joint ILO/UNESCO Committee of Experts on the Application of the Recommendation concerning the Status of Teachers;

(d) Joint ILO/WHO Expert Committee on Organization of Health Care and Its Relationship with Social Security.

216. In addition to institutional arrangements and practices for co-ordination and collaboration, the ILO participates in joint operational projects and other activities. A Joint FAO/ILO/UNESCO World Conference on Agricultural Education, Science and Training took place in the summer of 1970 in Copenhagen.

The World Employment Programme

217. The World Employment Programme will require close co-operation between the ILO and other international organizations, and a number of agencies are participating, or have promised their participation, in the regional teams which have been set up. Thus the Economic Commission for Latin America, FAO, UNESCO, the Organization of American States and the Inter-American Development Bank have participated in the ILO programme in Latin America either by providing experts for the regional team based in Santiago or by helping develop programme activities.

218. The interagency approach is also reflected in a pioneer ILO project in Colombia. A mission composed of experts from several agencies, including the ILO, UNCTAD, UNIDO, FAO, UNESCO, WHO, the International Bank for Reconstruction and Development, the Organization of American States and the Inter-American Development Bank visited Colombia in January-February 1970 to help the Government draw up a national employment policy and action programme. Similar projects will shortly be launched in selected countries in other regions.

3. Co-ordination and co-operation with non-United Nations bodies

219. In order to foster the maintenance and advancement of world standards based on the principles set forth in its Constitution and the Declaration of Philadelphia, the ILO endeavours to develop and strengthen links with regional organizations. It has concluded formal agreements with some thirteen such organizations. ff/

220. These agreements follow the general pattern of agreements with intergovernmental international organizations, gg/ with variants to provide for regional and other functional requirements. Co-ordination and co-operation are sought by the same methods as those employed in the case of organizations within the United Nations system, that is, mutual recognition of competence, participation in meetings, exchange of information and documents, inter-secretariat consultations etc. In the view of the ILO, there is little duplication and conflict with regional organizations, despite the absence of any central co-ordinating machinery, as co-ordination is sought as a matter of self-interest and on a voluntary and pragmatic basis.

ff/ The Organization of American States, the Council of Europe, the European Coal and Steel Community, the Organisation for Economic Co-operation and Development, the League of Arab States, the Western European Union, the European Economic Community, the European Atomic Energy Community, the Intergovernmental Committee for European Migration, the Asian Productivity Organization, the Latin American Free Trade Association, the Organization of Central American States, and the Organization of African Unity. Relations of a less formal character are maintained with other regional organizations, including the South Pacific Commission, the Council for Mutual Economic Assistance and the Common Afro-Malagasy and Mauritian Organization.

gg/ See para. 210 above.

4. Implementation of the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies

221. The ILO Governing Body, through its Financial and Administrative Committee, has been kept informed of developments relating to inter-organization financial, budgetary and administrative co-ordination. In particular, it has considered the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, along with related reports and matters arising from the Committee's recommendations. Information about the implementation by the ILO of the Ad Hoc Committee's recommendations has been submitted by the Director-General to the Secretary-General and to the Advisory Committee on Administrative and Budgetary Questions. hh/

5. Reports of the Joint Inspection Unit

222. The ILO has participated in the United Nations inspection system since the establishment of the Joint Inspection Unit on 1 January 1968 and, through ACC, has co-operated in the development of arrangements for the handling and distribution of the inspectors' reports.

223. Within the ILO, the Director-General has delegated responsibility to the Chief of the Research and Planning Department for all liaison matters relating to the Joint Inspection Unit. This official is also responsible for co-ordinating the preparation of comments on the reports received; this involves assigning work to the departments concerned and establishing time-tables for its completion.

224. Reports to be considered by the Governing Body are communicated to its Financial and Administrative Committee, which examines them in the light of the Director-General's comments and advises the Governing Body on them. Depending on the subject-matter, they may also be communicated to other committees (for example, the Committee on Operational Programmes) for consideration and advice.

225. By 30 June 1970, the ILO had received eight formal reports from the Unit. These reports have been dealt with, in general, in accordance with the procedures in effect at the time. However, in the case of three reports received in 1969, ii/ it was not always possible to adhere to the time-limits agreed to by ACC and the Committee for Programme and Co-ordination and endorsed by the Economic and Social

hh/ The action taken by the ILO on individual recommendations is summarized in the report of the Secretary-General (A/7999 and Add.1).

ii/ "Report on programming and budgets in the United Nations family of organizations" (A/7822, annex); "Report on a visit of inspection to Malaysia and Singapore" (E/4766); and report on "Selected ideas for improving field operations" (E.4792).

Council for the transmission of the Director-General's observations. The ILO explains that the reports were received within a few weeks of each other, so that an unexpected strain was placed on the services responsible for preparing comments, and that further workload was created for the same services by the "Study of the capacity of the United Nations development system" (DP/5) and the report of the commission headed by Sir Lester Pearson, jj/ some of the recommendations of which were parallel to those made by the Joint Inspection Unit. In addition, the reports on "Programming and budgets in the United Nations family of organizations" and on "Selected ideas for improving field operations" required much internal consultation, owing to the nature of the proposals they contained, while the former also required consultation through the Consultative Committee on Administrative Questions. By the time the Director-General's comments on that report and on the "Report on a visit of inspection to Malaysia and Singapore" had been finalized, the Governing Body was ready to meet (February-March 1970) and it was decided to await the outcome of its discussions before communicating the comments to the other organizations and to the Assistant Secretary-General for Inter-Agency Affairs.

H. Programme of conferences and meetings, languages, documentation and publications

1. Programme of conferences and meetings

226. The programme of ILO conferences and meetings includes sessions of policy-making organs (International Labour Conference, Governing Body), advisory meetings and technical conferences. The ILO also participates in joint meetings with other organizations.

227. The major advisory meetings include:

(a) Regional conferences (African Regional Conferences, Asian Regional Conferences, Conferences of American States Members of the ILO, and European Regional Conferences); the interval between two regional conferences of the same region is normally about four years; kk/

(b) Regional advisory committees (African, Asian and Inter-American);

(c) Industrial committees (the ILO has standing committees for: Building, Engineering and Public Works; Chemical Industries; Coal Mines; Inland Transport; Iron and Steel; Metal Trades; Petroleum; Salaried Employees and Professional Workers; Textiles; Work on Plantations;

(d) Committees which are convened to consider problems relating to particular branches of activity (Joint Maritime Commission; Advisory Committee on Rural Development; Joint Committee on the Public Service).

jj/ Report of the Pearson Commission, Partners in Development, Report of the Commission on International Development (New York, Praeger Publishers, Inc., 1969).

kk/ However, only one European Regional Conference has been held so far.

228. From time to time the ILO also convenes preparatory technical conferences to examine technical questions before they are submitted to the International Labour Conference with a view to the adoption of conventions or recommendations.

229. The over-all programme of ILO conferences and meetings for each budgetary period is laid down in the programme and budget as adopted by the Conference. The detailed programme, including the dates and places of meetings, is later approved by the Governing Body. The programme for each year normally provides for one session of the International Labour Conference, 11/ three sessions of the Governing Body, three or four Industrial Committee-type meetings, one regional conference and one regional advisory committee meeting. In addition, each year the Governing Body convenes meetings of experts or advisers (generally six).

230. In November 1958, at its one hundred and fortieth session, the Governing Body adopted the report of its Committee to Review the Programme of ILO Conferences and Meetings. The Governing Body decided in principle that it would include in the budget of the Organisation provision for four major meetings chosen from among the following: regional conferences (in general not more than one in any one year), industrial committees and analogous bodies including ad hoc meetings for certain industries; the Joint Maritime Commission; and the Permanent Agricultural Committee (since renamed the Advisory Committee on Rural Development). mm/

231. At its one hundred and seventy-fourth session (February-March 1969), the Governing Body approved, to take effect as from 1971, the proposals submitted by the Committee on Industrial Committees concerning a revision of the annual pattern of major meetings established in 1958. In addition to regional conferences (in general not more than one in any one year), the proposals call for annual provision in the budget of the organisation for the average cost of four Industrial Committee-type meetings, the programme for which would be three meetings of the Industrial Committee-type (normally standing committees), plus, alternating each year, either a further full Industrial Committee-type meeting, or a number of other meetings on a smaller scale at equivalent cost. The Advisory Committee on Rural Development would be regarded as a full Industrial Committee-type meeting, while the Joint Maritime Commission would be regarded as a smaller-scale meeting. nn/

232. The Governing Body has also approved a standard programme of meetings for its own sessions, in which a set number of meetings are reserved for the various committees of the Governing Body, and also for plenary meetings. Any committee not completing its work within the time allotted, or needing a further meeting for the adoption of its report, must, unless provision can be made for it within the established framework, choose between deferring its business to a later session or meeting in the late afternoon or evening or on Saturday.

11/ From time to time, the Conference holds an additional session devoted to maritime questions.

mm/ ILO, Programme and Budget for 1969, para. 35.

nn/ ILO, Programme and Budget for the Biennium 1970-1971, para. 32.

2. Languages

233. The official languages of the ILO are English and French: thus the English and the French versions of official texts (the Constitution, Conventions, Recommendations) are equally authoritative. Spanish is a full working language. The reports printed for the Conference and certain documents for the Governing Body also appear in German and Russian. There is interpretation from and into these five languages at the Conference and in the Governing Body; at the Conference, there is also interpretation from and into Arabic in plenary sittings and in certain committees. For regional conferences and regional advisory committees, the working languages are decided by the Governing Body. For other meetings, the working languages are chosen according to the needs of the participants.

234. The current use of languages for the Conferences, the Governing Body and major meetings is summarized in the following table:

Table 8

| Meeting | Languages used ^{a/} | |
|---|---------------------------------------|---------------------------|
| | Documents | Interpretation |
| International Labour Conference | E F G R S | A E F G R S ^{b/} |
| Governing Body | E F S (selected documents in G and R) | |
| African Regional Conference | E F | E F |
| Asian Regional Conference | E F (R for certain documents) | E F R |
| Conference of American States Members of the ILO | E S | E F S |
| European Regional Conference | E F ^{c/} | E F G R ^{c/} |
| African Advisory Committee | E F | E F |
| Asian Advisory Committee | E F (R for certain documents) | E F R |
| Inter-American Advisory Committee | E S | Into E S from E F S |
| Industrial Committee | E F (S for certain Committees) | E F G R S |
| Joint Maritime Commission | E F | E F G |

a/ A = Arabic; E = English; F = French; G = German; R = Russian; S = Spanish.

b/ Arabic interpretation provided only in plenary sittings and in certain committees.

c/ At First European Regional Conference (1955).

3. Documentation

International Labour Conference

235. All reports on questions appearing on the agenda of the Conference are printed in English, French and Spanish. The Report of the Director-General and reports on technical agenda items are also printed in German and Russian. The main documents submitted to the Conference are the Report of the Director-General, a report containing the draft programme and budget and also dealing with other financial questions, reports on the application of conventions and recommendations and reports on technical items on the agenda.

236. The verbatim record of discussion at plenary sittings of the Conference appears daily during the session in printed form in English, French and Spanish, in the Conference Provisional Record. Discussion in committees is recorded in summary minutes, distributed in duplicated form. The draft reports of committees are distributed as duplicated documents and, when adopted, are printed in the Provisional Record. The issues of the Provisional Record of each session are later revised, and issued with an introduction and index in a volume entitled Record of Proceedings.

Governing Body

237. Documents submitted to the Governing Body are distributed in duplicated form (roneoed or, more and more frequently, photo offset), in English, French and Spanish. Some are translated into German and Russian. Documents for the committees of the Governing Body are distributed in English, French and Spanish. General policy documents calling for important decisions must be distributed six weeks before the meeting at which they will be considered; the deadline is three weeks for other documents. Exceptions may be made for documents submitted only for information, and for those which must contain the most recent information available. The Official Relations Branch of the Relations and Conferences Department is responsible for co-ordinating the preparation of documents for the Governing Body and its committees; the Conference Services Branch of the same department is responsible for translating and issuing them.

238. The committees of the Governing Body meet immediately before the Governing Body itself; their secretariats consist of officials of the units responsible for the subjects on their agenda. Their reports, prepared by their secretariats, are translated and distributed immediately to the Governing Body by the Conference Services Branch.

239. Discussion in the Governing Body is reported in (a) a Record of Decisions, prepared in English, French, Spanish and Russian by the Conference Services Branch and distributed a few days after the session, and (b) detailed Minutes in English, French and Spanish, also prepared by the Conference Services Branch. The Minutes are distributed to members of the Governing Body in draft form and approved at the following session. They are then published by the Editorial and Translation Branch of the Editorial and Public Information Department; reports and documents submitted to the Governing Body are reproduced as appendices.

240. The total volume of documentation submitted to the Governing Body at its one hundred and seventy-eight session (February-March 1970) in all languages represented 2,391 stencils and 3,379 offset pages (each offset page corresponding to about one and one-fifth stencils).

Major advisory meetings

241. The documentation supplied to regional conferences consists of a report of the Director-General and a report on each technical item of the agenda. The report of the Director-General is normally printed in two languages. The other reports are produced in duplicated form. Plenary meetings are reported in a Provisional Record which may be verbatim or summary; this record, which also contains committee reports, is distributed in duplicated form. No records are prepared for committee meetings. A Record of Proceedings is later printed in the language or languages used for the full Provisional Record.

242. Reports for regional advisory committees are prepared in the appropriate working languages and issued in duplicated form. The reports on the proceedings are submitted to the Governing Body.

243. The agenda of industrial committees normally provides for discussion of a general report dealing with follow-up action on the conclusions of previous sessions and with recent developments in the industry concerned, and of reports on two technical questions. These reports are reproduced by offset.

244. Minutes of the plenary sittings of industrial committees are distributed in English, French and Spanish. The discussions of sub-committees established to examine technical questions are the subject of short daily minutes in English and French, and sometimes in Spanish, and later of a report to the committee. The work of each session of a committee is recorded in a Note on the Proceedings, which is submitted to the Governing Body through the Committee on Industrial Committees.

Meetings of experts and other meetings

245. Reports for these meetings are prepared in the appropriate languages and distributed in duplicated form. No minutes are prepared. The work of each meeting is the subject of a report to the Governing Body.

4. Publications

246. Article 10, paragraph 2 (d), of the Constitution provides that, subject to such directives as the Governing Body may give, the Office is to "edit and issue, in such languages as the Governing Body may think desirable, publications dealing with problems of industry and employment of international interest". Apart from publishing the official documents of the Conference and the minutes of the Governing Body, the Office issues a number of periodicals and other publications. A Publications Board advises the Director-General on proposals for new publications.

Periodicals

247. The periodicals currently issued by the Office are:

- (a) The International Labour Review (120 pages monthly); technical articles on labour questions of international interest, information notes and a bibliography;
- (b) The Bulletin of Labour Statistics (128 pages quarterly);
- (c) The Legislative Series (220 pages biennially; new legislation on labour and social security);
- (d) The Official Bulletin (200 pages quarterly; texts of instruments, resolutions and other policy recommendations adopted within the ILO, etc.);
- (e) The Year Book of Labour Statistics (800 pages).

248. These periodicals are published in Geneva in English, French and Spanish by the Editorial and Translation Branch of the Editorial and Public Information Department with the collaboration of the technical departments concerned. Arrangements exist for the issue in Arabic and Japanese by bodies outside the ILO of material drawn from the International Labour Review.

249. The subscription periodicals CIRF Abstracts (bi-monthly) and Training for Progress (quarterly) are published in English and French by the Human Resources Department. Non-sales material is issued periodically by the Public Information and Workers' Education Branches.

Studies and manuals

250. The non-periodical publications issued by the Office comprise:

- (a) Comparative studies, general surveys and basic reference books and handbooks;
- (b) Workers' education manuals;
- (c) Codes of practice and guides to occupational safety and health;
- (d) Management development manuals;
- (e) Programmed learning books;
- (f) Comparative studies, monographs and case studies on labour aspects of automation;
- (g) Miscellaneous reports and manuals.

251. Such publications are normally published in English and French, and to a considerable extent in Spanish. Certain highly specialized items, however, are issued without translation. Editions of workers' education manuals in other languages (Arabic, Chinese, Hindi, Japanese and Urdu) have been financed by the Workers' Education Programme.

Organizations of the publications programme

252. The editorial preparation, translation, proofreading and printing of general periodical publications and of most printed studies and manuals are done by the Editorial and Translation Branch of the Editorial and Public Information Department. It also does the editorial and translation work for printed documents of the Conference and regional conferences, and translation of duplicated reports issued prior to scheduled meetings (other than preparatory documents for the Governing Body). Moreover, the Branch provides some services for the printed minutes of the Governing Body, the public information magazine Panorama and publications of the International Institute for Labour Studies. Control over the volume of documents for meetings, and the spacing over time of translation and reproduction workloads, are ensured by a system which involves the approval of time-tables for translation and issue.

I. Staff of the International Labour Office

1. The growth of staff

General

253. The growth of the staff of the International Labour Office in the last ten years (shown in annex II-E) has resulted mainly from the expansion of technical co-operation programmes. The staff reached almost 3,000 at the end of 1969, as against some 1,100 at the end of 1959. While the headquarters staff almost doubled, the number of experts assigned to field projects was nearly five times as great in 1969 as in 1959. Of the staff shown in annex II-E under headquarters and offices in the field, 111 Professional category officials were employed outside Geneva in 1969, compared with about forty, ten years earlier. In addition, 239 General Service officials were employed in field units in 1969. Most of the 944 officials employed on field projects in 1969 were assigned to UNDP projects.

Recruitment

254. In general, the ILO has been able to recruit the staff it needs. For instance, in 1969, more than 90 per cent of the vacancies at headquarters were filled, and 80 per cent of those available for field projects.

255. The ILO does, however, have difficulty recruiting certain specialists, including economists, manpower planning specialists, social security actuaries and management development specialists with experience in electronic data processing. The difficulty is particularly acute when it is sought to recruit for such posts officials of nationalities insufficiently represented among the staff, either at headquarters or for field programmes. Efforts have been made by the ILO to diversify the nationality range of the staff, which explains partly some of the delays that have occurred in recruitment. In the industrialized countries, particularly the United States of America and Canada, increased recruitment difficulties have been experienced in recent years as a result of the better conditions of employment available in those countries. A fairly large number of offers of appointment to candidates for field project vacancies are finally rejected, generally either because of abnormally long delays in obtaining all the

required clearances or because the conditions offered are insufficiently attractive. During 1969, more than 1,700 offers were made and confirmed for appointments at headquarters and in the field; 500 of these were for appointments of one year or more.

Retention

256. The ILO has generally been able to retain its experienced staff for long periods, at least at headquarters and at its offices in the field. At the end of 1969, 563 Professional and 580 General Service officials were employed on contracts "without limits of time" oo/ this represented approximately 71 per cent of the Professional staff and 56 per cent of the General Service staff employed for one year or more at headquarters or in offices in the field. Among the staff holding contracts "without limit of time" on the payroll at the end of 1969, more than one-quarter had been employed by the ILO for more than fifteen years, more than one third for more than ten years, and one-half for more than five years. Of the staff employed under fixed-term conditions at headquarters, about one third are employed for more than two years. Turnover is high among General Service category officials recruited under non-local conditions, especially English-speaking secretaries and stenographers.

257. The ILO is making efforts to retain the services of competent officials employed on field projects; as far as possible it re-employs them at the end of each assignment. However, the proportion of field project staff employed for more than five years is relatively small (less than 10 per cent). Measures are now being considered to enable some field project staff to update their technical expertise by attending training sessions and specialized seminars during their field assignment or between assignments.

2. The common system

258. In keeping with article XI (personnel arrangements) of its Agreement with the United Nations, the ILO has fostered the progressive development of the United Nations common system relating to conditions of employment. It has participated in interorganization consultations and studies and endeavoured to apply agreements reached with the other agencies following the common system. The Governing Body has approved amendments to the Staff Regulations to give statutory effect, as necessary, to such agreements. No serious discrepancies between the common system conditions of employment and those of the ILO have been reported to the Advisory Committee.

J. Accommodation

1. ILO Headquarters, Geneva

General

259. The present main headquarters building of the ILO in Geneva was built for the use of the International Labour Office on land given to the League of Nations by

oo/ This type of contract corresponds to the permanent contract in the United Nations.

the Swiss Confederation in 1923. Its construction was financed by a loan raised on the security of the site and of the premises in the course of construction, and reimbursed from the budget of the League over a period of five years. The building was inaugurated in 1926, when the staff was transferred from the temporary premises previously occupied in Geneva. Ownership of the land, the main building and certain dependencies was transferred to the International Labour Organisation in 1946, on the dissolution of the League.

260. The building was first extended in 1951-52. The cost, amounting to \$552,579, was financed by a loan from the Republic and Canton of Geneva of 2,250,000 Swiss francs, repayable in twenty annual instalments. In addition to the loan, the Republic and Canton of Geneva gave the ILO 500,000 Swiss francs, which virtually offset the 3 per cent interest charged on the loan.

261. In 1956-59, the building was further extended at a cost of \$869,791, with the help of an interest-free loan from the Swiss Confederation of 3.4 million Swiss francs, repayable in twenty-five annual instalments (from 1958 to 1982).

262. The possibilities of providing further office accommodation on the existing site were then exhausted, and it became necessary to envisage acquiring the only available adjoining land (known as "the Rappard" or "Les Fougères" property) with a view to building a further substantial extension to meet the Office's future needs. Authority to negotiate the acquisition of this property was granted by the Conference in 1958; however, the negotiations took a long time and it was not until February 1963 that the property was purchased.

263. By 1962, it was necessary to seek additional offices to those in the main building; such offices were rented in Geneva. In 1964, pending the completion of studies of a possible further extension, a temporary building was erected on a site at Petit-Saconnex, some two kilometres distant. The cost which was advanced by the Republic and Canton of Geneva, has been reimbursed in the form of rental payments which continued until August 1970. Part of the annex was occupied for a time by units of WHO, which participated through rental payments in the reimbursement of the construction cost. Construction of the temporary building was cheaper than renting premises on a commercial basis, and enabled all units which had to be accommodated away from the main building to be grouped together, except for some small units occupying rented offices comparatively close to the main building.

264. After a fire at the end of 1966, the annex was rebuilt in 1967, with the help of insurance compensation. It was extended by the addition of sixty-three offices in each of the years 1968 and 1969, some of these offices being temporarily rented to WHO. The total construction cost of the annex amounted to 6,071,335 Swiss francs, or \$US1,405,402, excluding work on the grounds and the insurance compensation received as a result of the fire.

265. The annex buildings will retain some residual value when they are no longer required by the ILO on completion of its new headquarters building (see paragraphs 267 to 273 below). The amount realized will, however, depend to a large extent on whether the Republic and Canton of Geneva will agree to leave them on their present site (which it owns) or request that they be dismantled and rebuilt elsewhere. According to the circumstances, the residual value may amount to anything between 20 and 75 per cent of the construction cost. WHO, as co-owner of

the premises, will be entitled to a share of whatever sum may be realized, corresponding approximately to the value of fifty-seven out of the 480 offices now contained in the buildings. The financial estimates which formed the basis for the decision to build rather than to rent additional premises took no account of the possible residual value of the buildings.

Acquisition and assignment to the International Institute for Labour Studies of the "Les Fougères" property

266. As indicated in paragraph 262 above, in February 1963 the ILO bought the land and the villa immediately adjoining the grounds of the main ILO building to the north (the "Les Fougères" property). The cost of \$481,181 was financed by a non-reimbursable withdrawal of \$363,192 from the Working Capital Fund and by a supplementary credit. By this time the International Institute for Labour Studies needed accommodation, and the villa was made available to it rent free. Also in 1963 a prefabricated building was erected on the newly acquired property at a cost of \$66,509, financed through the ILO Building and Accommodation Fund, pp/ which was increased for the purpose by \$15,000 granted as a supplementary credit. This building also was placed at the disposal of the Institute, subject to payments into the Building and Accommodation Fund of an annual rental of \$10,000, to be charged to the Institute's budget from 1964 until the total cost of the building is recovered.

Decision to construct a new headquarters building

267. By 1964, studies showed that, in the light of town-planning considerations, the land owned by the ILO (including "Les Fougères") would not be adequate for the construction of additional premises sufficient to meet the accommodation needs of the Office as they were by then expected to develop over the long term in the light of the growth of its activities. Moreover, discussions with the Swiss authorities, who own the adjoining properties, revealed that it was unlikely that additional adjacent land could be made available to the ILO. The Governing Body therefore authorized the Director-General to pursue negotiations with the Swiss authorities on the understanding that it was not possible to accept the idea that the ILO headquarters operate permanently in more than one location - since such an arrangement would be both costly and inefficient - and that before undertaking any new building it was essential, in view of the magnitude of the investment involved, to obtain satisfactory assurances that within reasonable limits future accommodation requirements, if and when they arose, could be met at the site in question.

268. The Swiss authorities offered to provide a site of an area of 106,275 square metres (about three times the size of the existing property excluding "Les Fougères"), located close to the United Nations Office at Geneva, and the buildings of other international organizations, and to grant a loan to finance the construction of a new building. The Governing Body, in November 1965, approved the principle of the construction of a new ILO headquarters building on this property (known as "Grand Morillon") and authorized the Director-General to pursue negotiations with the

pp/ This fund consists of moneys voted on accruing from time to time as a result of operations involving the building and accommodation needs of the ILO. It is not being used for the new headquarters building.

authorities and to appoint architects to draw up an over-all plan for the construction of the building based on suitable alternative assumptions of the amount of accommodation which should be provided.

269. In 1967, a contract was signed between the ILO and the Property Foundation for International Organizations qq/ (a private-law foundation established by the Swiss Confederation and the Republic and Canton of Geneva) providing for:

(a) The exchange of the land owned by the ILO in Geneva, excluding the property "Les Fougères", for the "Grand Morillon" property;

(b) The transfer against a payment of 18 million Swiss francs of the existing ILO building to the Foundation; and

(c) The grant to the ILO of a loan of up to 90 million Swiss francs, for the construction of a new building, repayable over forty years and bearing interest at 3 per cent.

The contract provided that the ILO have full and free enjoyment of its existing headquarters building and grounds until it was ready to vacate them, and that the Foundation make every effort to ensure that the property adjoining the "Grand Morillon" remains available for possible acquisition by the ILO to meet its future needs.

The programme of requirements for the new building

270. The programme of requirements for the new building provides for improved accommodation and auxiliary facilities for meetings (other than sessions of the International Labour Conference, which will continue to be held in the Palais des Nations) and sufficient office and other working space for 2,175 officials or 50 per cent more than the number employed at headquarters in 1966. The premises are also to include more ample accommodation for the library and the central services, (that is, those dealing with such matters as the receipt, registration and dispatch of mail, the reproduction and distribution of documents, building maintenance, and the receipt, storage and dispatch of heavy articles). Finally, the building is to include premises for staff welfare and recreational activities, a restaurant and other refreshment facilities and underground garage space.

Description of the new building

271. The architects' plans provide for a raised main building about 190 metres (623 feet) long and 32 metres (105 feet) wide, narrowing to 17 metres (56 feet) in the centre, oriented along a line running approximately north-south, and comprising ten office floors, together with an eleventh floor devoted partly to utilities premises (elevators, ventilation chambers, etc.) and partly to a reception or exhibit area, all supported by a load-bearing platform. Below the platform, the building will comprise several above-ground levels which broaden out at the extremities to cover a wider area than the floors above. These levels house the

qq/ Fondation pour les immeubles des organisations internationales (FIPOI).

meetings and library premises, central service units and catering and welfare facilities. Beneath these run other levels for utilities and storage. The length of the building at ground level is about 240 metres (787 feet).

272. The building will be of the maximum height permitted under the air traffic safety regulations, and its general size will correspond closely to the maximum allowable under the local town-planning regulations for the site and the area concerned. Should additional construction ever become necessary, it would have to take the form of a second building, which would be linked with the first and would extend into the adjoining property to the south-west.

273. The approximate surface areas of the new building (excluding garage space) and of the present building and annexes are shown in the following table.

2. Offices in the field

274. Some ILO external offices occupy premises made available on a rent-free or subsidized basis by the Government of the country concerned; the great majority, however, are housed in rented premises. Only the premises of the Regional Office for the Americas, in Lima, are owned by the ILO, this having been found the most efficient and economical arrangement given the conditions prevailing in that city. In two cases (Algiers and Beirut), it has been possible to secure common premises with United Nations offices and, in one case (Port of Spain), the office is in the same building as the UNDP office, with which it shares common facilities.

275. It is the ILO's policy to share premises with other organizations of the United Nations system whenever there is a balance of advantage in doing so. The ILO states that it appreciates the political and psychological value for the United Nations system of presenting a unified image and realizes that the sharing of premises can make a major contribution to promoting this image; it also appreciates the administrative advantages involved. In its view, the balance of practical advantage may normally be expected to lie in common rather than separate premises, but factors of convenience, adequacy and cost may sometimes be a drawback, particularly where suitable accommodation is not easy to find. Moreover, the ILO points out that the location of premises suitable for other organizations might, in some cases, make it difficult for the ILO office to maintain the easy contact it requires with government departments and employers' and workers' bodies.

K. Use of electronic data processing

276. The ILO has been using computers for almost four years. It now relies wholly on its computer for a wide range of administrative and accounting operations; it makes extensive use of a computer-based system of information storage and retrieval which it is continually developing in association with other organizations in the United Nations system; and it is making steadily increasing use of the computer for economic analysis and management training both at headquarters and in technical co-operation projects.

Table 9

| <u>Premises</u> | <u>New building</u> | | <u>Present building and annexes</u> | |
|---|---------------------|----------------|-------------------------------------|----------------|
| | Square metres | Square feet | Square metres | Square feet |
| <u>Meetings sector</u> | | | | |
| Meeting rooms (including projection room) | 4,100 | 44,132 | 1,610 | 17,330 |
| Offices for officers and secretariats of meetings, writing room and press room | 1,440 | 15,500 | 190 | 2,045 |
| <u>Standard offices</u> (including adjacent working and documentation space) | 30,000 | 322,920 | 18,500 | 199,134 |
| <u>Library</u> | | | | |
| Reading room, catalogues, etc. | 1,100 | 11,840 | 400 | 4,306 |
| Offices | 500 | 5,382 | 350 | 3,767 |
| Bookstacks ^{a/} | 1,400 | 15,070 | 1,975 | 21,259 |
| <u>Central Services</u> (mail services, file storage, reproduction of documents, distribution of publications and documents, switchboard and Post Office) | 4,050 | 43,594 | 1,670 | 17,976 |
| <u>Storage</u> (excluding file storage) | | | | |
| Publications and documents | 3,300 | 35,521 | 2,145 | 23,089 |
| Stationery and other office supplies, furniture, machines | 2,100 | 22,604 | 1,050 | 11,302 |
| Other storage and strong rooms | 500 | 5,382 | 330 | 3,552 |
| <u>Loading and unloading platforms</u> | 1,000 | 10,764 | 120 | 1,292 |
| <u>Building maintenance workshops and stores</u> | 750 | 8,073 | 420 | 4,521 |
| <u>Restaurant and other catering facilities</u> (including kitchens and food stores) | 3,500 | 37,674 | 710 | 7,642 |
| <u>Official reception and exhibition areas</u> (including small kitchens and pantries) | 750 | 8,073 | - | - |
| <u>Staff welfare and recreation</u> | 1,000 | 10,764 | 100 | 1,076 |
| <u>Utilities</u> (electrical installations, telephone, heating, ventilation, air-conditioning installations, shafts, conduits etc.) | 10,460 | 112,591 | 740 | 7,955 |
| Halls, lounges, exhibition galleries, commercial premises, corridors, lobbies | 18,550 | 199,672 | 7,700 | 82,883 |
| Lifts and stairways | 4,000 | 43,056 | 1,000 | 10,764 |
| Cloakrooms, washrooms etc. | 2,500 | 26,910 | 900 | 9,688 |
| Totals | 91,000 | 979,524 | 39,910 | 429,591 |

a/ Less space will be required for the bookstacks in the new building than in the present building as a result of the use of more compact shelving.

277. The following are the main applications at the present time:

(a) Budgetary and general accounts, including UNDP and trust fund accounts. This includes the daily preparation of payment instructions for the cashier, bank etc., and the regular printing of reports showing the status of all accounts, including monthly trial balances, and certain analyses and summaries for top management information. Up-to-date statements for technical co-operation and other project accounts, showing resources committed and resources available, are prepared for project managers at their request;

(b) Manpower control, personnel information and statistics (more than forty-five reports each month);

(c) Storage and retrieval of document references on the basis of an Integrated Scientific Information System (ISIS) operated from remote terminals. The system is being further developed in conjunction with UNESCO, FAO and the Organisation for Economic Co-operation and Development;

(d) Econometric models, including those for the World Employment Programme;

(e) Payrolls, including payment instructions to banks, for officials at headquarters, external offices and on technical co-operation projects;

(f) Processing of all Staff Health Insurance Fund claims for the ILO and ITU;

(g) International Labour Standards reporting systems (more than twenty reports);

(h) Business games used in training courses of the International Institute for Labour Studies, operating through a remote access terminal;

(i) Actuarial computations for studies of the social security systems of developing countries;

(j) A system for the preparation and revision of programme and budget tables.

In addition, small jobs are done for other organizations, and their number is expected to increase. At present, ITU, ECE and GATT are using the ILO computer.

278. The following table gives the division of computer time among the various applications in 1969 and during the first eight months of 1970:

| <u>Application</u> | <u>Computer time</u> | |
|--|----------------------|-----------------------------------|
| | <u>1969</u> (%) | <u>1970 (eight months)</u> (%) |
| Accounts | 22.3 | 19.3 |
| Personnel applications | 18.0 | 19.1 |
| Documentation applications | 12.7 | 12.9 |
| Technical applications | 14.1 | 35.5 |
| Payrolls | 9.7 | 4.2 |
| International Labour Standards applications | 4.6 | 2.1 |
| Other applications | 8.9 | - |
| Programme maintenance. | 9.3 | 6.4 |
| Outside users. | <u>0.4</u> | <u>0.5</u> |
| | <u>100.0</u> | <u>100.0</u> |

279. The number of hours used per month is increasing steadily. From less than 300 per month early in 1969, it rose to approximately 550 in July 1970, and the ILO expects that the practical working limits of the capacity of the present IBM 360/30 central processing unit (working three full shifts) will be reached well before the end of 1970. The ILO is making arrangements to increase the central processing capacity of the installation to bring it up to the model 360/40 level, which would also permit more efficient handling of certain programmes. It is not planned, however, to extend the installation beyond the full capacity of a 360/40. The ILO assumes that, when its computer workload reaches the limits of this model, there will be spare capacity available in Geneva either on similar installations in the United Nations or in another agency, or on a larger United Nations installation. Similarly, any ILO applications which require greater speed or memory than is available on the ILO machine would continue as at present to be off-loaded on to such installations of larger capacity as may be available in the Geneva area, in the first place to the proposed new interagency facility, when it is established.

280. The ILO representatives informed the Advisory Committee that the policy governing the use of the ILO computer is based on the following elements:

- (a) Priority is given to providing the best possible service to all ILO users;
- (b) Emphasis is laid on developing and optimizing the use of the computer by the ILO; this requires easy and prompt access to the computer by the user units (especially those with their own programmers), as well as by the staff of the Electronic Data Processing Branch, for testing and developing programmes, consulting stored information, and discussing and solving problems which arise from time to time;
- (c) New applications are developed only when thorough systems studies indicate that computerization will be worth while (a number of proposed applications have been rejected as too expensive for the results that could be expected);

(d) Great importance is attached to maintaining a low-cost high-throughput operation handling maximum volume with tight scheduling, while allowing for the greatest possible flexibility; at the present time, the machine operating efficiency (ratio of operator time to metre time) is more than 80 per cent;

(e) In order to guarantee smooth and efficient continuing operations, substantial and continuing staff training activities are carried out for the staff of the Electronic Data Processing Branch and of other units involved in the use of the computer (the Electronic Data Processing Branch now consists of twelve Professional staff, including four systems analysts and six programmers, together with four machine staff and five punch-verifiers);

(f) The ILO will keep its own computer capacity at a level adequate to handle those applications on the prompt and uninterrupted processing of which its current operations have become entirely dependent, together with others where it is essential that the units concerned maintain close contact with the data-processing staff and have ready access to the computer; it will rely on outside installations for work that cannot be handled within the limits of such capacity (that is, the capacity of an IBM 360/40), including work which requires higher speeds and larger processing capacity.

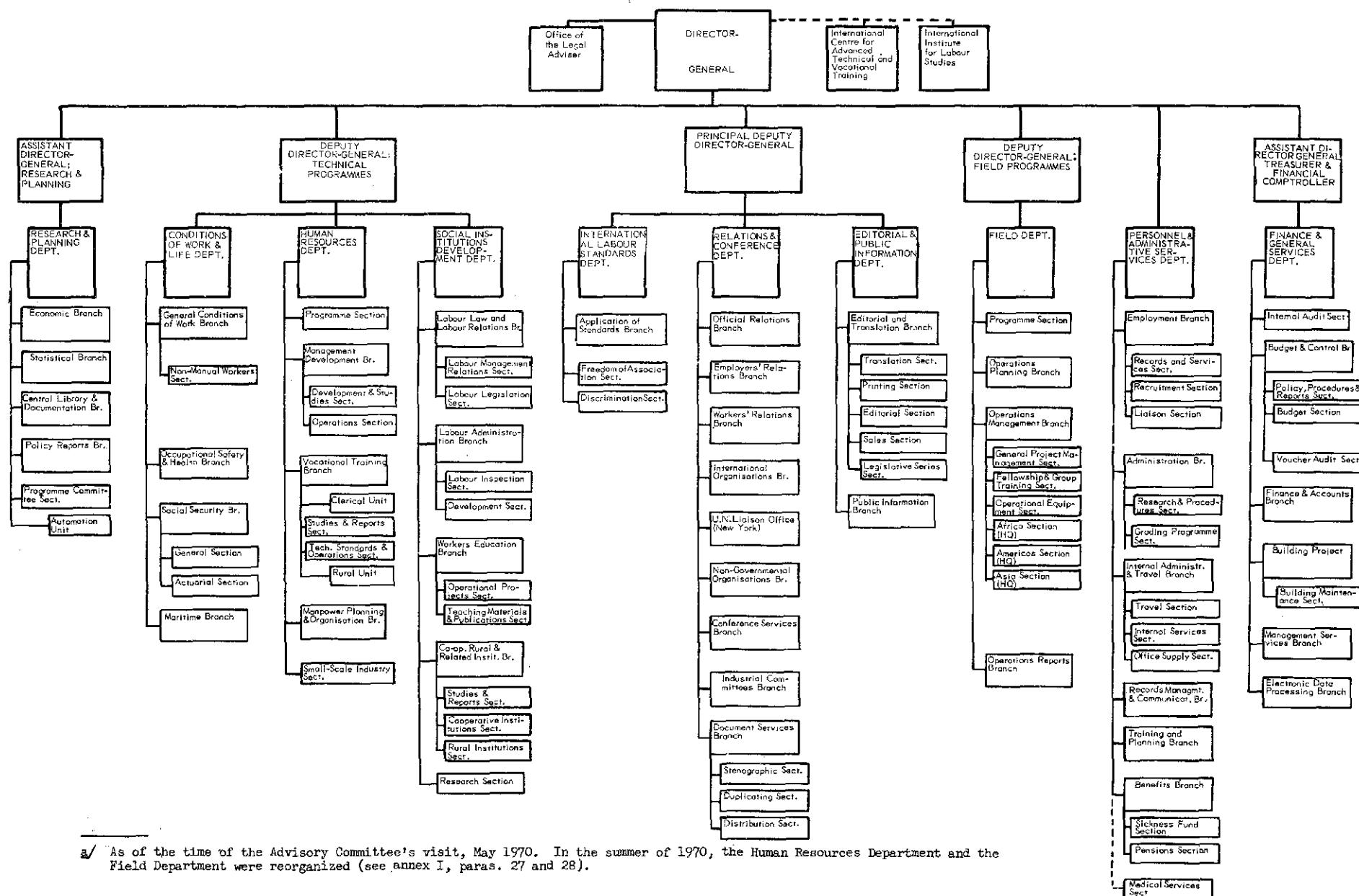
(g) To the extent that spare machine time is available, work is undertaken for other organizations in the United Nations system.

281. The ILO has offered to make available to UNDP, for developing the technical and scientific information sub-system proposed in the "Study of the capacity of the United Nations development system" rr/ the facilities of its Integrated Scientific Information System (ISIS). It has also offered to make available its systems for computerized financial reporting and payrolls.

ANNEX II

- A. International Labour Office - Headquarters organisation, May 1970
- B. Field structure - geographical competence
- C. Programme planning in 1970
- D. Use made of the Working Capital Fund for the close of the financial year 1965 to August 1970
- E. Growth of ILO staff between 1959 and 1969

A. INTERNATIONAL LABOUR OFFICE

HEADQUARTERS ORGANISATION^{a/}

^{a/} As of the time of the Advisory Committee's visit, May 1970. In the summer of 1970, the Human Resources Department and the Field Department were reorganized (see annex I, paras. 27 and 28).

B. FIELD STRUCTURE - GEOGRAPHICAL COMPETENCE

AFRICA

ILO Regional Office for Africa

Addis Ababa

Ethiopia
and all other offices in the region

Area Offices

Algiers

Algeria
Libya
Morocco
Tunisia

Dakar

Gambia
Guinea
Liberia
Mali
Mauritania
Senegal
Sierra Leone

Lagos

Dahomey
Ghana
Ivory Coast
Niger
Nigeria
Togo
Upper Volta

Cairo

Sudan
United Arab Republic

Dar es Salaam

Comoro Islands
French Territory of the Afars and
the Issas
Kenya
Madagascar
Mauritius
Réunion
Seychelles
Somalia
Uganda
United Republic of Tanzania

Lusaka

Botswana
Lesotho
Malawi
Swaziland
Zambia

Yaoundé

Cameroon
Central African Republic
Chad

Equatorial Guinea
Gabon
People's Republic of the Congo

ILO Country Representative in Kinshasa

Burundi
Congo (Democratic Republic of)
Rwanda

THE AMERICAS

ILO Regional Office for the Americas

Lima

Bolivia
Brazil
Colombia
Ecuador
Peru
Venezuela
and all other offices in the region

ILO Area Offices

Buenos Aires

Argentina
Paraguay
Uruguay

Mexico

British Honduras
Cuba
Dominican Republic
Haiti
Mexico

Port of Spain

Antigua
Barbados
British Virgin Islands
Cayman Islands
Dominica
Grenada
Guyana
Jamaica
Montserrat

Netherlands Antilles
St. Christopher (St. Kitts),
Nevis, Anguilla
St. Lucia
St. Vincent
Surinam
Trinidad and Tobago

San José

Costa Rica
El Salvador
Guatemala
Honduras
Nicaragua
Panama

Santiago (Liaison Office with ECLA)

Chile

ILO Branch Offices

Ottawa
Rio de Janeiro
Washington, D.C.

ASIA

ILO Regional Office for Asia

Bangkok

Australia
Burma
Cambodia
China
Hong Kong
Japan
Laos

Malaysia
New Zealand
Republic of Viet-Nam
Singapore
South Pacific Region
Thailand

and all other offices in the Region

ILO Area Offices

Islamabad

Pakistan

Manila

Philippines
Republic of Korea

New Delhi

Ceylon
India
Nepal
Maldives

ILO Country Representative in Djakarta

Indonesia

ILO Branch Offices

Taipei
Tokyo

MIDDLE EAST AND EUROPE

ILO Regional Office, Middle East and Europe

Responsible for all ILO Offices, Country Representatives and Correspondents
below,
and directly for European countries not covered by any of these Offices.

ILO Offices

Beirut

Bahrain
Iraq
Jordan
Lebanon
Qatar
Saudi Arabia
Southern Yemen
Syria
Trucial States
Yemen

Istanbul

Cyprus
Greece
Israel
Turkey

ILO Country Representative in Kuwait

Kuwait

ILO Country Representative in Teheran

Afghanistan
Iran

ILO Branch Offices

Bonn
London
Moscow
Paris
Rome

ILO full-time Correspondent

Brussels

ILO part-time Correspondents

Bulgaria
Czechoslovakia
Hungary
Poland
Yugoslavia

C. PROGRAMME PLANNING IN 1970^{a/}

"GENERAL

.....

Besides the implementation of the 1970 programme, the major activities to be undertaken in 1970 under the ILO's Programme Planning and Control System will be:

- (a) completion of the Long-Term Plan for the period 1972-77;
- (b) preparation of the 1972-73 programme and budget proposals;
- (c) programming of technical co-operation projects to be carried out in 1971 under the regular programme;
- (d) preparation of the report to the Governing Body on the implementation of the approved programme and budget for 1969;
- (e) internal review of performance in 1969;
- (f) programming of technical and administrative work in support of technical co-operation activities to be carried out in 1971 and the allocation of extra-budgetary resources in connexion therewith;
- (g) periodic financial progress reviews;
- (h) special progress reviews.

.....

Preparation of the Draft Programme and Budget Proposals for 1972-73

Several changes are foreseen in the preparation of the 1972-73 programme and budget proposals. The decisions, pending on the scope and scale of decentralization, will likely require some alteration in the allocation of responsibilities between the field structure and headquarters departments for the preparation, co-ordination and analysis of programme proposals. Methods of programming regular budget field projects may also be changed. Detailed guidance on these changes will be provided in conjunction with the issuance of the Programme Guidance Letter, but the major changes in addition to those brought about by decentralization are the following:

- (a) programme proposals should be prepared within the framework of the Long-Term Plan, and should provide clear reference to the relevant chapters and objectives in the latter document, a draft of which will be reviewed by the

^{a/} Excerpts from ILO Circular, Series 3, No. 2 (Rev.1) dated 2 April 1970.

Governing Body at its May 1970 Session. If necessary, the Director-General will issue a supplementary Programme Guidance Letter for the 1972-73 biennium reflecting the Governing Body discussion;

(b) it is planned to apply electronic data processing techniques to the preparation of the budgetary data. Corresponding system proposals are being tested with a number of programme managers; if the tests are conclusive and if the preparatory work can be completed in time, a description of the new procedures will be issued at the beginning of April. Staff of the Programme Committee Section and the Budget Control Branch will be available to familiarize departmental staff with the new system, which should provide more up-to-date information and save some work for all concerned.

(c) the classification of work according to means of action is being revised. A list of the revised standard sub-programmes for technical departments, especially concerning the planning and servicing of technical co-operation, with definitions, will be attached to the guidelines to be issued together with the Programme Guidance Letter. The Research and Planning Department will examine with the support departments the present classification of their sub-programmes to determine if these might be modified to provide a more precise identification of the work;

(d) non-technical departments will indicate estimates of the percentage of each work item or sub-programme to be devoted to the direct support of technical co-operation activities;

.....

Performance Reviews

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As 1970 constitutes the first year of a biennial programme and budget, it is envisaged that the report to the Governing Body on the implementation of the first half of the biennial programme and budget will be less comprehensive and will take more the form of an interim progress report to the May 1971 session of the Governing Body. In addition, this report to the Governing Body in 1971 should attempt to relate accomplishments to the objectives identified in the Long-Term Plan. The internal review of 1969 (and 1970) performance by the Programme Committee will differ in form from that carried out with regard to 1968 performance. Experience has shown that most of the issues identified in these reviews are complex and require thorough analysis and study if lasting improvements are to be achieved. Future reviews by the Research and Planning Department will therefore be restricted, in the first instance, to an identification of the issues and problem areas, in a report to the Programme Committee, which will then make recommendations on the priorities to be assigned and the resources to be devoted to a thorough study of each issue. Minor problems identified in these reviews for which solutions can be found relatively easily, will be dealt with in the Programme Guidance Letter.

The first in-depth review of a full ILO programme was made in 1969, and a report on that review will be before the Governing Body at its February/March 1970 Session. A similar in-depth review of another ILO programme will probably be conducted in 1971 (when no programme and budget proposals need to be prepared). The Secretary will prepare specific guidelines on this subject reflecting the Governing Body's reaction to the first review of this kind.

Financial Progress Reporting

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Financial progress reports and updated financial plans will normally be prepared by the Treasurer every three months for review by the Programme Committee and should reach the Secretary not later than ten days after the end of a quarter.

Special Progress Reviews

The Secretary of the Programme Committee will submit suggestions to the Director-General for the subject areas to be covered by special progress reviews. Among the topics which might be considered for inclusion under this heading will be a review of proposed new Special Fund projects, a report on the Joint UNDP/ILO Review, and a review of certain aspects of the World Employment Programme. Separate instructions will be issued on each of these reviews.

PROGRAMME CHANGES

The delegation of authority for programme changes to Chiefs of Departments and the procedures for the approval of programme changes are the same as those followed in 1969. Programme changes may involve the addition of new work items, the deletion of approved work items, changes in the scope or objectives of a given project, or changes in the level and nature of services provided, as well as major changes, including transfers, in the resources required to carry out a given work item.

In order to leave Chiefs of Department the greatest freedom in carrying out their major programmes, only the following types of programme changes need be referred to the Programme Committee:

(a) changes involving major policy issues (even if they do not involve a change in the utilization of resources) or changes which involve questions that are politically or otherwise sensitive;

(b) major departures from the approved resource levels of programmes (even if they do not imply a major change in policy or in the approved work programme).

Applying these principles to concrete situations in programme implementation, it follows, inter alia, that the changes listed below should be referred to the Programme Committee:

- (a) transfers between major programmes;
- (b) transfers to or from allocations for:
 - (i) activities financed by extra-budgetary funds;
 - (ii) direct cost of meetings;
 - (iii) operational activities;
- (c) transfers to headquarters of resources allocated for use in the field (including credits for decentralized staff);
- (d) transfers to staff resources (i.e. Professional and General Service staff costs, external collaboration and overtime) from other objects of expenditure and vice versa;
- (e) transfers from any object of expenditure to resources for mission travel by ILO staff.

However, change proposals falling under sub-paragraphs (b) to (e) above may be approved by the Secretary of the Programme Committee, in agreement with the Treasurer, if the total amount involved is less than \$5,000. Transfers between major programmes involving less than \$10,000 (sub-paragraph (a) above) may also be dealt with in the same way if they are agreed by both chiefs of department concerned.

On the other hand, chiefs of department have full authority for making all other programme changes, including the following, but subject to the restrictions cited in paragraph 170:

- (a) transfers of resources (including established posts) from one unit to another within the same department;
- (b) shifts of resources from one sub-programme to another within each programme, except to or from field projects;
- (c) shifts of resources between objects of expenditure within each of the two major categories:
 - (i) staff resources (Professional and General Service staff at standard costs, other staff costs, overtime, external collaboration), and
 - (ii) non-staff resources (supplies, equipment, contractual services, etc., but excluding transfers to mission credits).

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Flexibility of Resource Management

Chiefs of Department should, as a matter of course, exhaust all possibilities for adjustment of programme and resources within their major programmes through elimination or reduction of lower priority work items before requesting the Programme Committee to consider possible ways of providing supplementary allocations for new or expanded work items.

Department Chiefs who require resources for new work items, or to meet changes in approved work items, will list those approved work items of a lower priority that would have to be cancelled, deferred or reduced in their scope if it were not possible to provide additional resources. These programme change proposals will also state the consequences if the proposed new or changed work items could not be carried out, or would have to be deferred to the beginning of the next biennium. The future savings that might accrue from the additional investment in a new or a changed work item should be identified, where relevant.

The detail to be provided in a proposal for programme change will normally be of the type required for an initial programme and budget proposal."

D. USE MADE OF THE WORKING CAPITAL FUND FROM THE CLOSE OF THE FINANCIAL YEAR 1965 TO AUGUST 1970

(In US dollars)

| Year | Month-end | Nominal Level of the Fund | Sums withdrawn to cover Previous Years' | | Sums due from Member States | Excess of Expenditure over Income | Cash Balance available in the Working Capital Fund to cover Current Needs | Excess of Income over Expenditure | Headquarters operating Bank Balances | Operating Advances to External Offices | Other Advances and Debtors | Estimated Current Needs (Total of Columns 10, 11 and 12) | Unencumbered Balance of the Working Capital Fund | Additional unencumbered Funds Available |
|------|-----------------------------|---------------------------|---|-----------------------|-----------------------------|-----------------------------------|---|-----------------------------------|--------------------------------------|--|----------------------------|--|--|---|
| | | | Cash Deficit | Supplementary Credits | | | | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1965 | Close of the financial year | 4 081 479 | - | 364 064 | 3 933 | 936 057 | 2 777 425 | - | 321 624 | 248 317 | 403 163 | 973 104 | 1 804 321 | - |
| 1966 | January | 4 091 311 | 450 210 | - | 3 933 | - | 3 637 168 | 126 043 | 405 113 | 312 500 | 491 429 | 1 209 042 | 2 554 169 | - |
| | February | 4 100 107 | 449 506 | - | 3 933 | - | 3 646 389 | 545 389 | 341 001 | 312 500 | 354 595 | 1 008 096 | 3 183 961 | - |
| | March | 4 102 375 | 293 327 | - | 3 933 | 712 998 | 3 092 117 | - | 573 696 | 312 500 | 357 231 | 1 243 427 | 1 848 690 | - |
| | April | 4 119 494 | 274 622 | - | 3 933 | - | 3 840 939 | 1 124 047 | 336 641 | 312 500 | 380 224 | 1 029 365 | 3 840 365 | 94 682 |
| | May | 4 124 152 | 202 663 | - | 3 933 | - | 3 917 556 | 536 336 | 409 895 | 312 500 | 421 530 | 1 143 926 | 3 309 966 | - |
| | June | 4 139 125 | 41 602 | - | 9 039 | - | 4 088 404 | 675 056 | 274 403 | 312 500 | 399 810 | 1 186 713 | 3 576 747 | - |
| | July | 4 158 241 | - | - | 9 039 | - | 4 149 202 | 2 987 983 | 522 821 | 312 500 | 349 641 | 1 184 962 | 4 149 962 | 1 803 021 |
| | August | 4 128 982 | - | - | 9 039 | - | 4 119 943 | 1 290 203 | 559 713 | 312 540 | 350 196 | 1 222 409 | 4 119 943 | 67 794 |
| | September | 4 135 596 | - | - | 6 486 | - | 4 129 110 | 970 166 | 382 312 | 312 500 | 425 019 | 1 129 831 | 3 969 445 | - |
| | October | 4 135 945 | - | - | 6 486 | 266 224 | 3 863 325 | - | 379 522 | 312 500 | 418 649 | 1 110 671 | 2 752 564 | - |
| | November | 4 142 549 | - | - | 3 933 | 859 584 | 3 279 032 | - | 509 507 | 312 500 | 450 970 | 1 272 977 | 2 006 055 | - |
| | December | 4 156 787 | - | - | 3 933 | 1 409 619 | 2 743 235 | - | 262 106 | 312 500 | 567 024 | 1 161 630 | 1 581 605 | - |
| 1967 | Close of the financial year | 4 609 835 | - | - | 3 933 | 1 598 998 | 3 006 904 | - | 234 511 | 307 813 | 553 855 | 1 096 579 | 1 910 325 | - |
| | January | 4 633 258 | 859 895 | 540 067 | 3 933 | - | 3 229 363 | 1 801 055 | 400 807 | 382 500 | 449 302 | 1 232 609 | 3 229 363 | 568 446 |
| | February | 4 646 573 | 675 673 | 540 067 | 3 933 | - | 3 426 900 | 2 321 926 | 423 995 | 382 500 | 370 473 | 1 176 968 | 3 426 900 | 1 144 958 |
| | March | 4 650 343 | 587 560 | 540 067 | 3 933 | - | 3 518 783 | 963 257 | 452 681 | 382 500 | 368 408 | 1 203 589 | 3 278 451 | - |
| | April | 4 666 699 | 459 722 | 540 067 | 3 933 | - | 3 662 977 | 1 919 904 | 418 414 | 382 500 | 396 175 | 1 197 090 | 3 662 977 | 722 814 |
| | May | 4 672 134 | 389 364 | 540 067 | 3 933 | - | 3 738 770 | 933 117 | 590 470 | 382 500 | 410 940 | 1 383 910 | 3 287 977 | - |
| | June | 4 697 640 | 355 187 | 540 067 | 12 132 | - | 3 790 254 | 1 046 856 | 677 924 | 382 500 | 411 137 | 1 471 561 | 3 365 549 | - |

D. USE MADE OF THE WORKING CAPITAL FUND FROM THE CLOSE OF THE FINANCIAL YEAR 1965 TO AUGUST 1970 (cont.d)
(In US dollars)

| Year | Month-end | Nominal Level of the Fund | Sums withdrawn to cover Previous Years ^{a/} | | Sums due from Member States | Excess of Expenditure over Income | Cash Balance available in the Working Capital Fund to cover Current Needs | Excess of Income over Expenditure | Headquarters operating Bank Balances | Operating Advances to External Offices | Other Advances and Debtors | Estimated Current Needs (Total of Columns 10, 11 and 12) | Unencumbered Balance of the Working Capital Fund | Additional unencumbered funds Available |
|------|-----------------------------|---------------------------|--|-----------------------|-----------------------------|-----------------------------------|---|-----------------------------------|--------------------------------------|--|----------------------------|--|--|---|
| (1) | (2) | (3) | Cash Deficit | Supplementary Credits | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1967 | July | 4 723 235 | 335 464 | 540 067 | 12 132 | - | 3 835 572 | 2 926 489 | 417 973 | 382 500 | 472 894 | 1 273 367 | 3 835 572 | 1 653 122 |
| | August | 4 724 380 | 296 733 | 540 067 | 12 132 | - | 3 875 448 | 1 990 765 | 391 192 | 382 500 | 408 624 | 1 182 316 | 3 875 446 | 808 449 |
| | September | 4 725 570 | 296 733 | 540 067 | 9 516 | - | 3 879 254 | 404 483 | 551 498 | 382 500 | 317 410 | 1 251 408 | 3 032 329 | - |
| | October | 4 732 574 | - | 540 067 | 9 399 | 449 276 | 3 733 832 | - | 574 832 | 382 500 | 433 379 | 1 390 711 | 2 343 121 | - |
| | November | 4 738 484 | - | 540 067 | 9 399 | 689 613 | 3 499 405 | - | 323 808 | 382 500 | 622 673 | 1 326 981 | 2 170 424 | - |
| | December | 4 766 807 | - | 540 067 | 9 399 | 400 894 | 3 816 447 | - | 409 374 | 382 500 | 594 044 | 1 385 918 | 2 430 529 | - |
| | Close of the financial year | 5 283 009 | - | 539 905 ^{a/} | 9 399 | 737 532 | 3 996 153 | - | 409 374 | 390 061 | 634 746 | 1 434 181 | 2 561 972 | - |
| 1968 | January | 5 293 370 | 603 424 | - | 9 399 | 664 926 | 4 015 621 | - | 646 042 | 480 000 | 587 715 | 1 813 757 | 2 201 864 | - |
| | February | 5 316 044 | 552 052 | - | 9 399 | - | 4 754 593 | 1 297 705 | 601 000 | 480 000 | 779 777 | 1 860 777 | 4 191 521 | - |
| | March | 5 323 034 | 517 805 | - | 9 399 | - | 4 796 030 | 603 231 | 481 521 | 480 000 | 691 982 | 1 653 503 | 3 750 758 | - |
| | April | 5 333 401 | 463 263 | - | 9 399 | - | 4 865 739 | 1 194 524 | 358 356 | 480 000 | 807 487 | 1 645 843 | 4 414 420 | - |
| | May | 5 349 301 | 21 564 | - | 9 399 | - | 5 318 338 | 1 157 280 | 455 232 | 480 000 | 587 742 | 1 502 974 | 4 972 644 | - |
| | June | 5 357 692 | 14 707 | - | 12 070 | - | 5 331 115 | 113 638 | 317 417 | 480 000 | 721 054 | 1 518 471 | 3 926 282 | - |
| | July | 5 389 777 | - | - | 12 070 | - | 5 377 707 | 3 376 335 | 515 586 | 480 000 | 570 111 | 1 565 697 | 5 377 707 | 1 810 638 |
| | August | 5 390 249 | - | - | 12 070 | - | 5 378 179 | 1 406 115 | 429 695 | 480 000 | 563 257 | 1 472 952 | 5 311 342 | - |
| | September | 5 396 984 | - | - | 9 399 | - | 5 387 585 | 535 375 | 379 464 | 480 000 | 568 909 | 1 428 373 | 4 494 587 | - |
| | October | 5 406 692 | - | - | 9 399 | - | 5 397 293 | 271 895 | 343 782 | 480 000 | 622 842 | 1 446 624 | 4 222 564 | - |
| | November | 5 407 138 | - | - | 9 399 | 600 897 | 4 796 342 | - | 309 246 | 480 000 | 630 891 | 1 420 137 | 3 376 705 | - |
| | December | 5 425 101 | - | - | 9 399 | - | 5 415 702 | 77 389 | 411 959 | 480 000 | 604 782 | 1 496 741 | 3 996 350 | - |
| | Close of the financial year | 5 976 685 | - | - | 9 399 | 1 350 512 | 4 616 674 | - | 411 959 | 404 474 | 642 815 | 1 459 248 | 3 157 426 | - |

^{a/} \$162 withdrawn from Albania's share in the Working Capital Fund transferred to suspense account in the name of the Albanian Government following Albania's withdrawal from the ILO.

D. USE MADE OF THE WORKING CAPITAL FUND FROM THE CLOSE OF THE FINANCIAL YEAR 1965 TO AUGUST 1970 (cont.d)

(In US dollars)

| Year | Month-end | Nominal Level of the Fund | Sums withdrawn to cover Previous Years' | | Sums drawn from Member States | Excess of Expenditure over Income | Cash Balance available in the Working Capital Fund to cover Current Needs | Excess of Income over Expenditure | Headquarters operating Bank Balances | Operating Advances to External Offices | Other Advances and Debtors | Estimated Current Needs (Total of Columns 10, 11 and 12) | Unencumbered Balance of the Working Capital Fund | Additional unencumbered Funds Available |
|------|-----------------------------|---------------------------|---|-----------------------|-------------------------------|-----------------------------------|---|-----------------------------------|--------------------------------------|--|----------------------------|--|--|---|
| | | | Cash Deficit | Supplementary Credits | | | | | | | | | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| 1969 | January | 5 997 526 | 1 044 092 | - | 6 666 | - | 4 946 768 | 1 700 973 | 545 504 | 510 000 | 672 972 | 1 728 476 | 4 919 265 | - |
| | February | 6 008 989 | 981 566 | - | 6 666 | - | 5 020 127 | 1 916 127 | 518 274 | 510 000 | 508 701 | 1 536 975 | 5 020 757 | 379 152 |
| | March | 6 017 877 | 952 157 | - | 6 666 | - | 5 059 054 | 1 685 433 | 495 770 | 510 000 | 508 593 | 1 514 363 | 5 059 054 | 171 070 |
| | April | 6 034 093 | 942 909 | - | 6 666 | - | 5 084 518 | 2 717 561 | 573 376 | 510 000 | 531 199 | 1 614 575 | 5 084 518 | 1 102 986 |
| | May | 6 036 552 | 609 310 | - | 6 666 | - | 5 420 576 | 1 075 438 | 435 428 | 510 000 | 510 194 | 1 455 622 | 5 040 392 | - |
| | June | 6 052 809 | 528 621 | - | 14 400 | - | 5 519 788 | 2 288 445 | 755 962 | 510 000 | 557 562 | 1 824 524 | 5 519 788 | 463 921 |
| | July | 6 089 226 | 474 761 | - | 11 822 | - | 5 602 643 | 4 513 136 | 302 622 | 510 000 | 621 834 | 1 434 456 | 5 602 643 | 3 078 680 |
| | August | 6 093 201 | 474 761 | - | 11 822 | - | 5 606 618 | 3 007 070 | 420 694 | 510 000 | 437 522 | 1 368 216 | 5 606 618 | 1 538 854 |
| | September | 6 093 824 | 466 411 | - | 11 822 | - | 5 615 591 | 1 015 522 | 346 061 | 510 000 | 626 366 | 1 482 427 | 5 148 686 | - |
| | October | 6 101 842 | 466 411 | - | 11 822 | - | 5 623 608 | 197 | 326 416 | 510 000 | 597 711 | 1 434 127 | 4 189 678 | - |
| | November | 6 103 415 | 364 228 | - | 11 822 | 2 414 397 | 3 312 968 | - | 448 387 | 510 000 | 856 431 | 1 814 818 | 1 498 150 | - |
| | December | 6 113 166 | - | - | 11 822 | 3 008 012 | 3 093 332 | - | 492 676 | 510 000 | 542 544 | 1 545 320 | 1 548 012 | - |
| | Close of the financial year | 6 830 824 | - | - | 11 822 | 4 322 390 | 2 496 612 | - | 492 676 | 706 629 | 398 910 | 1 598 215 | 898 397 | - |
| 1970 | January | 6 843 272 | 1 801 533 | 729 849 | 11 822 | - | 4 300 069 | 1 214 439 | 516 127 | 705 487 | 558 590 | 1 782 204 | 3 732 304 | - |
| | February | 6 853 997 | 1 707 504 | 729 849 | 11 822 | - | 4 404 822 | 2 197 277 | 427 274 | 702 099 | 471 439 | 1 600 812 | 4 404 822 | 596 465 |
| | March | 6 855 559 | 1 285 898 | 729 849 | 11 822 | - | 4 828 090 | 486 136 | 476 860 | 724 756 | 326 119 | 1 527 735 | 3 786 491 | - |
| | April | 6 868 289 | 1 255 837 | 729 849 | 11 822 | - | 4 870 781 | 1 926 049 | 403 633 | 746 796 | 756 761 | 1 907 190 | 4 870 761 | 18 859 |
| | May | 6 870 914 | 1 221 236 | 729 849 | 11 822 | - | 4 908 007 | 295 498 | 350 858 | 709 402 | 350 647 | 1 490 907 | 3 712 598 | - |
| | June | 6 860 988 | 1 159 359 | 729 849 | 9 089 | - | 4 982 691 | 1 934 426 | 618 447 | 773 063 | 547 913 | 1 939 423 | 4 982 691 | 45 003 |
| | July | 6 895 446 | 1 014 033 | 729 849 | 9 089 | - | 5 142 473 | 3 574 115 | 1 024 534 | 726 178 | 462 027 | 2 212 739 | 5 142 473 | 1 361 376 |
| | August | 6 899 672 | 990 500 | 729 849 | 9 089 | - | 5 170 234 | 2 595 976 | 540 359 | 734 384 | 368 348 | 1 643 091 | 5 170 234 | 952 885 |

E. GROWTH OF ILO STAFF BETWEEN 1959 AND 1969

| Date | Headquarters and offices in the field | | | Field projects | | | T O T A L | | |
|------------------|--|--------------------|-------|---------------------------|--------------------|-------|---------------------------|--------------------|-------|
| | Professional and above | General Service | Total | Professional and above | General Service | Total | Professional and above | General Service | Total |
| 31 December 1959 | 441 | 519 | 960 | 167 | 3 | 170 | 608 | 522 | 1,130 |
| 31 December 1960 | 479 | 562 | 1,041 | 171 | 2 | 173 | 650 | 564 | 1,214 |
| 31 December 1961 | 516 | 587 | 1,103 | 248 | 4 | 252 | 764 | 591 | 1,355 |
| 31 December 1962 | 558 | 696 | 1,254 | 342 | 6 | 348 | 900 | 702 | 1,602 |
| 31 December 1963 | 595 | 760 | 1,355 | 455 | 18 | 473 | 1,050 | 778 | 1,828 |
| 31 December 1964 | 628 | 796 | 1,424 | 487 | 34 | 521 | 1,115 | 830 | 1,945 |
| 31 December 1965 | 641 | 824 | 1,465 | 528 | 49 | 577 | 1,169 | 873 | 2,042 |
| 31 December 1966 | 742 | 925 | 1,667 | 631 | 45 | 676 | 1,373 | 970 | 2,343 |
| 31 December 1967 | 755 | 929 | 1,684 | 626 | 71 | 697 | 1,381 | 1,000 | 2,381 |
| 31 December 1968 | 807 | 1,107 | 1,914 | 716 | 82 | 798 | 1,523 | 1,189 | 2,712 |
| 31 December 1969 | 835 | 1,190 | 2,025 | 819 | 125 | 944 | 1,654 | 1,315 | 2,969 |