

Budget processes at the ILO

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▶ Outline

- ▶ Governance
- ▶ Funding
- ▶ Programme and Budget Cycle
- ▶ RBM

▶ Governance

International Labour Conference

Finance Committee

Governing Body

Programme Financial and Administrative Section

- ▶ PFA Segment – including P&B, Building and IT questions
- ▶ Audit and Oversight Segment – including IOAC
- ▶ Personnel Segment

External Auditor

Joint Inspection Unit

Funding

Two main sources of funding:



Regular Budget

Funded from assessed contributions on member States

Extra-budgetary development cooperation

Voluntary and specific contributions to agreed activities with donors

Regular Budget Supplementary Account (RBSA)

Un-earmarked voluntary contributions

► Funding – Regular Budget

187 member States

Biennial budget:

- 2020-21 : \$ 790.64 million
- 2022-23 : \$ 852.76 million

Assessed contributions

Income – Swiss francs

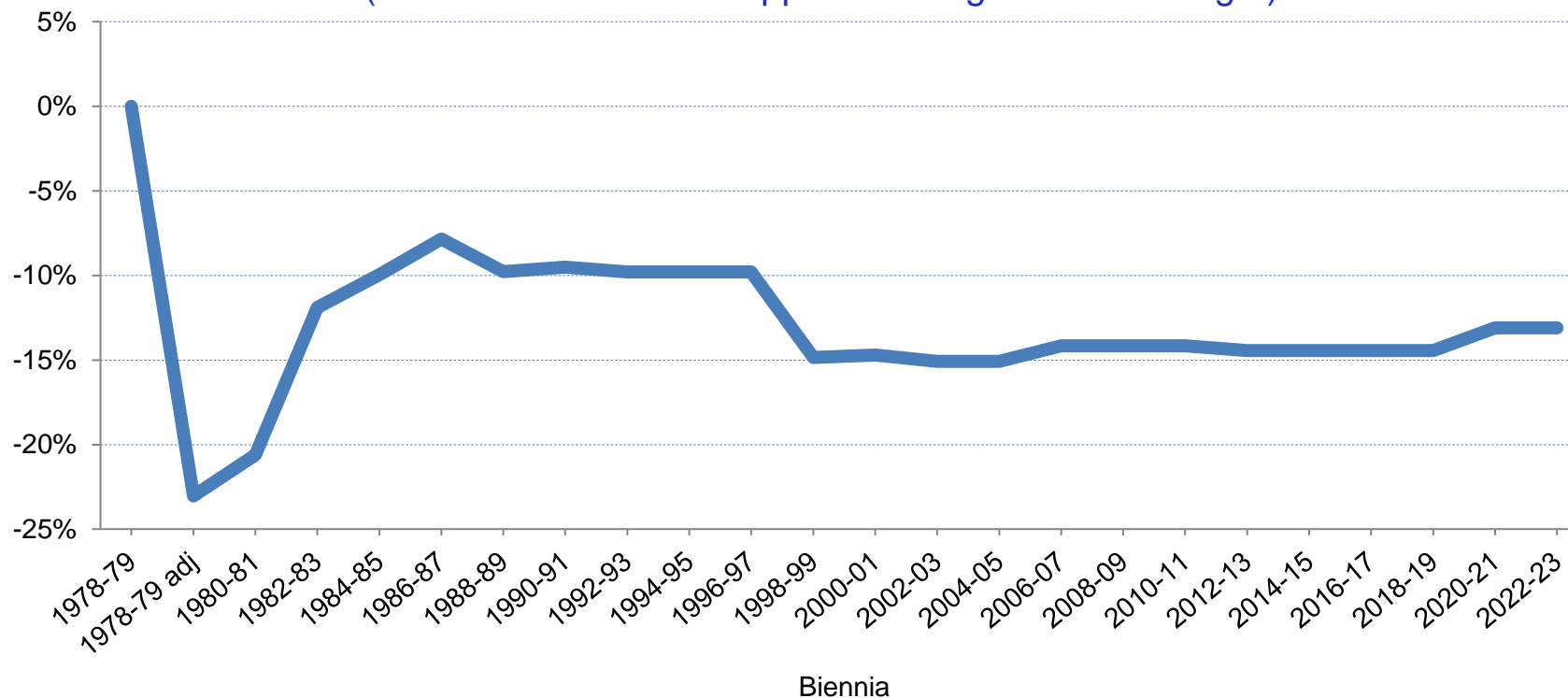
Expenditure – US\$

Funding - Regular Budget for 2020-21 and 2022-23

	Strategic budget 2020-21 ¹ (in US\$)	Strategic budget 2022-23 (in constant 2020-21 (US\$))	Strategic budget 2022-23 (recosted (US\$))	Strategic budget 2022-23 (recosted and revalued (US\$))
Part I. Ordinary budget				
A. Policy-making organs	50 267 588	49 864 567	50 229 701	54 844 472
B. Policy outcomes	626 425 218	631 197 289	642 639 654	678 667 334
C. Management services	61 418 750	60 878 294	60 990 518	65 924 712
D. Other budgetary provisions	42 430 168	42 430 168	43 472 457	46 426 005
Adjustment for staff turnover	-6 303 318	-6 303 318	-6 409 110	-6 903 130
Total Part I	774 238 406	778 067 000	790 923 220	838 959 393
Part II. Unforeseen expenditure				
Unforeseen expenditure	875 000	875 000	875 000	875 000
Part III. Working Capital Fund				
Working Capital Fund				
Total (Parts I-III)	775 113 406	778 942 000	791 798 220	839 834 393
Part IV. Institutional investments and extraordinary items				
Institutional investments and extraordinary items	15 526 594	11 698 000	11 750 700	12 925 807
TOTAL (Parts I-IV)	790 640 000	790 640 000	803 548 920	852 760 200

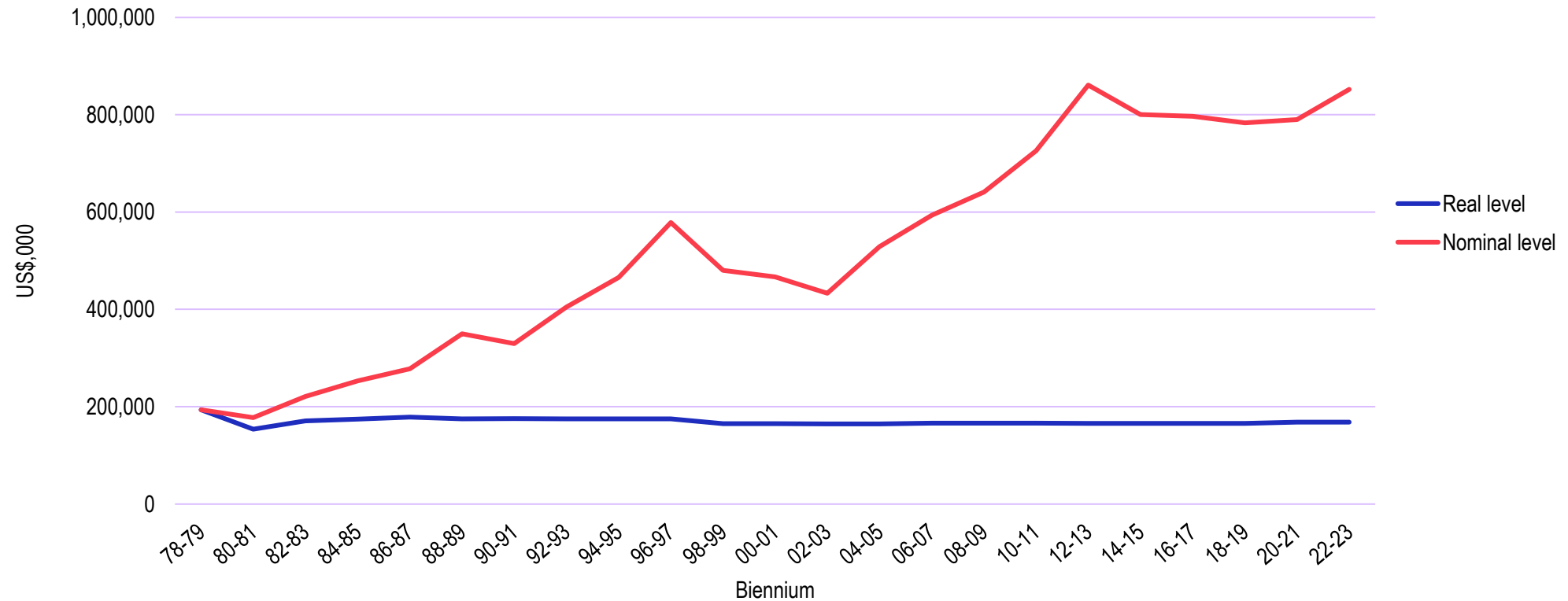
Funding – Regular Budget

Real programme evolution (1978 – 2023)
(Zero base is 1978-79 approved Programme & Budget)



Funding – Regular Budget

Real vs Nominal budget level (1978-2023)



▶ Funding - Extra-budgetary development cooperation

2020:

- ▶ 120 development partners
- ▶ 100+ countries
- ▶ 670 active projects
- ▶ \$280.90 million - annual expenditure & 70.8% delivery rate

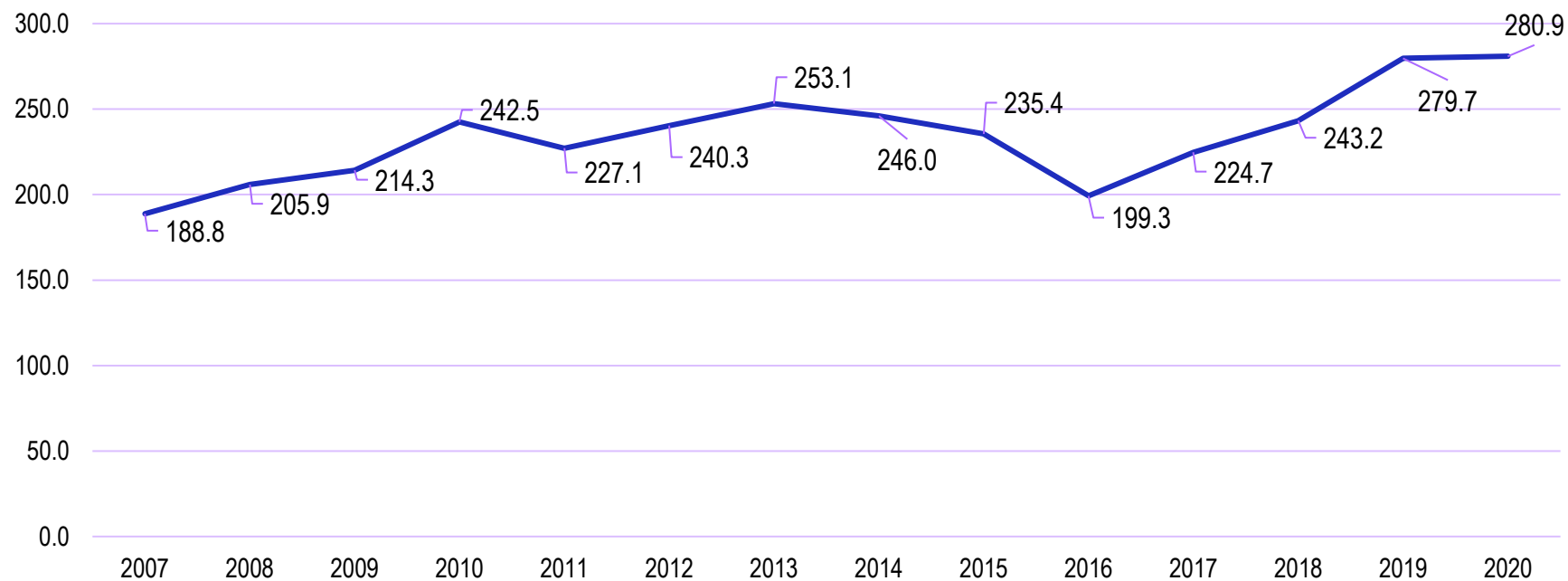
Funding - Extra-budgetary development cooperation contributions

Top 10 development partners in 2019 and 2020

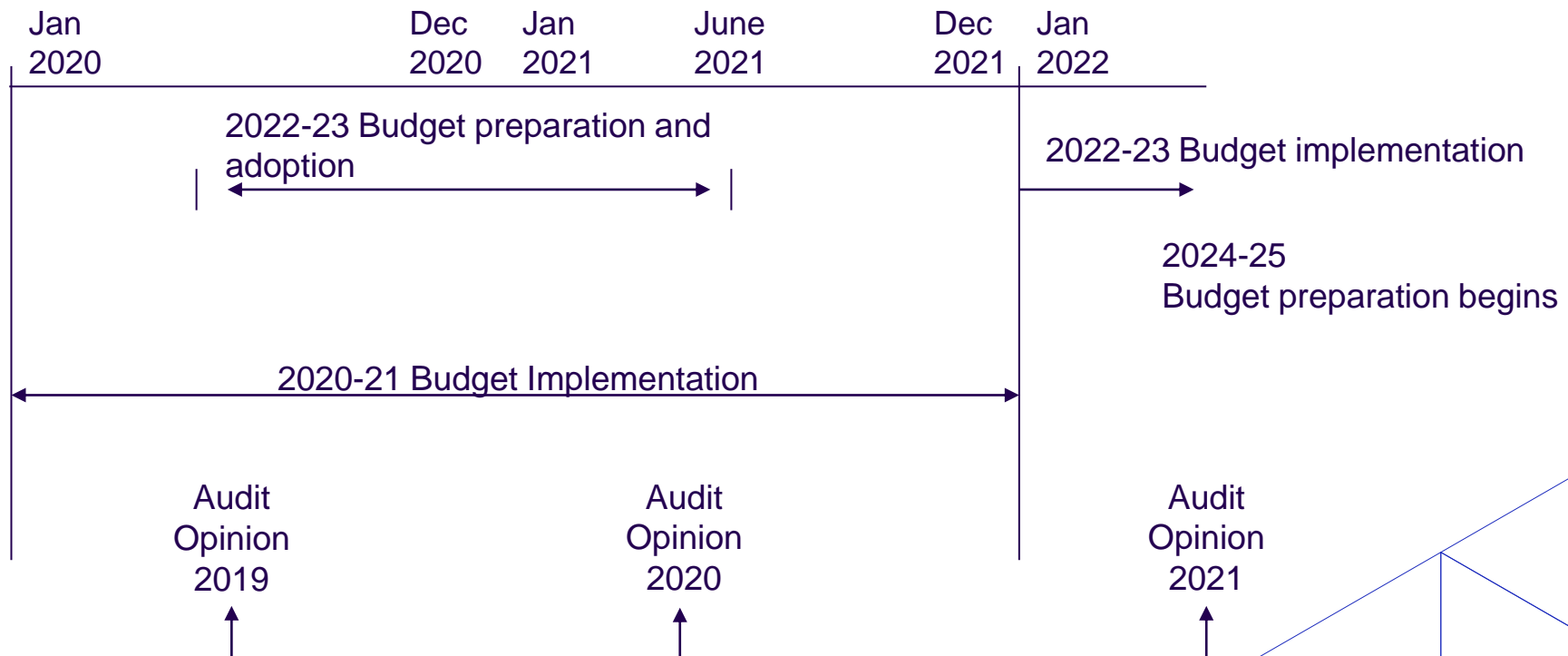
	2019	2020
Development Partner	Budget Approved (US\$)	Budget Approved (US\$)
European Union (EU)	89.8 million	93.3 million
United States	33 million	43.1 million
Germany	45.5 million	36.2 million
United Nations	26 million	34.0 million
Public Private Partnerships		21.8 million
The Netherlands	95.7 million	18.7 million
Norway	13.2 million	15.4 million
Sweden	13.0 million	15.3 million
Domestic funding	27.1 million	13.7 million
Switzerland	15 million	10.2 million
United Kingdom	38.8 million	

Funding - Extra-budgetary development cooperation

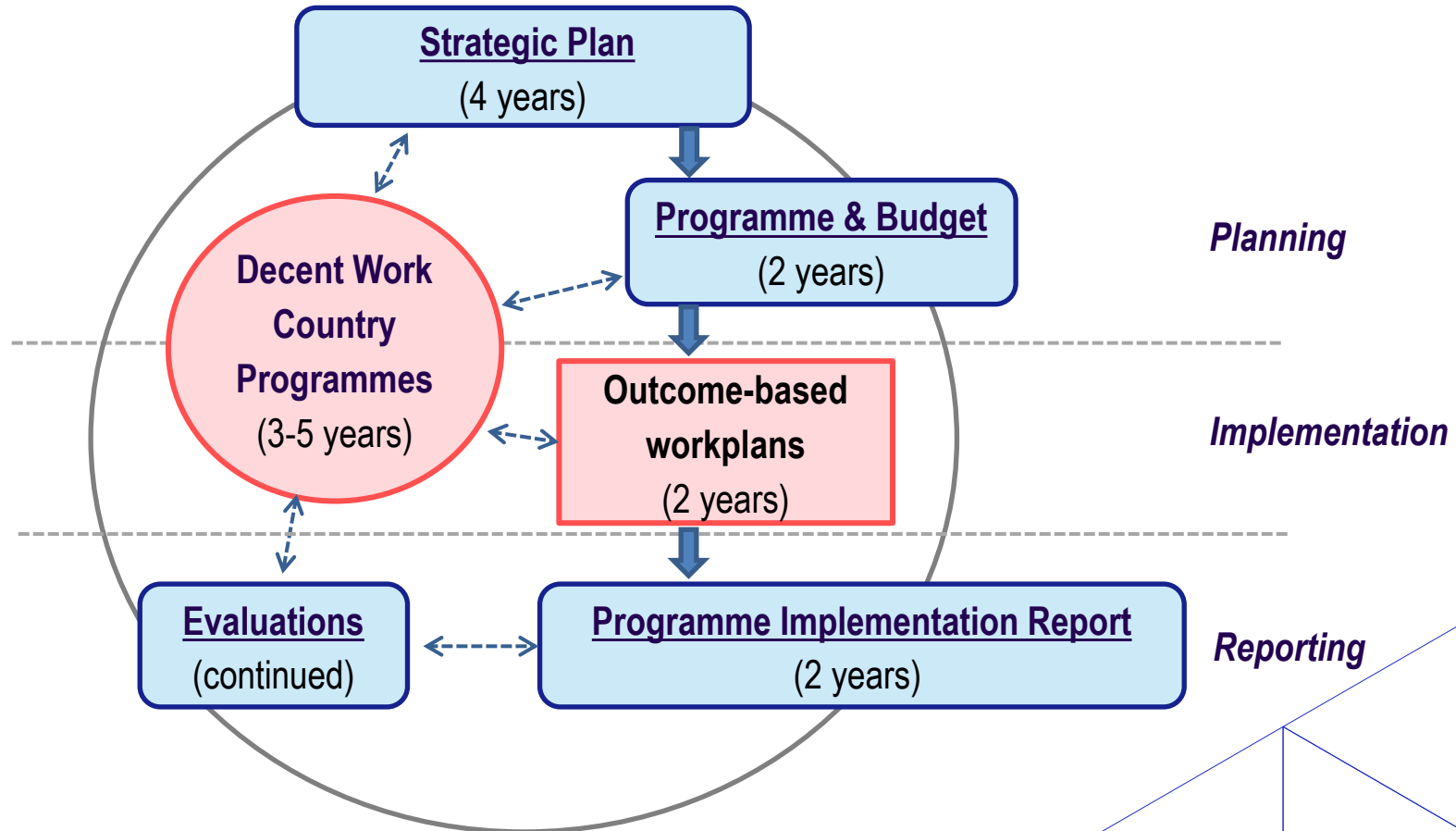
XBDC expenditures at year end (expressed in US\$ millions)



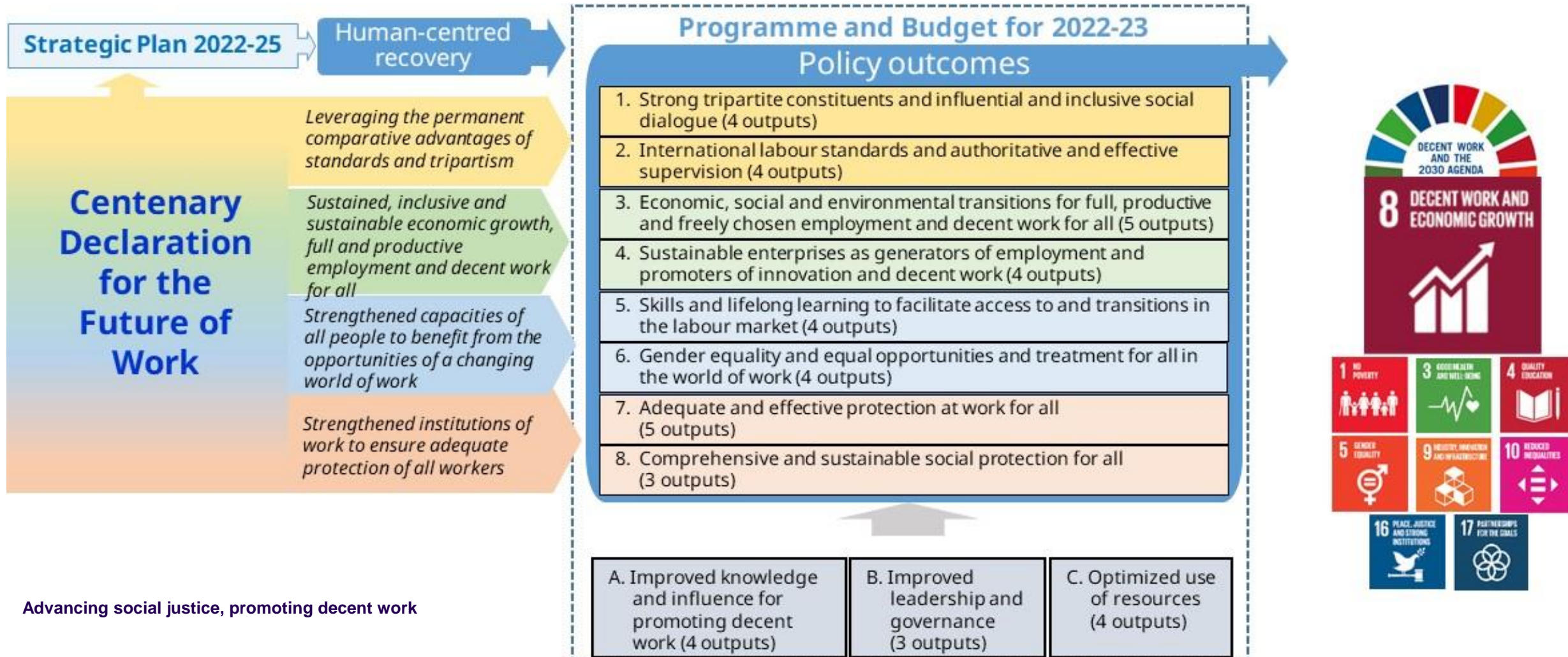
Programme and Budget Cycle



RBM – The ILO’s Programming Cycle



RBM – Key elements of the ILO Programme & Budget for 2022-23



RBM – Integrated budgeting for results for 2022-23

	Revised regular budget 2020-21	Estimated extra- budgetary expenditure 2020-21	Estimated RBSA 2020-21	Regular budget 2022-23	Estimated extra- budgetary expenditure 2022-23	Estimated RBSA 2022-23
Outcome 1: Strong tripartite constituents and influential, inclusive social dialogue	102.1	11.0		102.7	20.8	
Outcome 2: International labour standards and authoritative and effective supervision	56.8	11.0		57.2	15.6	
Outcome 3: Economic, social and environmental transitions for full, productive and freely chosen employment and decent work for	69.7	127.0		70.1	109.2	
Outcome 4: Sustainable enterprises as generators of employment and promoters of innovation and decent work	48.9	56.0		49.2	55.0	
Outcome 5: Skills and lifelong learning to facilitate access to and transitions in the labour market	41.8	45.0		42.1	64.6	
Outcome 6: Gender equality and equal opportunities and treatment for all in the world of work	40.8	35.0		41.0	30.0	
Outcome 7: Adequate and effective protection at work for all	94.9	147.0		95.5	172.8	
Outcome 8: Comprehensive and sustainable social protection for all	42.8	38.0		43.1	52.0	
Subtotal Policy Outcomes	497.9	470.0	30.0	500.8	520.0	30.0
Support Services	128.5			130.4		
Total	626.4	470.0	30.0	631.2	520.0	30.0

▶ RBM - Monitoring and reporting of expenditure during implementation

Continued monitoring of expenditure of regular budget and extra-budgetary resources by policy outcome and output, as a basis for internal reallocation during the biennium

- ▶ **Monthly financial status reports** for all funding sources
- ▶ **Quarterly expenditure review of the regular budget** to identify and re-programme savings in staff costs
- ▶ **Semi-annual reviews of outcome-based workplans**
- ▶ Aggregated information presented in **dashboards**, updated daily.

Budgetary **reporting to governing organs**

- ▶ Annual **financial report** and audited consolidated financial statements
- ▶ Biennial **Programme Implementation Report** comparing budget with final expenditure by outcome, and explaining divergences.

▶ RBM - The ongoing journey to improve results-based budgeting

Continued improvements to ensure **priorities drive resource allocation**, not the other way around

- ▶ Some **US\$ 58 million redeployed** from administrative tasks from 2016 to 2018, with the equivalent of an **additional 66 posts** assigned to front-line technical services
- ▶ **US\$ 3.25 million redeployed** in P&B 2022-23 to create **8 new technical positions** in key areas identified in the Strategic Plan for 2022-25

Enhanced predictability of extra-budgetary resources available for the achievement of results

- ▶ **Structured funding dialogues** at the global and regional levels to pledge funding for P&B outcomes and un-earmarked funding
- ▶ **Work with UNRC/CT and development partners** to leverage financing for decent work related SDGs and outcomes at country level

Improved reporting of consolidated financial data, including on SDGs, for transparency and accountability

- ▶ Active contribution to **global initiatives such as UN Data Cube, OECD statistics on development finance, IATI**
- ▶ Ongoing work to enhance interoperability of ILO's ERP system with **UNINFO** for improved budgeting and reporting at country level