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SIXTH ITEM ON THE AGENDA

ILO's Technical Cooperation Strategy 2015–17

Purpose of the document

This paper proposes a Technical Cooperation Strategy for the period 2015–17 within the context of the 2013 *ILO Field Operations & Structure and Technical Cooperation Review*. The strategy is centred on four elements: focus, effectiveness, capacity development and resource mobilization, including in the regions. Operating principles combined with deliverables and targets are proposed to guide the Office's action on development cooperation from 2015 to 2017.

The Governing Body is invited to request the Office to implement the strategy summarized in tables 1–4, taking into account the guidance given in the discussion (see the draft decision in paragraph 34).

Relevant strategic objective: Effective and efficient utilization of ILO resources.

Policy implications: The Office will implement the Technical Cooperation Strategy 2015–17.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Partnerships and Field Support Department (PARDEV).

Related documents: GB.297/TC/3; GB.303/TC/1; GB.317/PFA/4; GB.317/POL/6; GB.317/POL/7; GB.319/POL/5; GB.319/POL/7; GB.320/INS/5/2; GB.320/POL/7; GB.320/POL/9; GB.321/INS/6; GB.322/INS/5; GB.322/PFA/1; ITC–ILO: CC 77/3.

I. Introduction

1. In March 2013, the Governing Body requested the Office to submit a document containing a revised technical cooperation strategy with capacity development as one focus area. [1] Profound changes in the international development context as well as the ILO's internal reform process, and in particular the 2013 *ILO Field Operations & Structure and Technical Cooperation Review*, [2] call for a revision of the ILO's enhanced technical cooperation strategy in the context of the United Nations (UN) reform process of 2009. [3]

2. The principal external drivers of change in the global development cooperation context [4] are:

(a)   the outcome and impact of the global development effectiveness debate;

(b)   efforts to enhance UN system-wide coherence;

(c)   the emergence of new development actors and modalities;

(d)   the global debate around a new set of sustainable development goals (post-2015); and

(e)   a greater recognition of the Decent Work Agenda in development cooperation policies.

3. The Governing Body discussed these changes and their impact on the ILO's technical cooperation (TC) programme and partnerships in October 2013. [5] This paper should be read against that background. An update on the data and trends of the ILO's TC programme is provided in Appendix I.

4. The Office's ongoing internal reform process seeks to achieve sharper focus, increased efficiency, greater impact and growing relevance in addressing global development challenges (for example, jobs, poverty, inequality, rights at work, climate change) and a changing world of work (for example, demographics, technological innovation, changing skills profiles, continued global integration, growing competition). [6]

5. The Director-General has taken a number of decisions related to the field operations and structure and TC review and their implementation, including:

■   improve alignment of activities funded by voluntary resources (the Extra-Budgetary Technical Cooperation (XBTC) and the Regular Budget Supplementary Account (RBSA)) with ILO thematic and country priorities;

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[1] GB.317/PV, para. 429.

[2] ILO: *ILO Field Operations & Structure and Technical Cooperation Review: Report of the Field Review Team to the Director-General* (Geneva, 2013).

[3] GB.297/TC/3; GB.306/TC/1; *Provisional Record* No. 19, International Labour Conference, 95th Session, Geneva, 2006.

[4] GB.319/POL/7.

[5] GB.319/PV, paras 431–477.

[6] ILC.102/DG/1A.

- ■ enhance integrated resource management to facilitate pooling of regular and voluntary funding;

- ■ prioritize larger TC programmes; and

- ■ further decentralize TC programmes and projects.

6. The proposed revised technical cooperation strategy builds on these decisions and incorporates guidance provided by the Governing Body on a variety of aspects, such as the regional perspectives of TC, TC in fragile States, South–South cooperation, public–private partnerships, and capacity building through development cooperation. [7]

7. The proposed technical cooperation strategy must take into account:

(a) the future, yet-to-be-defined sustainable development goals and other upcoming changes in the external development arena;

(b) the transitional strategic plan and Programme and Budget proposals for 2016–17; [8]

(c) the ongoing internal reform of the Office; and

(d) the findings of the forthcoming evaluation of the technical cooperation strategy. [9]

Hence, adjustments to the strategy might be necessary towards the end of 2015.

II. Decent work in development agendas

8. The Decent Work Agenda is increasingly recognized in the emerging post-2015 global development agenda, as well as in development cooperation policies of ILO member States, as illustrated in box 1. These developments imply high expectations of the ILO, including of its capacity to service constituents in achieving decent work results through its development cooperation programme.

9. The current set of draft sustainable development goals contains a goal on *full and productive employment and decent work for all*, along with several decent work related indicators under other sustainable development goals. [10] The final set of goals is likely to direct the flow of future funding for development cooperation, and consequently the ILO's future resource mobilization potential.

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[7] GB.317/POL/7; GB.319/POL/5; GB.320/POL/7; GB.320/POL/9.

[8] GB.322/PFA/1.

[9] GB.319/PFA/7.

[10] GB.322/INS/6.

Box 1
The Decent Work Agenda in development cooperation policies of ILO partners – examples

A rights-based approach to development is gaining momentum among countries in the Organisation for Economic Co-operation and Development–Development Advisory Committee (OECD–DAC) and strengthens the role and visibility of multilateral, standard-setting institutions such as the ILO. For instance, the European Commission adopted the *Agenda for Change* (2011) together with policy documents addressing key aspects of the Decent Work Agenda. Funding partners supporting the RBSA (currently Belgium, Denmark, Germany, Italy, Luxembourg, Netherlands, Norway and Sweden) often choose this modality because of a high degree of congruence between the ILO agenda and their own development priorities. For example, Denmark's strategy for development cooperation *The Right to a Better Life* (2012) highlights the importance of social dialogue and core labour standards, explicitly referencing the ILO's normative role and instruments. Similarly, Norway's White Paper *Sharing for Prosperity* (2012–13) advocates for consistent application of decent work and ILO standards across the multilateral system and international development efforts, and recognizes the role of workers' and employers' organizations in ensuring the rights and interests of employees, and in creating sound regulatory frameworks for business and industry. The Netherlands features the Decent Work Agenda in its policy *A World to Gain: A New Agenda for Aid, Trade and Investment*, and promotes ILO standards in global supply chains and its *National Action Plan on Business and Human Rights*.

Most members of the OECD–DAC group have incorporated elements of the Decent Work Agenda into their development policies. For instance, Finland targets labour rights, the rights of minorities and the formalization of economies. France, Italy and Spain mention decent work in recent development cooperation policies. Japan engages in the advancement of growth and employment as priorities for the post-2015 agenda.

Increasingly, middle-income countries have been incorporating the Decent Work Agenda in their development policies. The BRIC countries (Brazil, Russian Federation, India and China) adopted the "Brasilia Summit Commitments", agreeing on strengthened cooperation towards sustainable social development, including social protection, full employment, and decent work policies. The G20 promotes employment outcomes, including through the implementation of its training strategy with support from the Russian Federation for implementation in several middle-income countries.

The Decent Work Agenda also features in regional groups such as the Association of Southeast Asian Nations, which incorporates decent work in its Labour Ministers' multi-annual workplans. The African Union decided to hold an extraordinary summit of Heads of State under the theme of "Employment, Poverty Eradication and Inclusive Development".

III. Towards a new development cooperation strategy for the ILO

A. Purpose

10. The change in terminology over the years from "aid" to "technical assistance" to "development cooperation" stems from the realization that development is a complex, universal and long-term process which can succeed only if grounded on comprehensive, mutual and accountable partnerships. In addition to purely technical aspects, development cooperation encompasses, inter alia, elements of rights, dialogue, good governance, social justice, equality and capacity development. The Office therefore proposes to adopt "development cooperation" to replace the term "technical cooperation".

11. Development cooperation is a means to achieve the ILO's decent work outcomes that are fully embedded in the results framework and complementary to other means of action and sources of funds, through diverse and resourceful (financial and otherwise) partnerships and funding modalities.

12. The Office's organizational reform seeks to shape a development cooperation programme that is highly relevant and efficient, and has the following features:

■   strategic, quality value for money;

■   one programming framework for RB and XBTC;

■   learning from, and acting on, evaluation findings; and

■   strengthened and extended partnerships. [11]

13. The proposed strategy pursues the overall objective of providing better services to constituents, including their capacity development and the reinforcement of tripartism. Greater focus and effectiveness (including country ownership and constituents' involvement in development cooperation operations) will produce better results, greater transparency and better reporting will enhance visibility; and systematic evaluations and external assessments will improve the design of development cooperation interventions, programmes and projects. In turn, improved design, results and visibility will facilitate resource mobilization and lead to a gradual increase in resources available to the Office. The operational objectives of the strategy are aligned with the governance, support and management outcomes of the Programme and Budget for 2014–15 and will be aligned with the Programme and Budget for 2016–17.

14. To achieve these objectives, the proposed development cooperation strategy is centred on four elements: **focus, effectiveness, capacity development and resource mobilization**. For each of these elements, the strategy provides operational principles, most of which derive from the 2013 Review. The principles are translated into concrete deliverables and/or targets for the Office. Deliverables and targets will be aligned with relevant advocacy, governance and support outcomes of the Programme and Budget for 2016–17, which is subject to a parallel discussion in the Governing Body.

B.   Focus

15. The reform seeks to achieve a more focused ILO programme. The reduction in the number of programme and budget outcome areas suggested for 2016–17 [12] enhances the focus of the Organization's development cooperation programme. Greater focus requires more stringent oversight and rigorousness in decision-making, including for the allocation of non-earmarked and lightly earmarked resources. At the same time, a balanced distribution of regular and extra-budgetary resources is needed in order to deliver on all four pillars of the Decent Work Agenda in all regions.

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[11] ILO: *The Director-General's Programme and Budget for 2014–15*, Report II (Supplement), International Labour Conference, 102nd Session, Geneva, 2013, p. 11.

[12] GB.322/PFA/1.

Table 1.   Development cooperation focus for 2015–17

Focus	
Operating principles	**Deliverables and/or targets**
i. **Alignment with global goals and ILO priorities.** Development cooperation supports the programme and budget outcome areas as ILO's contribution to the post-2015 sustainable development goals, and development cooperation programmes and projects contribute to the achievement of Decent Work Country Programmes (DWCPs) and country outcomes that are aligned with national policy frameworks, including the United Nations Development Assistance Framework.	■ By the end of 2017, existing decent work committees in ILO member States with substantial development cooperation portfolios will encompass the **oversight of ILO projects** in that country. *
ii. **Integrated resource management** is further enhanced, combined with the above principle (i), through a better oversight of allocation decisions of regular and voluntary resources.	■ A **fund** for kick-starting and coordinating responses to fragility and special situations, as well as a **global team** will have been set up by the end of 2014. **
iii. **Preparedness and flexibility** are required to make development cooperation responsive to needs in countries facing fragility and special situations. See box 2.	■ A maximum of **five global flagship programmes** will have been designed by the end of 2015, responding to the criteria provided in box 3.
iv. **Larger programmes** enhance the programmatic approach to development cooperation as well as resource integration. At the country level, they facilitate better synergies between projects. See box 3.	
* GB.317/POL/6, para. 16(b) and GB.317/PV, paras 112, 116 and 121.	** GB.320/POL/9.

Box 2
Development cooperation in countries facing fragility and special situations

In its follow-up to the Governing Body discussion on TC in fragile States at its 320th Session,* the Office signed a Memorandum of Understanding with the Secretariat of the g7+ group of 20 self-declared fragile States. The g7+ plays a prominent role in development cooperation forums, where it advocates, among others, for employment generation and livelihood improvement. The Office has become a member of the 4th International Dialogue on Peacebuilding and Statebuilding and has engaged in UN consultations on integrating humanitarian aspects in development agendas in relation with the World Humanitarian Summit (2014–16).

During 2014, the Office has stepped up its assistance to countries facing special situations marked by fragility, conflict, natural disasters and severe violation of workers' rights or unacceptable working conditions. For instance, in **Bangladesh**, several development partners support the ILO's ready-made garment industry programme launched after the Rana Plaza tragedy. In the **Philippines**, the ILO implemented a livelihood rebuilding programme after Typhoon Haiyan. Other initiatives include: rural enterprise development in northern **Afghanistan**; employment and livelihood recovery after the floods of May 2014 in **Bosnia and Herzegovina** and **Serbia**; social dialogue in **Greece**; youth employment in **Kurdistan**; HIV prevention, treatment and care capacity for abducted girls, families and communities in **Nigeria**; livelihood support to returnees and continued support to local economic development and youth employment in **Somalia**; promotion of livelihoods and income-generating opportunities in host communities of Syrian refugees in **Jordan** and **Lebanon**; and employment services for displaced workers set up in **Ukraine**.

* GB.320/POL/9.

Box 3
Larger and flagship programmes

The Office's current * development cooperation portfolio comprises 562 projects with a total volume of US$800,865,211; 68 per cent of these projects have a total budget of less than 1 million and nine exceed $10 million. Some of these projects are clustered in global programmes with coordinated management (such as the Better Work programme or the Sustaining Competitive and Responsible Enterprises programme) or form part of an allocation in support of a particular programme and budget outcome, broken down into country-specific allocations.

The 2013 Review recommends organizing more of the ILO TC portfolio around larger programmes and to define flagships among them. Consequently, the Office seeks to build a limited number of large flagship programmes so as to enhance impact, outreach and visibility while reducing transaction costs. Existing and future flagship programmes should fulfil the needs expressed by constituents, develop constituents' capacities, address multiple programme and budget outcomes, combine conceptual leadership at the global level with effective implementation in the field, provide the potential for scaling up, replication, resource integration and resource mobilization, and produce sustainable results.

This notwithstanding, the Office will continue implementing smaller, country-specific and targeted projects as warranted by requests from constituents and justified by local circumstances.

* As at 15 September 2014.

C. Effectiveness

16. The internationally agreed development effectiveness principles are summarized as: alignment and country ownership; harmonization; results; inclusive partnerships; and mutual accountability and transparency. These principles have gained support by a wide range of stakeholders beyond the OECD–DAC group of countries, including the Economic and Social Council Development Cooperation Forum and the broadened Global Partnership for Effective Development Cooperation. Appendix II provides an overview of the means the Office has put in place to comply with these principles. The current strategy seeks to improve key elements of effectiveness that are within reach by 2017.

17. An enhanced effectiveness of the ILO's development cooperation activities goes hand in hand with increased capacities of ILO staff. TC is a key module of the ILO's internal governance programme and forms part of the orientation courses for new officials. The Office, in collaboration with the International Training Centre of the ILO (ITC–ILO), seeks to improve its offer of regular and ad hoc staff development courses on resource mobilization, project cycle management, evaluation, ILO performance in non-resident countries and "Delivering as One", among other topics. The 2013 Review recommends revising recruitment criteria and processes for development cooperation staff and the staff's inclusion in global technical teams and communities of practice.

18. At the same time, the Office is piloting a new workflow and knowledge-sharing platform using standard commercial software to bring about gains in productivity by automating the processes involved in exchanging data on the appraisal of project proposals, getting their approval, and reporting on them, and to develop this system as an Office-wide platform for sharing knowledge and exchanging ideas, including within and between ILO regions.

Table 2. **Development cooperation effectiveness 2015–17**

Effectiveness	
Operating principles	**Deliverables and/or targets ***
v. **High quality and results.** All development cooperation activities are built on a theory of change to ensure the focus is on attaining results and on providing a relevant, high-quality service mix, including research, knowledge, networks, policy, capacity building and direct support.	■ By the end of 2015, enhanced functionalities of the ILO development cooperation dashboard shall be in place, in line with the International Aid Transparency Initiative standards.
vi. The Office **takes action on challenges** in its performance as outlined by evaluations and reviews of development partners.	■ The share of projects managed by field offices will reach 80 per cent by the end of 2017 (69 per cent in 2013).
vii. **Decentralization:** enforce the rule that projects must be managed where activities take place, that is, in the field, with the DWCPs as service delivery mechanisms.	■ From 2015 to 2017, the Office-wide delivery rate will not descend below 80 per cent (81.2 per cent in 2013).
viii. **Value for money:** the Office delivers development cooperation in an effective and cost-efficient way.	■ A comprehensive development cooperation training programme for ILO staff in the field and at headquarters to be piloted in 2015.
ix. **Improve** efficiency and impact gains of **staff development on development cooperation**.	
* Baseline figures may need to be updated.	

D. Capacity development of constituents

19. Capacity development is an important means to achieve sustainability of development cooperation operations. The Governing Body, at its 317th Session (March 2013), adopted a new approach to capacity development through TC. [13] Constituents' capacity development should remain a strategic feature of the ILO's intervention model in development cooperation. Larger development cooperation programmes should include specific support for each constituent, as well as comprise capacity development at the bipartite and tripartite levels. The role of the Bureau for Workers' Activities and the Bureau for Employers' Activities are key in this respect. Box 4 shows how the ILO's development cooperation programme supports capacity building of constituents in technical, organizational and institutional areas, as part of the Organization's outcome-based work and country priorities, including the Decent Work Country Programmes (DWCPs).

20. The participation of social partners is sought in project formulation, implementation, governance and evaluation (see examples in Appendix II). Constituents' support of resource mobilization is particularly valuable in mobilizing domestic development funding.

21. The ITC–ILO is proposing, in line with the reform recommendations, to better differentiate and target the services it offers ILO constituents in terms of substance and delivery methods (for example face-to-face, distance learning and blended approaches). [14] Alongside programmes which explicitly target ILO constituents (Workers' and Employers' Activities programmes and the Social Dialogue programme), the ITC–ILO will continue to increase the participation of employers' and workers' representatives in all of its programmes. In addition, it will encourage more workers' and employers' training institutions to become partners in delivering training at national, regional, and subregional levels.

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[13] GB.317/POL/6.

[14] ITC–ILO: CC 77/3.

Box 4
Development cooperation for capacity building of social partners – examples

In **Azerbaijan**, workers and businesses in the construction sector benefit from improved safety and health at work through social dialogue after the adoption and implementation of an action plan on occupational safety and health. Today, collective bargaining agreements contain additional occupational safety and health clauses, taking into account national legislation and ILO standards and tools.

The **Honduran** Council of Private Enterprises (COHEP) has become an influential actor in the national policy debate on reform of the business environment. The Enabling Environment for Sustainable Enterprises (EESE) toolkit has been essential in this process.

In **Lebanon**, a legislative and policy framework to protect the rights of domestic workers in line with international standards has been developed and enforced. As a result, the Syndicate of the Owners of Recruitment Agencies (SORAL) adopted a Code of Conduct and monitoring mechanism for the recruitment of workers and raised awareness of the new code among 100 recruitment agencies. The National Federation of Workers and Employees' Unions in Lebanon (FENASOL) developed a new referral mechanism in collaboration with non-governmental organizations to address domestic workers' grievances and established the Founding Committee for Migrant Domestic Workers in Lebanon, the first representative body for migrant domestic workers in the Arab region.

Some 14,000 workers in export processing zones in **Madagascar**, **Togo** and **Zimbabwe** have been organized into trade unions. In Togo, the union successfully lobbied for a collective bargaining agreement resulting in improved working conditions of workers in export processing zones including the introduction of an eight-hour working day, social security coverage, payment of minimum wage and transport allowances.

Trade unions and the employers' organization in **Nepal** provide better services to their members thanks to ILO capacity-building programmes. The trade unions established a common platform. By uniting as one voice they have contributed to the democratic process in Nepal and to a fruitful social dialogue with the Federation of Nepalese Chambers of Commerce and Industry (FNCCI) and the Government. A new labour law and a new national employment policy have been developed, extending coverage to the informal economy.

In **Sri Lanka**, the ILO developed safe migration information packages in local languages, trained 35 trade union and civil society staff working on migrant worker issues and approximately 1,000 local government officers in five districts to guide prospective migrants and to promote informed planning for safer migration within a rights-based framework. The Government undertakes the outreach to other districts.

Social partners in **Tunisia** have played a prominent role in the national political process that culminated in the adoption of the new Tunisian Constitution in 2014. Their ability to forge a strong partnership and to channel the aspirations of Tunisian social forces within a constructive dialogue is widely seen as central to this historic achievement. The ILO supported high-level tripartite dialogue as a building block of the political transition resulting in the signature of the Tunisian social contract by the country's Prime Minister and the leaders of the Tunisian General Labour Union (UGTT) and the Tunisian Union of Industry, Trade and Handicrafts (UTICA).

Table 3. Capacity development of constituents 2015–17

Capacity development	
Operating principles	**Deliverables and/or targets**
x. **Compliance** with the capacity-development approach of constituents: demand-driven, in line with the DWCPs, and covering technical, organizational and institutional content. *	■ Specific programmes on capacity development for each constituent are developed.
	■ Bipartite and tripartite capacity-building programmes are included in large development cooperation operations.
xi. **Increased and consistent quality** of the Organization and the ITC–ILO's capacity-development activities with constituents, enhancing the impact and sustainability of development cooperation operations.	■ Learning-related standards defined and applied by the end of 2017.

* GB.317/POL/6.

E.   Resource mobilization

22. Over the period 2008–13, voluntary funding represented 42 per cent of the ILO's total available resources; these funds are indispensable for achieving decent work outcomes, especially at country level. To consolidate such voluntary funding the Office seeks to conclude partnerships built on mutual trust, flexibility, predictability, transparency, dialogue and long-term commitment. It also promotes and maintains partnerships that do not entail financial transactions, for instance through public–private partnerships, South–South cooperation and South–South and triangular cooperation, and with organizations representing local governments, parliamentarians, universities and individuals (for example celebrities who advocate for specific decent work themes).

23. The composition and volume of funding sources (see Appendix I), shows that governmental multi-bilateral sources constitute by far the highest contribution, followed by the UN and other intergovernmental organizations such as the European Union (EU). Over the period 2009–13, public–private partnerships and contributions from international finance institutions have increased, whereas domestic development funding remained more or less stable. Contributions from social partners have increased slightly during 2009–13, compared to 2004–08. In 2013, the Office worked with 108 funding partners, compared to only 84 in 2000.

24. Resource mobilization requires a series of complementary tasks that are performed at headquarters and in the regions. The Office has a coordinating and oversight role at headquarters which is enhanced by field support service. It also explores innovative partnerships and funding opportunities which include engagement with development partners in areas for which the ILO has not previously been soliciting funding, for instance aid for trade and human rights.

Resource mobilization in the regions

25. Regional and field offices are instrumental in resource mobilization. During 2012 and 2013, 40 per cent of XBTC was mobilized locally and this trend is likely to continue given the continued decentralization of decision-making by funding partners, opportunities for domestic development funding, cooperation with regional development banks, regional institutions (for example the EU), and with the UN system at country level. Regional development cooperation programme data can be found in Appendix I.

26. The five ILO regions are very diverse, yet have several common traits. Middle-income countries have increased in number, however they vary in terms of social and economic development, inequality and their roles in international development cooperation. Middle-income countries receive and provide international development funding, provide domestic development funding, and promote South–South cooperation and South–South and triangular cooperation. For some of them these roles coexist, therefore tailor-made resource mobilization strategies are necessary for each of them.

27. All regions include countries exposed to fragility or are in special situations. For instance, five of the 11 member States covered by the ILO Regional Office for the Arab States are affected by conflict. In Asia and the Pacific, numerous member States must cope with recurrent natural disasters. Most g7+ members are located in Africa. In Latin America, Haiti is a major recipient of ILO disaster response programmes and member States in Europe and Central Asia have recently sought ILO assistance after floods in the Balkans and the crisis in Ukraine (see box 2). The Office must develop adequate resource mobilization strategies for these countries.

28. Certain resource mobilization tasks can be more easily performed in regional and field offices, in collaboration with constituents with the support of the Partnerships and Field Support Department and in consultation with employers' and workers' representatives. Such regional tasks are suggested below and included in tables 2, 3 and 4:

- integrate regional decent work challenges (for example, labour migration, regional economic integration) and policy coherence with regional development banks in resource mobilization strategies;

- consider establishing temporary ILO presence in non-resident countries that are confronted with fragility and are in special situations;

- use DWCP resource mobilization plans, as well as development cooperation business models, as communication tools to highlight the ILO's comparative advantage and approaches to specific development challenges; and

- communicate results with national and regional development partners.

Table 4.   Resource mobilization 2015–17

Resource mobilization	
Operating principles	**Deliverables and/or targets ***
xii. **Consolidation and diversification:** consolidate partnerships with the top 20 contributors (see Appendix I) while developing alternative funding sources such as domestic trust funds, international finance institutions, the private sector and partners from emerging economies.	■ The share of XBTC and RBSA as a percentage of total resources available to the Office has increased to 45 per cent by the end of 2017 (38.3 per cent in 2012–13).
xiii. **Greater predictability:** the Office seeks to conclude a greater number of multi-annual partnerships with core funding partners, as well as with emerging and private partners.	■ The share of funding sources from middle-income countries, domestic sources, international finance institutions, regional development banks, and from the UN has grown from 20.4 per cent in 2013 to 25 per cent by the end of 2017.
xiv. **Flexibility:** the Office continues its efforts to increase the number of partners willing to provide RBSA funding and will follow up on the RBSA review recommendations. In addition, lightly earmarked funding enables the Office to flexibly allocate resources to country and global priorities associated with programme and budget outcomes, and to report on results in the programme implementation report.	■ The share of un-earmarked and lightly earmarked resources as a percentage of total voluntary contributions have increased to 15 per cent by the end of 2017 (in 2012–13, 10 per cent).
	■ Regional Offices have developed and/or updated a regional resource mobilization strategy in line with the current Office-wide strategy and the regional specifics by the end of 2015.
xv. **Local resource mobilization** is pursued including through DWCP resource mobilization plans.	■ The share of resources mobilized locally have increased to 50 per cent by 2017 (46 per cent in 2013).
xvi. **Converging efforts:** the Organization has the potential to reinforce resource mobilization by the Office. Constituents can support the case for decent work funding with development partners at national, regional and global levels.	■ Brochures on development partners, biennial global and regional results reports published.
xvii. **Visibility:** the Office pursues and extends communication on results.	

* Baseline figures may need to be updated.

IV. Conclusions

29. Development cooperation is an indispensable means to achieve decent work outcomes. This proposed strategy consists of four complementary building blocks, with *focus* as its starting point. It is expected that the Office reform will result in a reduced number of outcomes in the next transitional strategic plan. [15] This, together with the probable integration of a decent work goal in the post-2015 development agenda, as well as decent work related targets in other sustainable development goals, will make the ILO's agenda even more pertinent for development partners. Priority setting through larger and flagship programmes will facilitate resource mobilization while maintaining visibility. Other elements of the ongoing internal reform (field structure, human resource development) will have a bearing on the ILO's development cooperation and may require adjustments to the proposed strategy.

30. Development cooperation *effectiveness* will be enhanced through a renewed emphasis on quality assurance at all levels in the Office. This goes in parallel with *capacity development*. The collaboration with the ITC–ILO in enhancing the quality of capacity development in development cooperation projects and programmes is essential and will contribute to the reform goal of securing better service delivery to constituents. Moreover, one of the reform areas, "investing in our people", including staff on XBTC contracts, will need to include development cooperation.

31. *Resource mobilization* underpins all of the above. In order to mobilize resources, the purpose, focus and expected results of development cooperation must be well defined. The quality of development cooperation, in accordance with internationally recognized development effectiveness principles, is the most convincing argument for resource mobilization. Capacity development is one of the instruments to make this happen.

32. As the time span of this strategy covers the current 2014–15 biennium as well as the transitional strategic plan for 2016–17 and the Programme and Budget for 2016–17, with the latter two being subject to parallel Governing Body debates, future adjustments to this strategy may be necessary. Besides, the findings of the technical cooperation strategy evaluation in 2015 may require the current strategy to be adapted.

33. The Office will continue to inform the Governing Body and seek its guidance on specific matters related to the ILO's development cooperation programme through the Technical Cooperation Segment. Although beyond the scope of this paper, the Governing Body may wish to consider changing the name of the Technical Cooperation Segment to the Development Cooperation and Partnerships Segment.

Draft decision

34. *The Governing Body requests the Office to implement the development cooperation strategy summarized in tables 1–4, taking into account the guidance given in the discussion.*

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[15] GB.322/PFA/1.

Appendix I

Data and trends of the ILO's development cooperation programme, 2004–13

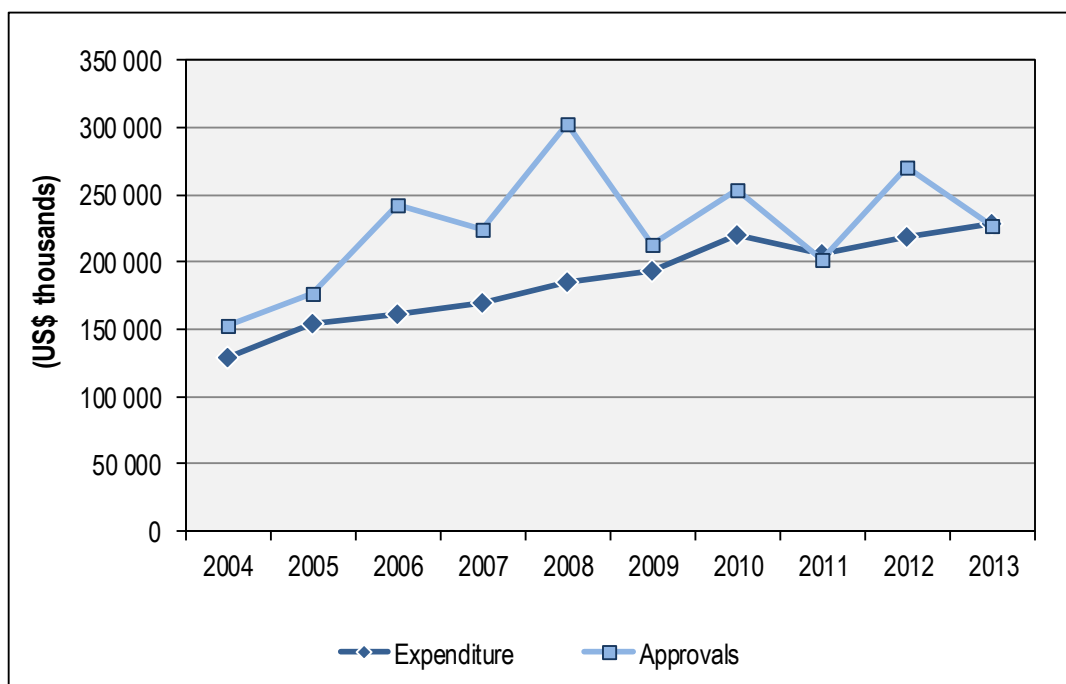**Figure 1.** Extra-budgetary technical cooperation expenditure and approvals, 2004–13

Figure 2. Extra-budgetary technical cooperation expenditure by strategic objective, 2004–13
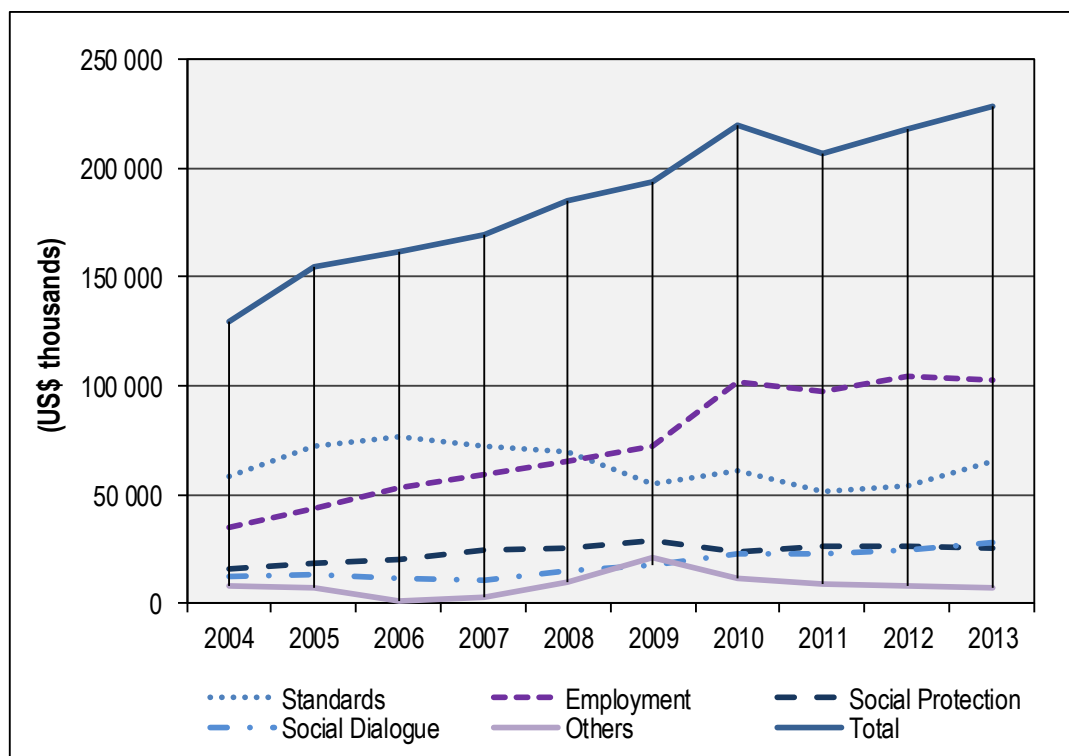
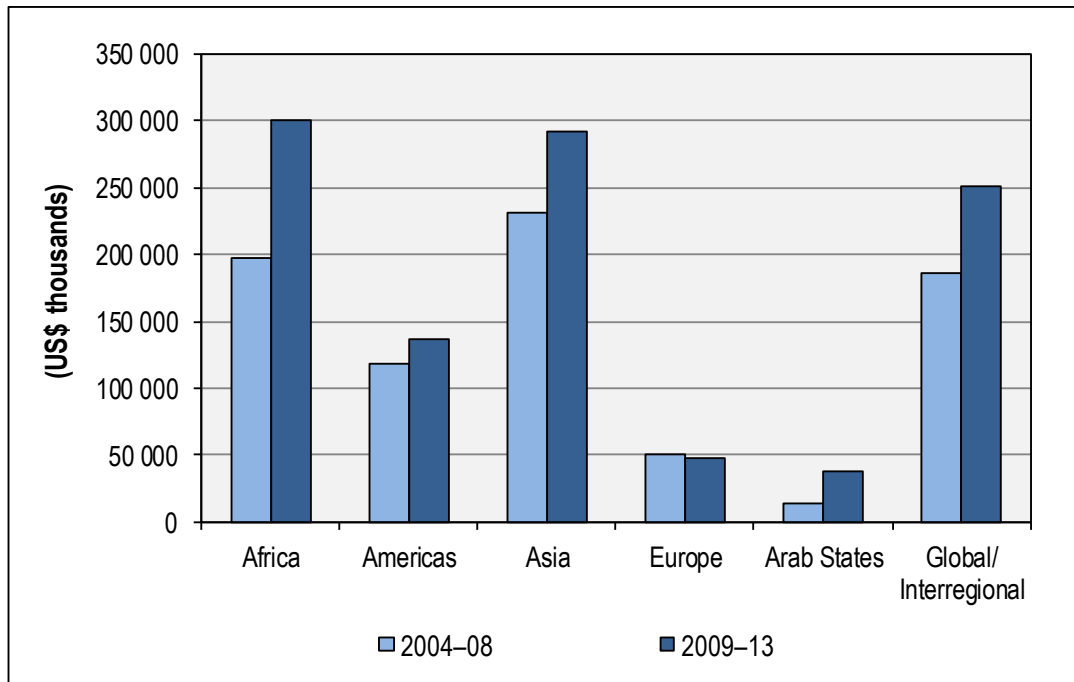**Figure 3.** **Extra-budgetary technical cooperation expenditure by region, 2004–13**

Figure 4. **Percentage share of extra-budgetary technical cooperation expenditure by administrative responsibility, 2004–13**
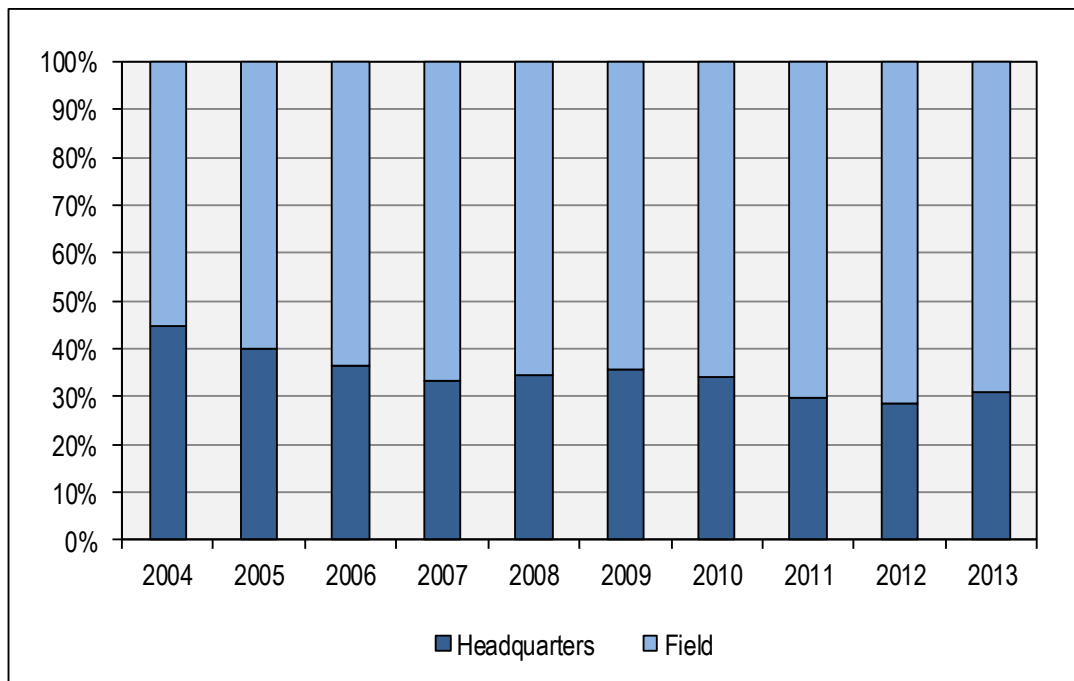
Figure 5.   **Headquarters, field and total Office extra-budgetary technical cooperation delivery rate percentage, 2004–13**
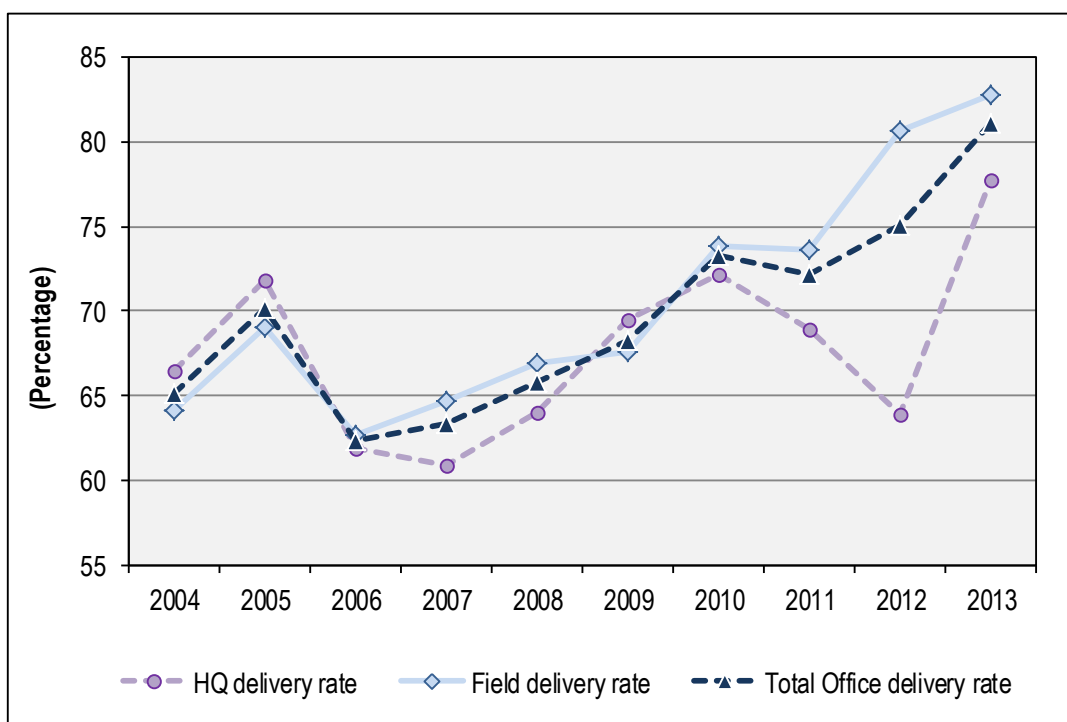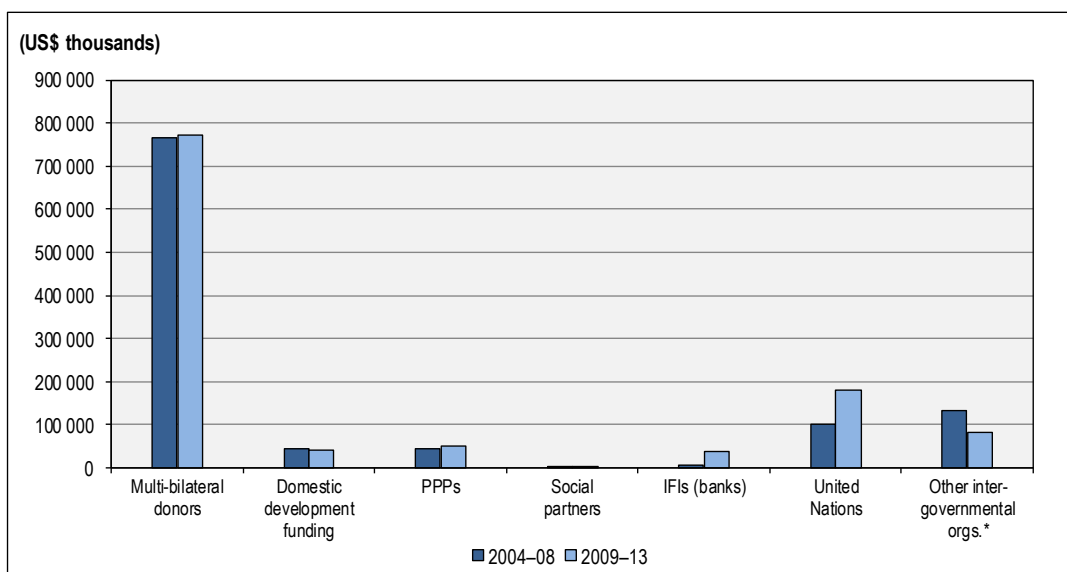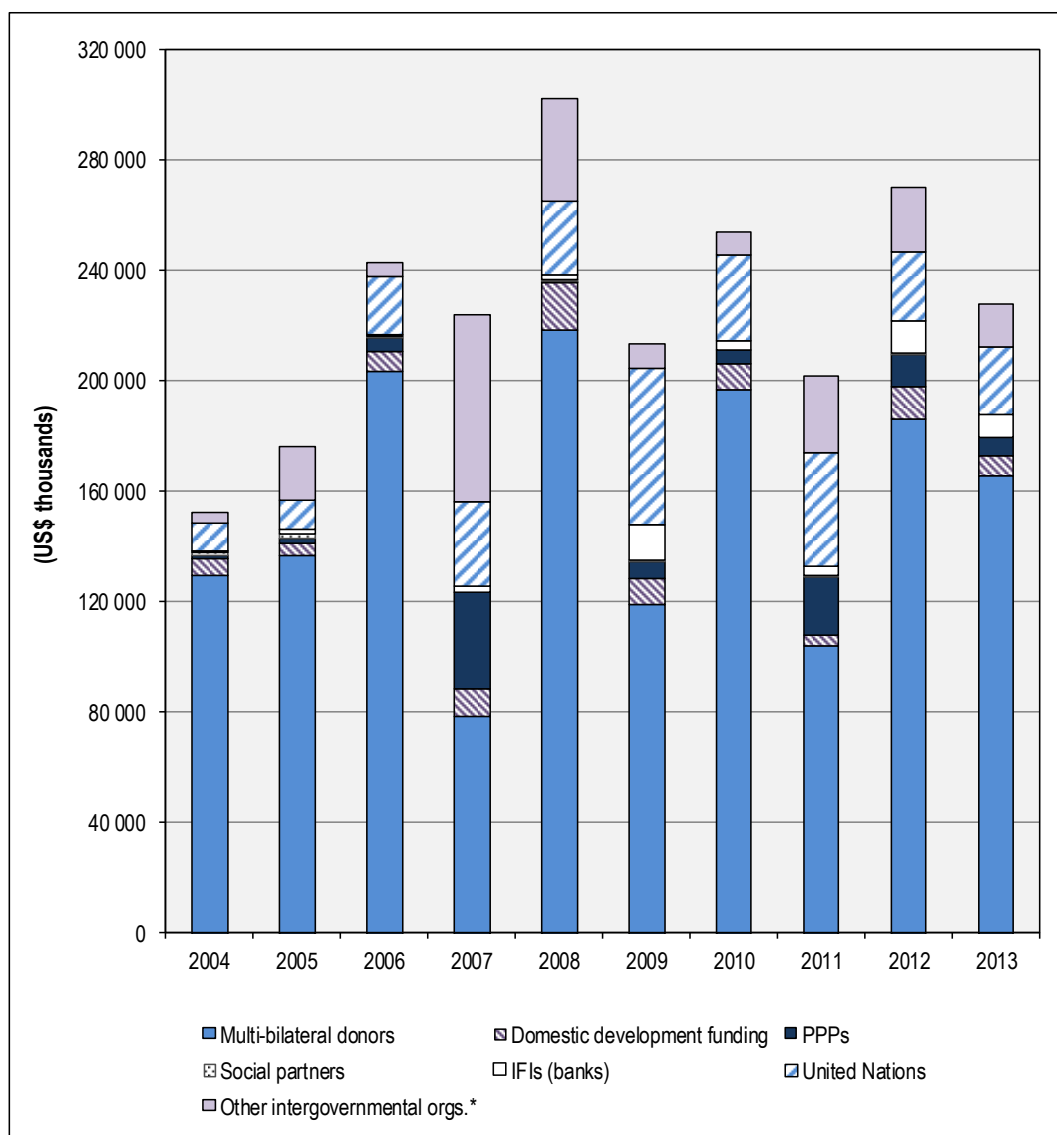

Figure 6.   **Extra-budgetary technical cooperation approvals by funding source, 2004–13**

* Including the European Commission

Figure 7. **Extra-budgetary technical cooperation approvals by funding source, 2004–13**

* Including the European Commission

Table 1. **Technical cooperation portfolio 2000–13, number of projects and development partners**

	2000	**2010**	**2013**
Annual TC expenditure in US$ millions	82.5	220.3	228.6
Number of projects	1 319	754	723
Number of development partners	84	116	108

Table 2. Top 20 contributors to the ILO's extra-budgetary funding (XBTC and RBSA) in 2010–13

Contributor	US$ thousands
United States	166 692
UN organizations and agencies	121 903
Australia	89 592
Netherlands	77 368
European Commission	67 624
Norway	67 617
Denmark	45 254
Public–private partnerships	44 533
Canada	44 208
Belgium [1]	35 449
Domestic development funding	32 383
Sweden	28 730
Ireland	25 890
International financial institutions	25 569
Spain	22 231
United Kingdom	20 833
Switzerland	20 112
Japan	18 652
France	17 537
Finland	16 138
Total	**988 314**

[1] Including contributions from Flanders.

Table 3. Top 20 recipient countries of current XBTC funding [1]

Recipient country	US$ thousands
Timor-Leste	55 897
Bangladesh	50 390
Egypt	31 198
South Africa	28 229
United Republic of Tanzania	20 392
Indonesia	16 717
Viet Nam	14 899
Somalia	12 705
Zambia	12 434
El Salvador	12 356
Colombia	11 571
Philippines	11 409
Myanmar	11 100

Recipient country	US$ thousands
Haiti	9 916
Pakistan	9 388
Jordan	9 184
Sri Lanka	8 112
Benin	8 091
Thailand	7 900
Morocco	7 527
Total	**349 416**

[1] Current funding refers to the total budget of all active projects in IRIS, as at 26 August 2014. Only stand-alone country projects are listed, not country components of regional or interregional projects

Appendix II

Effectiveness principles and ILO means

Development effectiveness principles

	Country ownership/ alignment	Harmonization	Results	Inclusive partnerships	Mutual accountability and transparency
ILO means	■ Decent Work Country Programmes ■ Involvement of constituents in: the TC project management cycle; project governance; and as recipients ■ Project activities strengthen social dialogue mechanisms	■ Strategic Policy Framework supports Millennium Development Goals and sustainable development goals ■ United Nations Development Assistance Framework ■ Joint programmes ■ Multi-donor funds	■ Results-based management framework	■ Social partners' participation in public–private partnerships ■ Multi-stakeholder partnerships	■ Adherence to the International Aid Transparency Initiative ■ Public donor dashboard ■ Partners' and constituents' participation in evaluations ■ Public information disclosure policy