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Report IV

Towards 2030: Effective development cooperation in support of the Sustainable Development Goals



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Towards 2030: Effective development cooperation in support of the Sustainable Development Goals

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Abbreviations

AAAA	Addis Ababa Action Agenda
ASEAN	Association of Southeast Asian Nations
DAC	Development Assistance Committee (of OECD)
DC	development cooperation
DWCP	Decent Work Country Programme
EC	European Commission
ECOWAS	Economic Community of West African States
EESE	Enabling Environment for Sustainable Enterprises
EPIC	Equal Pay International Coalition
FAO	Food and Agriculture Organization of the United Nations
FDI	foreign direct investment
GAP11	Global Action Programme on Child Labour 2011
HLCP	High-Level Committee on Programmes
HLPF	High-level Political Forum on Sustainable Development
IASC	Inter-Agency Standing Committee
IATI	International Aid Transparency Initiative
IBSA	India–Brazil–South Africa
ICAT	Inter-Agency Coordination Group against Trafficking in Persons
IFC	International Finance Corporation
IFIs	international financial institutions
ILC	International Labour Conference
ILO	International Labour Organization
ITC–ILO	International Training Centre of the International Labour Organization
ITUC-Africa	African Regional Organization of the International Trade Union Confederation
JIU	Joint Inspection Unit
MAPS	Mainstreaming, Acceleration and Policy Support
MDG	Millennium Development Goal

MERCOSUR	Southern Common Market
MOPAN	Multilateral Organisation Performance Assessment Network
MPTFO	Multi-Partner Trust Fund Office
OATUU	Organization of African Trade Union Unity
ODA	official development assistance
OECD	Organisation for Economic Co-operation and Development
PAGE	Partnership for Action on Green Economy
RBSA	Regular Budget Supplementary Account
SDG	Sustainable Development Goal
SSTC	South–South and triangular cooperation
TUDCN	Trade Union Development Cooperation Network
UN	United Nations
UNCTs	United Nations Country Teams
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDS	United Nations development system
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children’s Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNPDF	United Nations Partnership for Development Framework
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
WAEMU	West African Economic and Monetary Union
WFP	World Food Programme

Introduction

1. It has been 12 years since the International Labour Conference (ILC) last discussed the role of the International Labour Organization in technical cooperation.¹ Since then the context in which development cooperation is taking place has changed profoundly, making a discussion on the future of ILO development cooperation essential.

The Decent Work Agenda: Key to the Sustainable Development Goals

2. The world of work continues to undergo profound changes. For some they offer new opportunities, for others they represent a decent work deficit. Peace, inclusion and social justice, anchored in the ILO's Constitution, are still – nearly 100 years since the foundation of the ILO – the source of inspiration for shaping the future of work that we want. The 2030 Agenda for Sustainable Development (2030 Agenda) is equally rights-based and focused on leaving no one behind. It incorporates decent work as a global aspiration and a universal goal, applicable to all **member** States, regardless of their economic, social or political status. The ILO must therefore offer development cooperation relevant to all country settings and tailored to constituents' demands and needs in order to maximize its impact.

3. The universality of the Decent Work Agenda also means that the ILO can rely on the support and partnership of a wide range of organizations – multilateral, regional, national, enterprises, and civil society. The Organization must hence work to bring to bear its tripartite structure and reach out to others promoting decent work, while relying on its body of international labour standards.

4. Financing for development is another major area of change. It has become clear that official development assistance (ODA) alone will not suffice to meet all the needs entailed by the Sustainable Development Agenda. New financing flows and mechanisms are needed for our common goals. ILO development cooperation can support constituents, development partners, and others in leveraging domestic, international, public and private resources for decent work outcomes in countries. Policy coherence is key in this respect.

5. The delivery of the 2030 Agenda is an overarching objective of ongoing United Nations (UN) reform. At the time of writing, various scenarios are unfolding, and the detailed implications for the ILO as a tripartite specialized UN agency with a normative function will need to be analysed. However, the ILO's unique added value in development cooperation, including as a member of the UN family, is widely acknowledged. Its normative agenda, tripartite nature, its experience in social dialogue, and its convening

¹ ILO: *The role of the ILO in technical cooperation. Promoting decent work through field and country programmes*, Report VI, ILC, 95th Session, Geneva, 2006.

power make the ILO an essential partner in the many efforts under way to achieve the Sustainable Development Goals (SDGs).

Shaping the future of ILO development cooperation

6. This is the changing and challenging scenario in which the ILC approaches this important discussion of effective development cooperation in support of the Decent Work Agenda and the SDGs.
7. That discussion should furnish the ILO with guidance from its constituents on how to enhance development cooperation and partnerships in support of decent work outcomes and the attainment of the SDGs in its member States. Such guidance is critical for the Organization in its strategic positioning, seizing opportunities and addressing challenges while capturing bold and innovative ideas to maximize the impact of decent work on the 2030 Agenda.
8. The Conference discussion will also guide the development of a new medium-term ILO development cooperation strategy beyond 2018.² By shaping future ILO development cooperation, the discussion is also expected to contribute to the ILO centenary discussions at the Conference in 2019.
9. This report has significantly benefited from the views of constituents and development partners that have been collected both through an online survey and other forms of consultation.

Structure of the report

10. Chapter 1 outlines the global trends affecting the world of work and how they are perceived by constituents in relation to ILO development cooperation.
11. Chapter 2 discusses the centrality of decent work in the 2030 Agenda and presents the global agreements that frame international development cooperation today. It also explains shifts in perceptions of ILO development cooperation over the past decade, and gives insights into the proposed UN reform and how the UN system delivers on decent work.
12. Chapter 3 examines how the SDGs can be financed and looks into the role of ODA, domestic resources, the private sector, trade, and investment, as well as new financing instruments.
13. Chapter 4 describes various forms of partnership and cooperation modalities, such as multi-stakeholder partnerships, and South–South and triangular cooperation, and considers how this changed development cooperation context offers opportunities and challenges for the promotion of decent work.
14. Chapter 5 recalls the ILO’s framework for development cooperation and its strategies on development cooperation and partnerships. The key findings of high-level evaluations and reviews are presented. The views of ILO constituents and of development partners on effectiveness, capacity development, and partnerships are discussed. The chapter also provides an overview of trends in voluntary funding and partnerships, as well as insights into the ILO’s regional approaches to development cooperation.

² [GB.329/POL/5](#).

15. Chapter 6 discusses the results achieved by ILO development cooperation, based on lessons learned through projects and programmes in the strategic areas of international labour standards, employment, social protection, and social dialogue.
16. Chapter 7 sketches out a possible scenario for the future of ILO development cooperation. It draws on the vision and expectations of constituents and development partners, discusses ongoing UN reform processes, and assesses the vehicles for delivery on the SDGs.
17. Finally, Chapter 8 sets out a number of suggested points for discussion.

Chapter 1

Global context

18. Over the past decade, the world of work has been confronted with many new challenges – the impact of the 2008 financial and economic crises on employment and income inequality, the growing impact of climate change, and an upswing in violent conflict and humanitarian crises, leading to the highest levels of forced displacement and migration seen since the Second World War.

19. Progress has been observed in some areas, however. During the period set for the attainment of the Millennium Development Goals (MDGs, 2000–15) the target of reducing rates of extreme poverty was achieved ahead of deadline, reducing the number of extremely poor by more than one half between 1990 and 2015. The middle class in developing countries almost tripled in numbers during the same period.¹

20. Major challenges lie ahead, in particular for the labour market. The slow growth of the global economy has been accompanied by unprecedented levels of inequality, and has resulted in an insufficient number of jobs, especially for young people, to absorb the rapidly growing labour force. In 2017, almost 193 million people were unemployed, and more than 300 million workers lived below the extreme poverty line. Some 75 per cent of those were located in southern Asia and sub-Saharan Africa.² Women are still more likely than men to live in extreme poverty as a result of their unequal access to well-paid work, education and property. To this must be added the challenges posed by demographic development, climate change, increased conflict and fragility, food insecurity, which also have major labour market consequences and require continued action from the international community in the coming decades.

*Constituents' perception of global trends*³

21. Overall, ILO constituents consider increases in unemployment, inequality, poverty, and social exclusion among the most important trends influencing ILO development cooperation (figure 1).⁴ They directly affect the availability of decent jobs, and hence

¹ See UN: *The Millennium Development Goals Report 2015*, United Nations, New York, 2015.

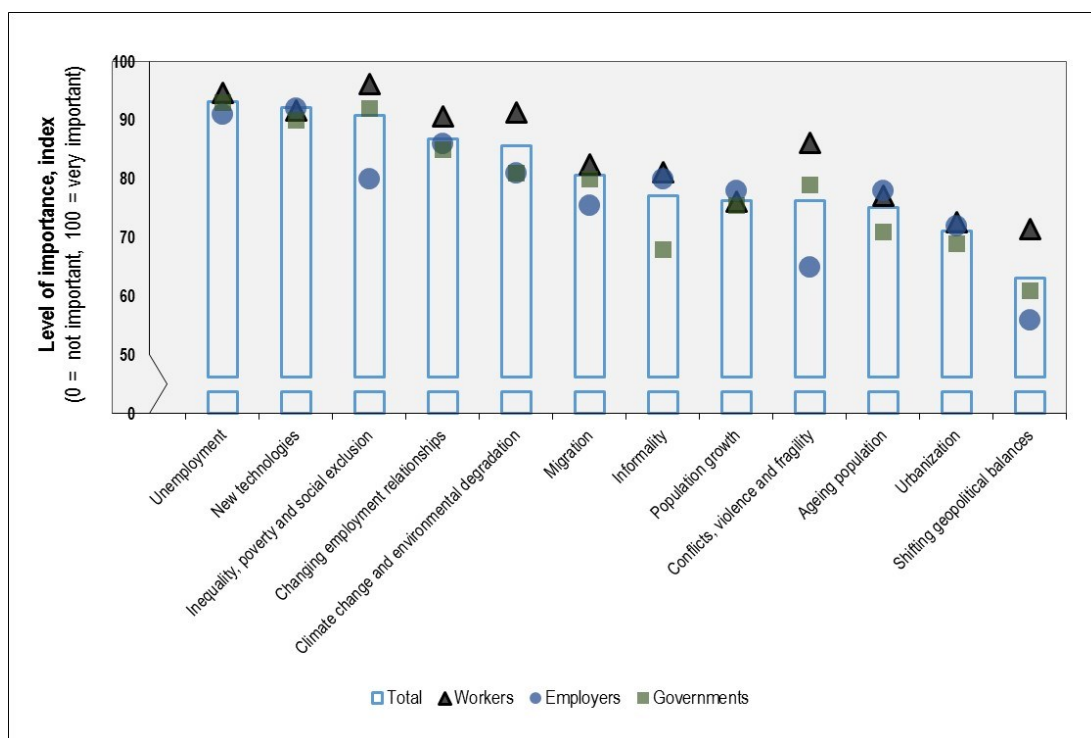
² See ILO: *World employment and social outlook: Trends 2018*, International Labour Office, Geneva, 2018.

³ For methodological details of the survey of constituents and development partners, see Appendix I.

⁴ The level of importance can vary between 0 (not important) and 100 (very important). The chart zooms into constituents responses and distinguishes between all constituents (blue–white bars), workers (grey triangles) employers (blue circles) and governments (green squares).

touch on the core of the ILO's mandate and the 2030 Agenda, as reflected in the ILC discussion of 2016 on the End to Poverty Initiative.⁵

Figure 1. Importance of trends with regard to their influence on ILO development cooperation for constituents, by constituent type



Source: ILO Survey, 2017.

22. The spread of new technologies creates opportunities and challenges. It will contribute to both job creation and job destruction, have an impact on enterprise competitiveness, employment relationships and the types of jobs available, and require new competencies.⁶ These issues, along with climate change and environmental degradation, are also considered highly relevant by ILO constituents in terms of their influence on ILO development cooperation. These trends are discussed within the framework of the ILO's Future of Work Centenary Initiative⁷ and its Green Initiative.⁸

23. The concerns of ILO constituents and development partners regarding global trends are reflected in the 14 SDG indicators for which the ILO is a custodian or partner agency⁹ (under SDG 1 on ending poverty in all its forms everywhere; SDG 5 on achieving gender equality and empowering all women and girls; SDG 8 on decent work and economic

⁵ ILO: *The End to Poverty Initiative. The ILO and the 2030 Agenda. Report of the Director General*, Report I(B), ILC, 105th Session, Geneva, 2016.

⁶ See I. Nübler: *New technologies: A jobless future or golden age of job creation?* ILO Research Department Working Paper No. 13, Geneva, 2016.

⁷ ILO: *The future of work centenary initiative. Report of the Director-General*, Report I, ILC, 104th Session, Geneva, 2015.

⁸ ILO: *Work in a changing climate: The Green Initiative. Report of the Director-General*, Report I, ILC, 106th Session, Geneva, 2017.

⁹ A custodian agency is responsible for monitoring and recording performance against indicators statistically, based on data supplied by countries themselves through their national statistical office, line ministries and other national institutions involved in monitoring.

growth; and SDG 10 on reduced inequality), as well as the 17 other SDG targets in which the ILO is involved or which are relevant to the Decent Work Agenda.¹⁰

¹⁰ Details of the ILO focus targets for the 2030 Agenda are available online at <http://www.ilo.ch/global/topics/sdg-2030/targets/lang--en/index.htm>.

Chapter 2

Development cooperation in the 2030 Sustainable Development Agenda

2.1. Decent work: A global aspiration and a universal goal

24. In 2015, the UN Member States adopted an ambitious and transformative vision for achieving sustainable development in its three dimensions – economic, social and environmental. Anchored in the principles of universality and human rights with an overarching imperative to leave no one behind, the 2030 Agenda for Sustainable Development seeks to bring about a transition to an era of sustainable development centred on people and the planet. This requires integrated strategies that ensure economic growth, and which address economic, social and environmental needs, including sustainable enterprise development, skills development, health, social protection, decent job opportunities, climate change, environmental protection, and the development of sound institutions.

25. The 2030 Agenda is notable in that it introduces a rights-based approach. The promotion of more and better jobs, with full respect of labour rights and a particular focus on the labour-related human rights enshrined in the ILO fundamental Conventions, are central elements that cut across many of the SDGs, with SDG 8 at their core.

26. Data play a critical role for the achievement of the SDGs. ILO constituents and partners have repeatedly expressed the need for relevant, good quality data and their timely collection to measure progress and impact for decent work-related SDG targets. Addressing this need also means that the ILO should remain the global reference for labour-related data and should enhance the capacity of constituents and others to collect and use such data.

27. The Decent Work Agenda today is part and parcel of the global development agenda and is universally applicable, regardless of countries' economic, social or political status.

28. Countries have primary responsibility for planning, implementation and follow-up on the Goals, based on their individual national plans, and for reporting progress. Strong integrated planning, strategic thinking, policy integration, and evaluation are seen as essential for defining the best approach to implementation of the SDGs, and will be a key focus of UN support to countries. While implementation of the Agenda is voluntary, its uptake in the first two years has already been very strong, as indicated by the large number of countries that have requested SDG assistance from UN country teams (114 in 2017)

and the number (65) of voluntary national reviews delivered to the UN High-level Political Forum on Sustainable Development (HLPF) in 2016 and 2017 and planned for 2018 (48).¹

29. In 2019, the year of the ILO centenary, the HLPF will focus on empowering people and ensuring inclusiveness and equality, encompassing SDG 8 and other SDGs that are closely related to the Decent Work Agenda. This means that efforts towards decent work outcomes are pursued by all stakeholders involved in development cooperation and are financed from a variety of sources both inside and outside the ILO.

Global agreements for a sustainable world

30. Besides the 2030 Agenda, other global agreements shape the development scene: the Paris Agreement on Climate Change,² the Addis Ababa Action Agenda (AAAA),³ and the Sendai Framework for Disaster Risk Reduction.⁴ Together they provide a critical context for the ILO's future development cooperation strategy. The UN Secretary-General has specifically tied these to the peace-building and security pillars of the UN to ensure an overarching focus on the prevention of human suffering, which calls for closer collaboration between humanitarian and development stakeholders.

31. All agreements are of major relevance to employment and decent work. For example, the Paris Agreement reaffirms the need for the fight against climate change to be an integral part of the fight for global social justice, and expresses concern for the poorest and most vulnerable in the world of work, including those in rural and informal activities, who are the most defenceless against its impact.

Box 1

Partnership for Action on Green Economy¹

The Partnership for Action on Green Economy (PAGE), a joint initiative by the ILO, the United Nations Environment Programme (UNEP), the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization (UNIDO), and the United Nations Institute for Training and Research (UNITAR), launched in 2014, provides a mechanism to coordinate UN action on the green economy and assist Member States in delivering the SDGs and monitoring progress in their achievement.

Its exemplary joint funding and resource mobilization mechanism has proved a successful model for the promotion of effective cooperation between UN agencies to deliver as one, the leveraging of regional expertise, and the provision of tailor-made solutions for countries, including through South–South and triangular cooperation. To date, it is operational in 11 countries, and the positive experiences recorded argue strongly in favour of its future expansion to 20 countries by 2020.

One example is Peru, where with the support of the ILO and PAGE partners, green growth has been made central to the country's development policies, setting important milestones to mark progress towards the SDGs. Tripartite social dialogue on policy and market assessments have led to partnership support, including co-funding. Evidence-based policy studies on green economy and green industry have advanced sectoral reforms. Regional plans for youth employment in green sectors have also been developed. Peruvian constituents have shared their experience with peers in the region, facilitating South–South learning.

See more about PAGE at <http://www.un-page.org/>.

¹ Available online at <https://sustainabledevelopment.un.org/vnrs/>.

² Available online at http://unfccc.int/paris_agreement/items/9485.php.

³ Available online at <https://www.un.org/esa/ffd/ffd3/>.

⁴ Available online at <http://www.unisdr.org/we/coordinate/sendai-framework>.

32. The Sendai Framework recognizes the role of employment and social protection, in particular for young people, and of women’s involvement in economic recovery programmes, in sustaining peace and in promoting the transition from emergency aid response to longer-term sustainable recovery and development.

33. The ILO has also joined the package of commitments made under the Agenda for Humanity known as the Grand Bargain on Humanitarian Financing, an agreement between more than 50 donors and aid providers that aims to increase the cost-effectiveness and sustainability of humanitarian action by pursuing a series of changes that represent enhanced engagement between humanitarian and development actors.⁵

2.2. Shifts in the perception of development cooperation

34. The discussion at the ILC in 2006 on the role of the ILO in what was then called “technical cooperation” concentrated on the fledgling Decent Work Agenda and Decent Work Country Programmes (DWCPs). Resource integration between assessed and voluntary contributions was an important ILO reform issue, and the diversification of the ILO’s funding sources, including those from the private sector, was considered an important avenue to pursue. Twelve years later, changes in the world of work, the global geopolitical context and the multilateral system have brought about a change in perceptions of international development cooperation. UN reform, the agreement on financing for development, and the adoption of the SDGs have had a major impact on both the theory and practice of development cooperation as a whole. These changes are discussed in detail below.

Effective development cooperation

35. The effectiveness of development aid has been studied for decades. The principles underlying development cooperation effectiveness, initially embodied in the 2005 Paris Declaration on Aid Effectiveness, were incorporated into the Global Partnership for Effective Development Cooperation established in Busan, Republic of Korea (2011), which brings together 162 countries, including traditional donors and the many partners engaged in South–South and triangular cooperation, along with multilateral agencies, representatives of civil society and private funders.

36. The effectiveness principles are also acknowledged in other UN instruments and platforms guiding development cooperation, including the Development Cooperation Forum of the Economic and Social Council. In parallel with the processes that led to the Global Partnership, countries from the global South have formally expanded their participation in international development cooperation and have gained greater recognition as development cooperation actors. South–South and triangular cooperation (SSTC) is now a significant modality for non-financial exchanges between peers, involving the sharing of expertise, knowledge, and technology, and has received support from the ILO.

37. Countries and groupings in the global South have at the same time emerged as financial partners through such innovations as the New Development Bank, the India–Brazil–South Africa Facility for the Alleviation of Poverty and Hunger (IBSA Fund), and the Asian Infrastructure Investment Bank.

⁵ IASC: *The Grand Bargain – A shared commitment to better serve people in need*, Istanbul, May 2016.

From technical cooperation to development cooperation

38. The change in terminology over the years from “aid” to “technical assistance” and “technical 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 new areas such as rights, dialogue and participation, good governance, social justice and capacity development. The Decent Work Agenda fits well in this shifted perception. As a reflection of these changes, in 2014 the ILO replaced the term “technical cooperation” with the term “development cooperation”.⁶

Leveraging the Decent Work Agenda

39. The strengthened, new partnership and cooperation modalities emerging from a multitude of actors provide opportunities both for constituents and the ILO to leverage the Decent Work Agenda. Efforts currently under way include multi-stakeholder networks and platforms, such as the ILO Global Business and Disability Network, and inter-religious exchanges on social justice and decent work.

40. In this context, the role of the ILO is to leverage the Decent Work Agenda. This follows logically from the ILC discussion on the End to Poverty Centenary Initiative in 2016 and the 2016 ILC Resolution on Advancing Social Justice through Decent Work, which provide a solid basis on which the exceptional added value of the ILO and its comparative advantage can be invoked.

41. ILO development cooperation partnerships, services and operational modalities are made adaptable to different country settings and needs in order to ensure that they remain relevant to constituents in all member States. This also involves engagement with other finance sources for decent work outcomes in different regions, countries, localities, sectors, and enterprises from national, international, public and private sources.

Box 2

Azerbaijan leverages ILO development cooperation for the implementation of employment policies

Constituents in Azerbaijan have adopted new macroeconomic approaches in response to the economic downturn and labour market challenges. This follows the examination of a country report commissioned by the ILO on macroeconomic trends and policies, containing recommendations for anti-crisis measures and strategic policy choices, and the delivery of a tailor-made course on macroeconomic approaches to labour market development and the formulation of employment policies.

These programmes led to the formulation of a comprehensive employment policy framework. Support was also provided for the development of Azerbaijan’s labour market policies targeting rural youth entrepreneurship and quality apprenticeships in urban areas. The implementation of two pilot programmes on wage subsidies for young jobseekers in Baku and young entrepreneurs in rural areas, which covered 1,600 families, also resulted in the allocation in 2016 of US\$4 million from the Presidential Reserve Fund for the institutionalization of a new national programme on entrepreneurship development.

These measures have since been incorporated into the Employment Strategy 2016–30, which was developed with ILO support and is aligned with the SDGs.

Source: ILO: *What future for decent work in Europe and Central Asia. Opportunities and challenges*, ILO, Geneva, 2017.

⁶ GB.322/POL/6.

2.3. United Nations development system: Fit for purpose

Vision of the new Secretary-General

42. In the new development paradigm accompanying the SDGs, the UN system – and the international community in general – cannot afford to act as a set of isolated entities each pursuing its own agenda. They must now work together towards the SDGs, constantly seeking ways to complement and support each other’s work, to create synergies, and to ensure that their own specializations enhance the whole. Hence, the UN Secretary-General has launched a far-reaching agenda of reform to create the processes, structures, and operations that will shape this new way of working.

43. The reports of the new UN Secretary-General on this new wave of reform focus on delivering the 2030 Agenda, and emphasize that its achievement will require “bold changes in the UN development system (UNDS), with prevention as a cross-pillar priority.”⁷ The accountability and transparency of the UN are top priorities for the Secretary-General, and the reports offer a number of proposals to enhance the tools used by Member States to ensure more effective reporting on and accounting for system-wide results.

44. In particular, the reform agenda sets the ambition of ensuring that the UN system delivers coherently through strengthened and accountable leadership at the country level. A new generation of country teams will translate the aspirations of the 2030 Agenda into shared results on the ground through an inter-agency approach, moving beyond coordination towards what the reports term “a new narrative for sustainable development”: this means adopting a modular approach to country presence, where the configuration of the country teams – their composition, skill sets, functions, and focus are driven by national priorities.

45. This in turn means establishing objective criteria to rationalize physical presence on a country-by-country basis, while ensuring continued access to the expertise of relevant entities through co-location, virtual presence and other mechanisms that provide support in an efficient and relevant manner. United Nations Development Assistance Frameworks (UNDAFs) would be repositioned and strengthened as the single most important United Nations planning tool in all countries, with tangible implications for guiding system support and presence.

46. The intended outcome of the anticipated adjustments is to make more resources available for programmes on the ground, while strengthening and incentivizing country teams’ integrated policy capacities and reducing transaction costs for partners. This will be supported by the use of common operational services and back-office functions to become the default option for country teams, aimed at achieving economies of scale and the harmonization of business procedures.

47. This should allow for the emergence of a new generation of country teams, centred on a strategic UNDAF and led by an impartial, independent and empowered Resident Coordinator. Reprofiled and restructured UN regional economic commissions are

⁷ UN: *Repositioning the United Nations development system to deliver on the 2030 Agenda: ensuring a better future for all*, Report of the Secretary-General, General Assembly, New York, July 2017, A/72/124–E/2018/3; and UN: *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet*, Report of the Secretary-General, General Assembly, New York, Dec. 2017, A/72/684–E/2018/7. See also section 7.3.2 below.

proposed to increase efficiency in their cooperation with the UN Development Group (UNDG).

48. Steps will be taken for a stronger UN institutional response and system-wide approach to partnerships for the 2030 Agenda with the aim of strengthening the integrity and streamlining due diligence processes and risk management across the UN system. The Secretary-General foresees a greater role for the Global Compact in facilitating UN engagement and partnerships with private sector entities, in particular at the country level.

49. A Funding Compact between Member States and the UNDS is proposed to improve the quality, quantity and predictability of the resources provided by Member States in exchange for accelerated repositioning and enhanced capacities of the system to deliver on the 2030 Agenda. The Funding Compact also foresees greater emphasis on pooled funding and joint programmes.

UN system delivering on decent work

50. Within the UN, the ILO aims to harmonize the work of the UN system in “Delivering as One” on decent work outcomes. The ILO’s involvement in UN system-wide mechanisms and partnerships (see box 3, box 6 and box 12) provide opportunities to promote the Decent Work Agenda and tripartism. For example, the ILO Director-General currently chairs the UN High-Level Committee on Programmes (HLCP) and one of his declared key objectives is to pursue greater policy coherence and programme coordination in support of the internationally agreed development goals.

Box 3

Mainstreaming the Decent Work Agenda in UNDAFs and UN joint programming

Working together with the UN system enhances the ILO’s outreach, optimizes programming and diversifies resources. Over time, the alignment of the strategic objectives of the Decent Work Agenda with UN frameworks has increased.

During 2012–15, the ILO worked in partnerships with 36 different UN entities under joint programmes and interagency modalities, in particular with UNDP, UNICEF, UNFPA, FAO, and UN Women.

Periodic analysis by the ILO identifies the close alignment of DWCPs and ILO projects across UN frameworks. It is clear from these reviews that most of the Delivering as One countries benefit from joint programmes, also in countries where the ILO is not a resident agency. Most projects in a sample of 50 selected projects and respective DWCPs active over the period 2013–16 were in line with corresponding UNDAF pillars.

Overall, joint initiatives involving the ILO focus in particular on employment creation and skills development, agricultural productivity, and social protection. Moreover, international labour standards are constantly reflected in the joint programme portfolio, and also in programmes where the ILO is not the lead agency. Specific references to social dialogue are increasingly found in joint initiatives.

The joint programmes are often sustained by pooled funding mechanisms. In 2016–17, 8.5 per cent of ILO non-core resources have been mobilized through UNDG multi-partners trust funds or inter-agency collaboration, and other non-core resources for UN joint activities. This has been an important way of financing part of the DWCPs, development and humanitarian activities in support of the SDGs.

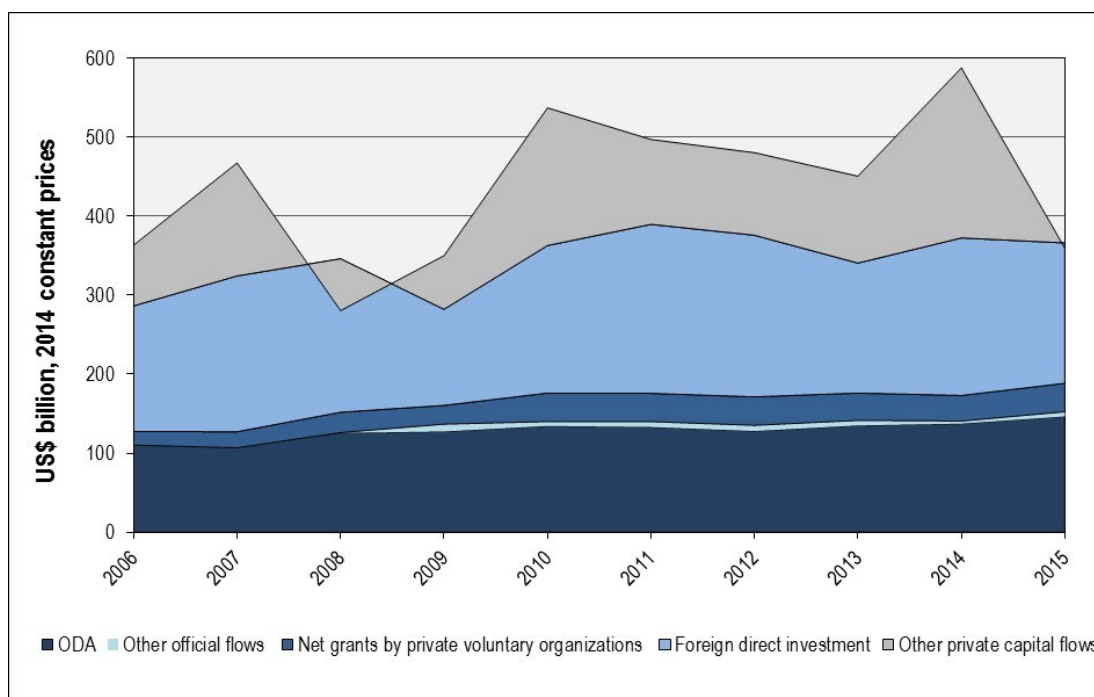
Chapter 3

Financing for development

51. Achieving the SDGs will require resources that far outstrip anything that could be provided under ODA. The AAAA sets out an overarching financing framework for global development efforts, which includes improved domestic resource mobilization, the alignment of private financing with sustainable development and a renewed commitment to both concessional and non-concessional international cooperation targets. It is an integral part of the 2030 Agenda and promotes a shift from development funding to financing the achievement of development objectives at the country level, including by aligning diverse financial flows.

3.1. Official development assistance

52. Finance for development has continued to change significantly since the last ILC discussion on development cooperation in 2006. Although ODA has been the steadiest resource, private flows have been larger in volume and constitute more than half of the total net resource flows to developing countries from member countries of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD). As demonstrated in figure 2, private capital flows, such as lending by banks, are particularly subject to volatility and market fluctuations. Thus, foreign direct investment (FDI) has become the most significant source of private external financing, reflecting investors' long-term confidence in developing countries' investment opportunities and growth. Another remarkable change relates to resources from private voluntary organizations, including non-governmental organizations, which doubled in volume between 2006 and 2015.

Figure 2. DAC countries' total net resource flows to developing countries, 2006–15

Source: OECD: *Development Co-operation Report 2017: Data for Development*, OECD Publishing, Paris, 2017.

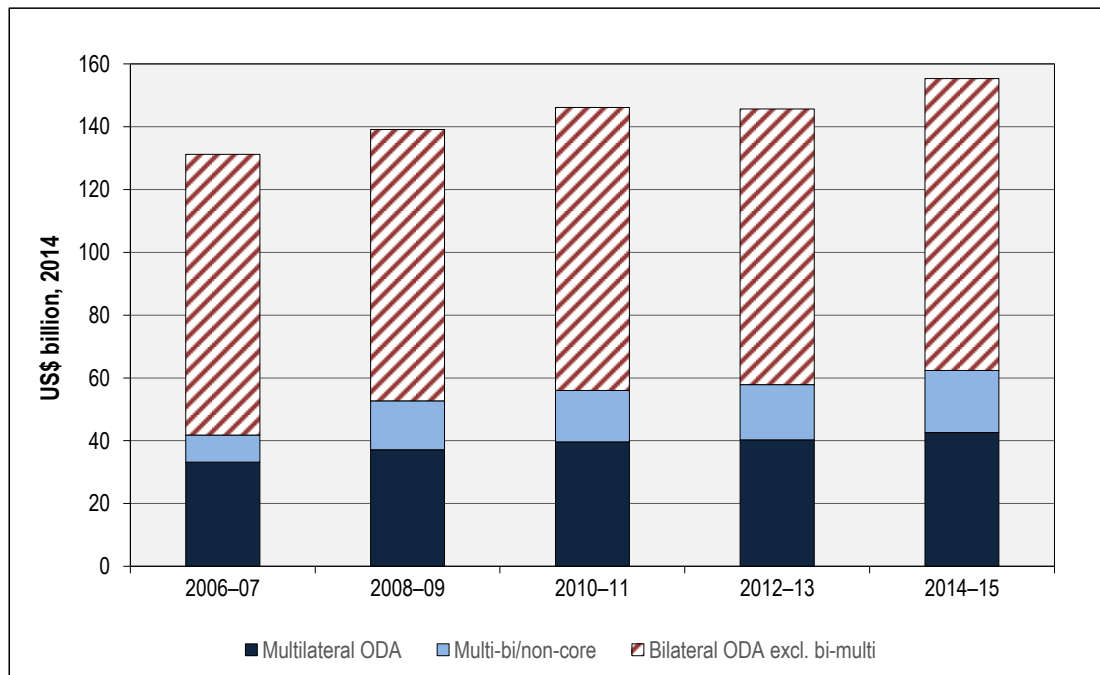
ODA alone cannot address the funding gap

53. ODA remains an important contribution to achievement of the SDGs. The AAAA reaffirmed the commitment by ODA providers to the targets of 0.7 per cent of gross national income to developing countries, and of between 0.15 and 0.2 per cent to the least developed countries.

54. ODA is undergoing significant changes, which include the restructuring of financial flows and new definitions. Both total ODA and its multilateral share have shown increases in recent years (see figure 3). Total annual ODA is currently at the level of some \$160 billion, \$60 billion of which is made up of multilateral aid. ODA flows to developing countries have not increased at a comparable rate, however, a large part of this growth has been allocated to cover increasing in-donor refugee costs.¹ Within multilateral aid, voluntary core resources have stagnated, while earmarked voluntary funding has increased.

¹ “In-donor refugee costs” are official expenditure for the sustenance of refugees in donor countries during the first 12 months of their stay. Between 2015 and 2016, they rose by 27.5 per cent. For more information, see *Development aid rises again in 2016*, OECD–DAC, Paris, Apr. 2017.

Figure 3. DAC countries' ODA channelled to and through the multilateral system, two-year averages, gross disbursements, 2006–15



Source: OECD: [Development co-operation report 2017: Data for development](#), OECD Publishing, Paris, 2017.

55. In relative terms, ODA now constitutes only 6.4 per cent of the total estimated funding gap. In that scenario, the total funding of the UN system is equivalent to only 1 per cent of total development needs, and the funds allocated to the ILO represent only 1.3 per cent of the UN's funding. Funds allocated to the ILO hence amount to a meagre 0.0013 per cent of total development needs to support the SDGs.

Policy coherence affects all levels

56. The growing interest in international development and the increasing number of players entering the multilateral field could speed up the attainment of development goals. This trend has also resulted, however, in greater competition and fragmentation of development cooperation, undermining policy coherence at different levels, within countries and between development partners.

57. As a consequence, despite the work being performed in this area under the MOPAN initiative, an increasing number of partners are still carrying out assessments of multilateral institutions.² Added to which, the UN system faces greater competition for the limited resources available. Many DAC members lack a strategic approach to their engagement with multilateral organizations and their financing of the UN system could be better coordinated.³ By further streamlining their monitoring and reporting procedures for multilateral organizations, they could significantly reduce the number of similar accountability processes currently managed by the organizations and boost their efficiency. Likewise, multilateral organizations could further harmonize their policies, programming

² See also, JIU: [Donor-Led Assessments of the United Nations System Organizations](#), Joint Inspection Unit, Geneva, 2017.

³ OECD: [Development Co-operation Report 2017: Data for Development](#), OECD Publishing, Paris 2017.

and operations. Coherence in national development policies and international development policies should equally be reflected in the financing of decent work.

Financing decent work

58. While competition also creates incentives for improvements in organizational performance, this should not divert attention away from the core values of the UN specialized agencies. Normative and mandate-driven organizations such as the ILO have a role to play in international development efforts within their areas of specialization, regardless of ODA allocations.

59. Member States have agreed on the SDGs, and many of the issues that the goals address fall within the ILO's mandate. The ILO's role is hence to guide institutions working on those issues in ways of approaching them in line with international labour standards while respecting the integrated nature of the Decent Work Agenda.

60. Constant attention should be given to ensuring that ODA flows are directed at the priority areas essential to the attainment of the SDGs and of particular importance to the Decent Work Agenda. Tracking ODA contributions to the four decent work pillars is challenging, however, for three reasons. First, donors may be contributing to some areas of the Agenda without necessarily defining it as decent work. Second, references to efforts to promote decent work often provide only limited evidence of how this reflects the actual allocation of resources. Third and last, it may not be evident how to trace and attribute specific resources to the broader Decent Work Agenda, or to identify which parameters or indicators should be taken into account when trying to assess donors' contributions to decent work.⁴ Beyond ODA, this also means ensuring that any measures to be determined in the future, such as "total official support for sustainable development", would adequately capture contributions to the Decent Work Agenda.

3.2. Domestic resources for development

Economic growth and decent jobs

61. In view of the projected volume of resource needs, development financing will depend significantly on the availability of domestic public and private investments in sustainability. Such investments can be harnessed by governments, the private sector, social economy actors, philanthropic institutions, and civil society. The role of governments is essential in creating an enabling environment for such investments. The challenge now facing policy-makers is to engage with a variety of social and economic actors in the country to align investments in favour of decent work. Such processes would benefit from the involvement of national constituents.

62. For example, leveraging domestic resources would involve improved debt management, and access to credit and financial services for businesses, in particular for micro-, small and medium-sized enterprises. Similarly, enterprises and financial service providers have the potential to scale up the Decent Work Agenda by mediating and investing in social impact. Some of the most critical areas needed to implement sustainable development plans, however, are improvements in fiscal policies, tax administration and

⁴ See TUDCN–ITUC: *How do donors support the Decent Work Agenda? A review of five donors*, Research paper 1, 2017, Trade Union Development Cooperation Network–International Trade Union Confederation.

collection, and fighting tax evasion, avoidance, and corruption. The formalization of the informal economy would have a significant impact for many countries in this regard.

Box 4

Virtuous circle of decent work: Decent work as a source of development finance

It is important to stress the mutually reinforcing and complementary relationship between development finance and decent work.

Decent work and productive employment are a source of development finance. Corporate income taxation, wages and other household income are major sources of government revenue through direct and indirect taxation.

Decent household income increases the ability of households to contribute to social protection schemes, thus reducing the need for social assistance; it increases the space for financing social protection (including self-financing), including through nationally defined social protection floors, along with traditional forms of mutual assistance and solidarity. It also increases the ability of households to directly support international development through donations.

Household income boosts consumption and stimulates domestic production and trade, and allows households to accumulate savings, which may be invested transparently by the financial system for development.

3.3. Role of the private sector, trade and investment

Private sector finance

63. In its paragraph 41, the 2030 Agenda acknowledges the role of the diverse private sector, ranging from micro-enterprises to cooperatives to multinationals, and that of civil society organizations and philanthropic organizations in its implementation. As observed in paragraph 37, enterprises contribute to sustainable development through impact investing, which combines a return on investment with non-financial impacts. Impact investing calls for a rights-based approach to business development and for the promotion of good practices by businesses that share the common vision of sustainable development and address the social impact of their operations. This underpins the call for a more coherent approach to engaging the private sector in the UN system, including at the country level through a revised role of the Global Compact. The ILO Centenary Enterprises Initiative, facilitating two-way learning between the ILO and enterprises to achieve decent work, is particularly relevant in this context.⁵

Trade and investment

64. Globalization can contribute to employment growth. Yet open markets alone are unlikely to create a sufficient number of good quality jobs nor distribute wealth to the extent needed. Over the past few decades, trade and FDI flows have played an increasingly important role in the world economy, contributing significantly to economic growth both at the global level and within individual countries. Yet not all countries, enterprises or individuals have found it easy to take advantage of the most recent waves of globalization.

⁵ For further details of the Initiative, see the ILO website at http://www.ilo.org/global/about-the-ilo/history/centenary/WCMS_480336/lang--en/index.htm.

65. The ILO's Trade and Employment Programme assists governments and social partners in maximizing the benefits of trade and FDI policies in terms of the quantity and quality of jobs. This involves targeted research, trade-related technical assistance, and policy advice at the national, regional and global levels. The challenge is to improve understanding of how trade and FDI policies affect decent work opportunities, and to assist policy-makers at global, regional and national levels to design policy solutions that optimize the positive effects of trade and FDI on employment.

66. The ILO Tripartite Declaration on Multinational Enterprises and Social Policy is a global instrument adopted by governments, employers and workers that provides direct guidance to enterprises on social policy and inclusive, responsible and sustainable workplace practices. In 2017, some of its key principles were revised to take account of developments in global supply chains and to update its interpretation procedure.

Box 5

Business and decent work: The ILO Tripartite Declaration of Principles concerning Multinational Enterprises at work in Côte d'Ivoire and Senegal

Guided by the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the ILO and its constituents mobilize the contribution of business to the achievement of SDG 8 and realize decent work for all. In Côte d'Ivoire and Senegal, this involves two lines of action: public-private collaboration on decent work priorities, with companies joining forces; and raising awareness of the Decent Work Agenda among multinationals through opportunities for collaboration on specific themes in the two countries.

The project addresses both institutional development and direct action with business. The knowledge and skills of ILO constituents are being strengthened in Côte d'Ivoire and Senegal to enable them to play an active role in dialogue with national and multinational enterprises on national decent work priorities and the development of policies and programmes conducive to promoting corporate social responsibility among enterprises. In Senegal, this has resulted in the creation of a dedicated commission within the *Haut Conseil du Dialogue Social* (High-Level Social Dialogue Council), and a similar process is under way in Côte d'Ivoire. Companies are accordingly sensitized to the Declaration's principles in order to encourage its practical application.

67. More open trade and employment policies informed by the Decent Work Agenda are reflected in the thinking behind SDG 8 and its means of implementation.⁶ Aid for trade is based on the idea that development cooperation should support policies ensuring that the gains of trade are widely shared. Evidence of the effectiveness of aid for trade in generating positive trade outcomes suggests that every \$1 invested in aid for trade corresponds to an increase of approximately \$8 in exports from developing countries and \$20 in exports from the poorest countries.⁷

68. At the country level, the ILO has established local partnerships and conducted extensive policy work with partners to discuss, design and implement coherent trade, labour, and related policies. The ILO has worked more closely on the employment effects of trade on the labour market in Bangladesh, Benin, Ghana, Guatemala, Indonesia, Morocco, Myanmar and the Philippines. Some work has concentrated on specific sectors such as agriculture or services, while others have focused on labour market adjustments

⁶ Target 8.a reads: "Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries".

⁷ See OECD and WTO: *Aid for trade at a glance 2013: Connecting to value chains*, Paris, OECD and WTO, 2013.

following trade liberalization and economic diversification, the links between trade and the informal economy, and the gender aspects of trade.

69. In addition, as a member of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, the ILO makes a tangible and direct contribution to UN system-wide coherence by coordinating its participation in operations at global, regional and country level, and by securing access to innovative multi-donor funding mechanisms.

70. A related issue concerns trade agreements: recent ILO research⁸ shows that the inclusion of labour provisions in trade agreements does not lead to a reduction or diversion of trade flows, but eases labour market access: trade agreements that include labour provisions actually increase the value of trade by 28 per cent on average, compared to 26 per cent for agreements without them. ILO development cooperation should promote awareness of this fact.

3.4. New forms of financing for development

71. In the spirit of the AAAA, finance instruments such as pooled and innovative financing are part of UN development programming and operations. The key challenge for the ILO and its constituents is to ensure that such initiatives take sufficient account of the Decent Work Agenda.

3.4.1. UN pooled funds

Integrating funds effectively

72. The nature of the SDGs reinforces the need for multi-partner financing for integrated approaches. UN pooled funds⁹ are seen as a game changer in financing the 2030 Agenda. They not only encourage cross-sectoral responses within the UN development system, but improve coordination and coherence at the country level, better risk management, and a broader donor base.

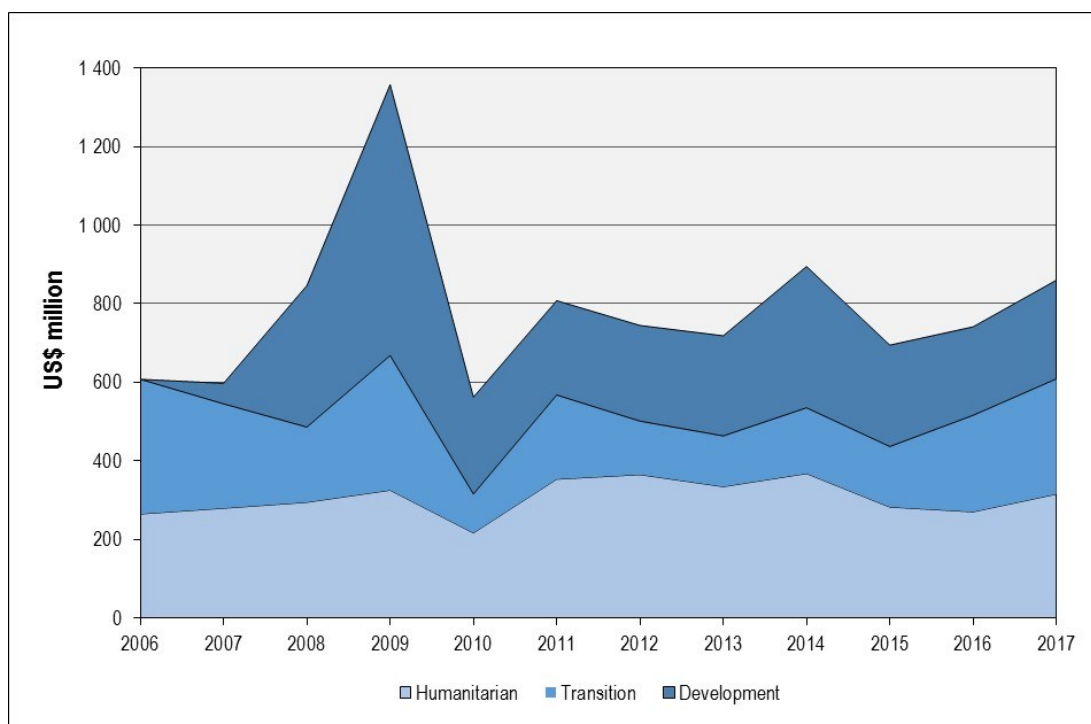
73. The current landscape of pooled financing still unevenly capitalizes more funds for humanitarian and transition purposes, the latter addressing post-conflict and disaster-prone contexts, than to specific development outcomes (see figure 4). This is one of the reasons why the ILO still accesses a relatively small proportion of these funds.¹⁰

74. Notwithstanding the potential of pooled funds, the UN development system still considers how pooled funds could be more effectively financed to fill the SDGs financing gap, in particular by involving non-traditional partners and innovative sources of finance.

⁸ See ILO: *Assessment of labour provisions in trade and investment arrangements: Studies on growth with equity*, International Labour Office, Geneva, 2016.

⁹ The Multi-Partner Trust Fund Office (MPTFO) designs and administers pooled funds, called UN Development Group multi-donor trust funds, to the UN system.

¹⁰ See the UN pooled fund datasets, available on the IATI website at <https://www.iatiregistry.org/dataset/unpf-2015> and UN: *Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: Funding analysis*, Report of the UN Secretary-General, General Assembly, New York, 2017, A/72/61–E/2017/4.

Figure 4. Deposits to UN pooled funds, 2006–17 (US\$ millions)

Source: Compiled from data from the [MPTFO dataset](#).

3.4.2. Innovative finance

Exploring instruments

75. The ILO can engage more in the development and use of innovative financing mechanisms that would diversify the range of financial resources available for decent work outcomes.¹¹

76. Innovative finance refers to mechanisms that generate additional development funds, improve the efficiency of funding, or make financial flows more results-oriented. The OECD classifies innovative finance mechanisms as follows:¹²

- ❑ new public revenue streams, such as new taxes;
- ❑ debt-based instruments and front-loading,¹³ making public funds available for development earlier;
- ❑ public–private incentives, guarantees and insurance, such as subsidies to incentivize private investment and insurance to manage lower risks.

77. Blended finance is an emerging innovative finance mechanism which uses ODA strategically to mobilize private sector finance for development outcomes at scale. In order

¹¹ For example, the UNDS implements integrated national financing frameworks, which consist in working with national institutions to map out existing funding flows and subsequently ensure their alignment with national development plans and SDG implementation frameworks.

¹² See E. Sandor: *Mapping innovative finance for development mechanisms*, OECD, Paris, 2011.

¹³ “Debt-based” means involving loans; “front-loading” means distributing or allocating costs, effort, etc. unevenly, with the greater proportion at the beginning of the enterprise or process.

to attract financing, such mechanisms must ensure effectiveness, and manage and mitigate risks. At the same time, concerns related to the inherent risks of mixing ODA with private sector finance have been raised in several quarters.¹⁴

78. Many UN agencies and other international organizations are exploring such mechanisms. Examples include green bonds to support climate change-related work, and social impact bonds that bring together investors. These include institutional investors, such as sovereign wealth funds and pension funds, development agencies, philanthropic foundations, and funding partners. Other examples include technology-based mechanisms that leverage technology and involve digital or computerized devices, methods or systems, including blockchain, crowdfunding and digital payments, which are being used by UNHCR, WFP, UNICEF, UNCTAD, and UNDP. The ILO has also begun examining how innovative finance mechanisms can be harnessed to achieve the Decent Work Agenda.

¹⁴ See for instance, Trade Union Development Cooperation Network (TUDCN-RSCD): *The development effectiveness of supporting the private sector with ODA funds*. Research Paper, Brussels, 2016.

Chapter 4

Partnerships and cooperation

4.1. Multi-stakeholder partnerships

79. Multi-stakeholder partnerships have the potential to leverage the Decent Work Agenda and contribute to policy coherence among partners. They are useful instruments for mutual capacity building and peer exchanges, and can be important in raising public awareness of decent work deficits and ways to address them. Moreover, they have the potential to mobilize a large proportion of funding and finance to support the achievement of the SDGs.

80. Multi-stakeholder partnerships are not without their drawbacks: transaction costs and overheads can be high as a result of the number of different partners involved. To minimize this cost, clear agreement is needed on the division of responsibilities. Local government and related associations, in partnership with others, have made a particular effort to raise awareness and develop capacity within their own administrations to apply the Decent Work Agenda locally. International non-governmental organizations and faith-based organizations have been especially vocal in promoting a rights-based approach to development, with particular emphasis on leaving no one behind.

Box 6

Global partnerships in support of decent work and the SDGs

Since the adoption of the 2030 Agenda, the ILO has been leading, co-leading and actively engaged in global multi-stakeholder partnerships and alliances in support of decent work-related targets under the SDGs. The following are of note:

The Equal Pay International Coalition (EPIC), led by the ILO, the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the OECD, supports governments, employers, workers and other stakeholders in and endeavour to make equal pay for women and men for work of equal value a reality and to reduce the gender pay gap in support of SDG target 8.5 (see <http://www.ilo.org/global/topics/equality-and-discrimination/epic/lang--en/index.htm>).

Alliance 8.7, hosted at the ILO, coordinates the work of governments, workers' and employers' organizations, UN agencies, the Inter-Agency Coordination Group against Trafficking in Persons (ICAT) and other organizations in support of SDG target 8.7 against forced labour, modern slavery and human trafficking (see <http://www.alliance87.org/>).

The Global Initiative on Decent Jobs for Youth is a UN system-wide effort under the leadership of the ILO for the promotion of youth employment worldwide. It brings together businesses, academic institutions, youth organizations and others to advocate and ensure policy convergence for more and better investments in youth employment (see <http://www.ilo.org/global/topics/youth-employment/databases-platforms/global-initiative-decent-jobs/lang--en/index.htm>).

The multi-stakeholder partnership for SDG 1.3 brings together various networks, initiatives and partnerships to build common positions on social protection and enhance joint programming, such as the UN Social Protection Floors Initiative, the NGO Global Coalition for the Social Protection Floors, the Social Protection, Freedom and Justice for Workers Network, the Global Business Network for Social Protection Floors and the Global Partnership for Universal Social Protection, together with partnerships with universities and training centres (see <http://www.social-protection.org/gimi/gess/Flagship.action>).

4.2. South–South and triangular cooperation

Complementary modality of increasing importance

81. SSTC is based on the fundamental premise that developing countries can identify and address their own needs in part by acquiring new expertise, knowledge and technology from other countries of the global South that have acquired experience from traditional development cooperation initiatives funded by ODA. In this way, SSTC complements North–South cooperation and is a concerted effort to promote development opportunities.

82. All the global frameworks mentioned above recognize South–South cooperation as an increasingly important instrument for development cooperation in support of the 2030 Agenda. Under SDG 17 (Strengthen the means of implementation and revitalize the global partnership for sustainable development), target 17.9 refers to SSTC: “Enhance international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North–South, South–South, and triangular cooperation”. This formulation indicates that SSTC should be seen as a key development cooperation modality for all SDGs and targets, including those that are most relevant to the Decent Work Agenda. The UNDS should therefore “mainstream and enhance its support to South–South and triangular cooperation, at the request and with the ownership and leadership of developing countries, through a system-wide approach”.¹ The commitment of the ILO to SSTC resulted in a dedicated global and regional strategy on SSTC (see section 5.1 below).

4.3. Opportunities and challenges for the promotion of decent work

Challenging ambition

83. Realization of the Decent Work Agenda will do much to advance the 2030 Agenda. The ILO and its constituents should address the challenges that come with this ambition. The four pillars of the Decent Work Agenda are inseparable, interrelated and mutually supportive: this is the key message on policy coherence for development partners. Labour rights are an important entry point for development cooperation, as they are both enablers of sustainable development and one of its objectives.

84. Effective development cooperation is an important means of helping constituents to tackle implementation gaps, especially those related to fundamental principles and rights

¹ See UN: *Quadrennial comprehensive policy review of operational activities for development of the United Nations system*, Resolution adopted by the General Assembly on 21 December 2016, A/RES/71/243, para. 23.

at work.² The 2008 Declaration on Social Justice for a Fair Globalization and the 1998 Declaration on Fundamental Principles and Rights at Work offer guidance for all development cooperation partners in promoting decent work, with or without the direct support of the ILO. In real terms, this means attaching particular importance to articulating clear value propositions, and greater emphasis on achieving results and reporting on them.

85. The full participation of the social partners in such endeavours must be secured. Tripartism is and must remain at the core of efforts to promote decent work, since it is vital to ensure the perspectives on the real economy that only workers and employers can provide. Representation and voice are central to the aim of leaving no one behind: social dialogue is essential to ensuring the practical realization of this principle.

86. In many countries, ILO constituents – governments, employers, and workers alike – require capacity to engage effectively in the design, implementation, monitoring and evaluation of national SDG plans. Social dialogue can be a means to this end, and development cooperation is central to its achievement.

Added value of the ILO

87. As it approaches its centenary, the ILO finds that history has reconfirmed its fundamental purpose: social justice is a precondition for peace. At the heart of its work lie international labour standards. Tripartite participation in the formulation of international labour standards guarantees their acceptance by those active in the real economy. Especially fundamental principles and rights at work create a level playing field for international trade. In today's increasingly globalized economy, such standards are an essential component for ensuring that the growth of the global economy provides benefits to all.

88. The ILO has been a practitioner of development cooperation since 1953. This active engagement on the ground is a practical consequence of the adoption of such standards: development cooperation delivers the capacity to ratify and apply international labour standards and thereby to promote the conditions for lasting peace.

89. One consequence of the ILO's role as a unique tripartite forum is its power to convene forces from a wide range of interests around an agreed goal: not only its constituents, but increasingly the private sector and civil society actors working towards social and economic development. This includes non-governmental organizations, which have long enjoyed inclusion in the ILO's work, and also universities, faith-based organizations and other bodies which have a contribution to make and value the setting provided by the ILO in which they can operate.

90. This role is supported by the wealth of knowledge, expertise and data accumulated over many years, in particular the wide range of authoritative statistics on such varying subjects as labour markets, social security, and occupational safety and health.

91. The ILO's tripartism and international labour standards give it a comparative advantage, enabling it to give considerable added value to development cooperation. In order to take full advantage of those attributes of the ILO, both today and in the future, the ILO must chart a new strategic orientation for development cooperation.

92. In sum, the global context and new international frameworks require new ways of working by the ILO, by its constituents and, in particular, by its development partners with

² As affirmed in the [Resolution concerning the second recurrent discussion on fundamental principles and rights at work](#), ILC, 106th Session, Geneva, July 2017; and [GB.331/INS/4/3\(Rev.\)](#).

regard to the collection and interpretation of statistics, the streamlining of procedures and the promotion of normative frameworks through development cooperation.³

93. In this new context of development cooperation, the ILO's added value must be brought to bear on new issues. The Organization must find more ways of reaching out to a wider variety and greater number of partners so as to include them, alongside ILO constituents and traditional allies, in key responses to the challenges of implementing the Decent Work Agenda.

³ See ILO: *ILO Implementation Plan: 2030 Agenda for Sustainable Development*, ILO, Geneva, 2016.

Chapter 5

Reaching out: ILO development cooperation strategies

5.1. Strategies

Strategies anchored in the ILO's tripartite instruments

94. Since the Conference discussion of 2006, two successive ILO strategies on development cooperation have been implemented: the ILO Technical Cooperation Strategy 2010–15,¹ and the ILO Development Cooperation Strategy 2015–17 (extended to 2018).² Both are firmly anchored in the ILO Declaration on Social Justice for a Fair Globalization and other tripartite instruments, such as the Declaration of Philadelphia, the Declaration on Fundamental Principles and Rights at Work, and the Global Jobs Pact. Both strategies position ILO development cooperation as a means to deliver on the ILO's results framework, highlighting tripartism and cooperation with the UN. The first strategy (2010–15) was largely an action plan for the implementation of ILO reforms as they pertain to technical cooperation, and focused on internal institutional objectives. The current strategy is more outward looking: it has mainstreamed the international development agenda, and embodies the principles of international development cooperation effectiveness. It also emphasizes the need for focus and the alignment of priorities.

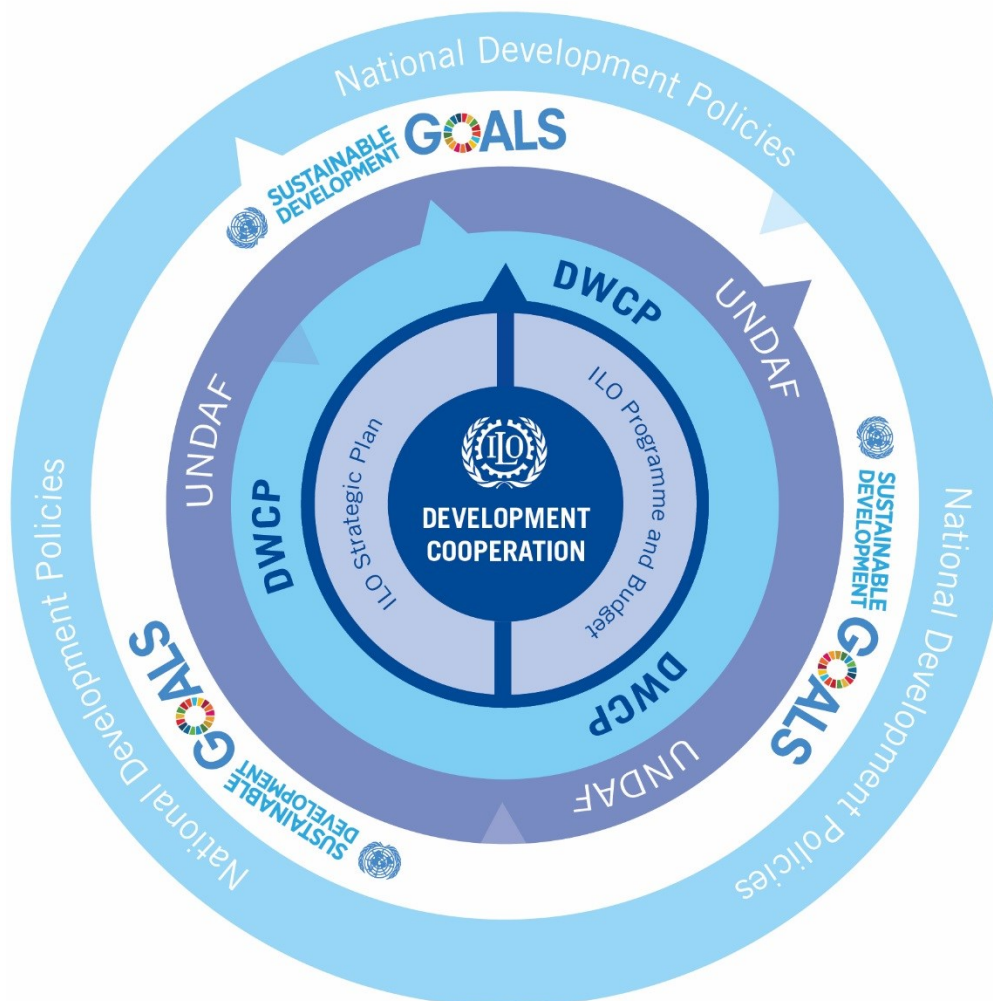
95. ILO development cooperation is a major means of delivering ILO action in countries. It reinforces the ILO's normative work, research, advocacy and technical assistance to further develop ILO constituents' capacities. It does so as part of the ILO results framework. Hence, ILO development cooperation delivers on the four-year ILO Strategic Plan and the related biennial programme and budget that are now aligned with the SDGs. At the country level, ILO development cooperation supports national priorities through the DWCPs. As a member of the UNDAF,³ the ILO also contributes to the achievement of sustainable development results and the implementation of national development policies (see figure 5). For instance, ILO projects active in 2016–17 aim to contribute to all SDGs, the most recurrent of which being SDG 8 on decent work and economic growth. Projects are mostly linked, in order of importance, to SDG 5 on gender equality, SDG 1 on combating poverty, and SDG 10 on reduced inequalities.

¹ [GB.306/TC/1](#).

² [GB.323/POL/5](#).

³ Now also called United Nations Partnership for Development Framework (UNPDF).

Figure 5. The ILO's work at the country level



Box 7

ILO Development Cooperation Strategy, 2015–18 ¹

With the overall aim of enabling the ILO to provide better services to constituents so as to deliver decent work outcomes at all levels, the strategy builds on four strategic components, as set out below.

- *Focus*: full alignment with ILO internal results frameworks, which in turn support the SDGs, national development plans and UNDAFs. Enhanced integrated resource management across all sources of funding, together with the equitable allocation of such resources to each of the ten policy outcomes, strengthens the ILO's focus. The five ILO Global Flagship Programmes were established in this context. They address SDG targets ² and several have strong impact monitoring components. In addition, development cooperation can support the operationalization of Centenary Initiatives at the country level.
- *Effectiveness*: compliance with the principles of development effectiveness – results orientation, transparency and cost-efficiency, using national systems and expertise. Enhanced decentralization of ILO development cooperation, reporting, knowledge management and ILO staff development underpin this effort.

- ❑ *Capacity development*: building on the capacity development approach adopted by the Governing Body in 2013,³ this component emphasizes the need for dedicated capacity building that is based on constituents' needs and enhances the role of constituents in translating the SDGs into national goals and in implementing national strategies to achieve those goals. This requires a holistic approach to capacity development that simultaneously addresses technical, organizational, and institutional competencies. The International Training Centre of the ILO (ITC–ILO) plays a key role in this endeavour.
- ❑ *Resource mobilization*: consolidating the ILO's resource base by diversifying its range of funding partners, including national resources, and involving the private sector. Ensuring greater predictability of resources and flexibility of voluntary funding, and stepping up efforts to increase the visibility of the results and the impact of development cooperation.

¹ See reports of the Governing Body sessions assessing the ILO's technical cooperation and proposing measures to guide the Office's action on development cooperation: [GB.322/POL/6](#); [GB.323/POL/5](#); [GB.325/POL/6](#); and [GB.329/POL/5](#).

² See [GB.325/POL/7](#) and the ILO website dedicated to the flagships, available at <http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/flagships>.

³ [GB.317/POL/6](#).

Dedicated SSTC strategy

96. Both development cooperation strategies recognize the importance of SSTC, and of public–private partnerships, for which special strategies were developed in 2012 and 2014, respectively. In 2012, the ILO thus became the first UN agency with a dedicated strategy on SSTC approved by its Governing Body, termed “South–South and triangular cooperation: The way forward”.⁴ Since 2012, the ILO programme and budget has consistently reflected this strategy, including specific allocations for its implementation. The ILO Development Cooperation Strategy 2015–18 calls for efforts to increase and extend SSTC, regarding it as a key modality for capacity development and a driver of other partnerships, for example with development partners that are relatively new to ILO development cooperation, and through public–private partnerships. Moreover, the ILO's SSTC has stimulated other processes, such as fragile-to-fragile cooperation and city-to-city cooperation. In 2017, the African region developed a framework for South–South cooperation for the current year (box 9), an example that may be followed by other regions.

Refined public–private partnership strategy

97. In 2012, the Governing Body also adopted a strategy entitled “Public–private partnerships: The way forward”, which highlights the potential of such partnerships in facilitating constituents' engagement with companies and other non-state actors in order to work in areas of shared interest, mobilizing financial and human resources, influencing public and private sector investment, policies and practice, and expanding the knowledge base. The public–private partnership strategy was later refined with guiding principles and operational guidelines, and endorsed by the Governing Body in March 2014.⁵

⁴ [GB.313/POL/7](#); and [GB.316/POL/5](#).

⁵ [GB.320/INS/5/2](#).

5.2. Perceptions and evaluations of the development cooperation strategies

5.2.1. High-level reviews and evaluations

Development cooperation – Mission critical for the ILO

98. Four broad and high-level reviews and evaluations related to the ILO's Development Cooperation Strategy and operations have been conducted since 2013. These include, first, the 2013 ILO Field Operations and Structure and Technical Cooperation Review (field review report); second, the 2015 independent evaluation of the Technical Cooperation Strategy 2010–15 (technical cooperation evaluation); third, the MOPAN assessment 2015–16; and fourth, the independent evaluation of the ILO's field operations and structure 2010–2016. The Business Process Review launched in 2013 supports the ILO in enhancing business processes that directly or indirectly support development cooperation activities. All these exercises acknowledged the relevance of development cooperation to the ILO's work in servicing its constituents. It is clear that the ILO's normative function cannot do without its operational arm: "increased normative work, with more emphasis being placed on regional and subregional entities, is needed with the ILO's capacity-building efforts being more directed to supporting constituents to implement policies and regulations".⁶

DWCPs: Successes and scope for improvement

99. DWCPs are the main vehicle for the delivery of ILO support to countries. Evaluations have shown that DWCPs – when properly formulated, sufficiently resourced, and adequately managed – have the potential to bring about significant changes at country level and to maximize the impact of ILO interventions on national policies.⁷ Successful DWCPs have: (a) ensured greater ownership by constituents and partners, and have thus responded more adequately to their needs; (b) enhanced ILO visibility, profile and positioning in the country; (c) created opportunities for resources mobilization; and (d) facilitated a more integrated and coordinated approach to the delivery of services across multiple outcome areas.⁸ More needs to be done, however, to ensure that DWCPs comprise a balanced approach to the Decent Work Agenda and fully owned by constituents and are systematically aligned with national development priorities. In some countries, lack of tripartite consensus on the design of DWCPs that embody all four ILO strategic objectives can undermine progress towards the realization of decent work. Limited or no direct budgetary allocations from national governments can often hamper the full implementation of DWCPs.⁹ The updated ILO guidance on the development of DWCPs stresses the importance of establishing tripartite steering committees to oversee the design, implementation, and evaluation of country programmes. Closer coordination is required between the steering committees overseeing projects, and the DWCP committee responsible for overall management, coordination and communication.

⁶ GB.331/PFA/9, p. 11.

⁷ ILO: *A meta analysis of lessons learned and good practices arising from nine Decent Work Country Programme evaluations*, International Labour Office, Geneva, 2011.

⁸ ILO: *ILO Field Operations & Structure and Technical Cooperation Review, Report of the Field Review Team to the Director-General*, ILO, Geneva, 2014, p. 19.

⁹ *ibid.*, p. 22.

Furthermore, although the ILO participates actively in joint country planning exercises, notably in the context of the UNDAF, it is critical that efforts continue to improve alignment of DWCP with UNDAF, particularly in countries where the ILO is a non-resident agency.

Effective capacity development

100. Another shared finding relates to effectiveness: while the ILO performs quite well in delivering results overall, it can do better by applying results-based monitoring and management more rigorously. The results focus of the ILO's work in countries, including that conducted through development cooperation, needs to be further promoted. For example, the ILO needs to update its approach to capacity development in order to ensure that the outcomes of capacity-building efforts are more sustainable. All too often training activities fail adequately to address the "human and financial resources, processes and systems requirements as well as the national policy framework the target institutions need to function effectively".¹⁰ Capacity development goes beyond the delivery of stand-alone training workshops: it requires a comprehensive and strategic approach involving the ILO, its constituents, other providers and beneficiaries.

Capacity to deliver in the field

101. Bringing ILO services closer to constituents remains important. The ILO can further enhance the field management of development cooperation,¹¹ and there is scope for greater agility in administrative decision-making at the field level. This would in particular enhance the delivery of development cooperation projects that encounter implementation delays. In addition, there is a continuing need to increase the capacity of field offices to ensure their engagement with subregional and regional bodies and with UN country teams, in particular in countries where the ILO is not a resident agency.

102. The declining availability of traditional development funds is a challenge, in particular in middle-income countries. The ILO needs to tap additional funding sources, including wider areas of the private sector and domestic resources¹² and in closer cooperation with the UN.

5.2.2. Constituents' and partners' views of the effectiveness of ILO development cooperation¹³

Need to improve the results focus

103. Development partners who responded to the survey echo the findings of reviews and evaluations of ILO development cooperation with regard to the implementation of the four effective development cooperation principles – ownership, focus on results, inclusive partnerships, and transparency and accountability. They consider that focusing on results

¹⁰ ILO: *Independent evaluation of the ILO's strategy for Technical Cooperation 2010–2015*, ILO, Geneva, 2015, p. xii.

¹¹ Since 2012, the ILO field offices expend about 70 per cent of total extra-budgetary development cooperation expenditures.

¹² MOPAN: *MOPAN 2015–2016 Assessments: International Labour Organization, Institutional Assessment Report*, Paris, 2016, p. 36.

¹³ These views are based on the results of the ILO survey of 2017. For methodological details, see Appendix I.

is by far the area in which an improvement of the ILO's work would be most important. In addition, the ILO's implementation of the principle of inclusive partnerships requires substantial improvement, and coincides with the 2030 Agenda's call to leave no one behind. Transparency and accountability, while still deemed important by the ILO's development partners, are somewhat less in need of improvement. Lastly, survey respondents consider that the ILO has performed very well as regards ownership, compared to the other principles. This is probably a result of the ILO's tripartite structures, and reflects the clear advantage that they offer.

Joint efforts for improved capacity development

104. In order to improve the relevance, impact and sustainability of capacity development activities, several measures could be implemented and intensified. The views of governments, workers and employers on this issue are relatively similar across the regions: constituents consider that the alignment of the ILO's capacity development work with national frameworks, development plans and programmes, such as UNDAFs and DWCPs, is the most important measure needed to improve the relevance, impact and sustainability of capacity-development activities. In addition, they attach importance to the determination of performance-based objectives and targets, and the assessment and prioritization of capacity-development needs and agreement on them with beneficiary organizations. Workers also point to the training of local training providers to make them become the lead providers of training on world of work issues in their country or region. This would require a shift of emphasis in the role and work of the ITC–ILO.

Measures to increase capacity development

105. ILO development partners rank such measures in a very similar fashion: for them the alignment of the ILO's capacity development work with national frameworks and development plans and programmes is a very important measure. Development partners consider that the determination of performance-based objectives and targets jointly with the beneficiary organization is even more promising.

106. The ILO's approach to capacity development has expanded from efforts focusing on individuals to initiatives that develop not only technical, but also organizational and institutional capacities within the context of national development frameworks. Needs assessments must be accompanied by jointly determined performance-based objectives and targets. The ILO is in a position to place greater emphasis on advisory services that involve the more efficient use of national resources, including local training providers.

107. ILO capacity development programmes involve an increasing number of public–private partnerships and SSTC arrangements, aimed at enhancing national capacity for policy-making and statistical capacity in labour matters. Following the 2013 ILO field review report a number of changes were recommended to the Board of the ITC–ILO to improve collaboration and coordination between the ITC and the ILO and its technical departments.¹⁴

¹⁴ [GB.322/INS/11/2](#).

5.3. Resource mobilization and partnerships

Voluntary contributions – Some 40 per cent of the ILO's total resource base

108. The bulk of ILO development cooperation is supported by voluntary funds, which make up approximately 40 per cent of total ILO funding. Over the past ten years, earmarked voluntary contributions to the ILO have oscillated between \$200 million and \$300 million per year (see Appendix II for data on ILO extra-budgetary development cooperation expenditure by policy area and by region since 2006). Since 2008, this has been complemented by voluntary core funding (the Regular Budget Supplementary Account (RBSA)), which provides on average around 8 per cent of all voluntary funding (box 8). Since 2006, the ILO has succeeded in diversifying the sources of voluntary funding. Apart from adding emerging country public donors, the ILO has increased engagement with the private sector, signed new framework agreements with multilateral development banks to facilitate country-level collaboration, and benefited from increased contributions from the European Commission (EC) and domestic funding for ILO development cooperation (see figure 6).

Box 8

Regular Budget Supplementary Account Flexible funding for lasting impact ¹

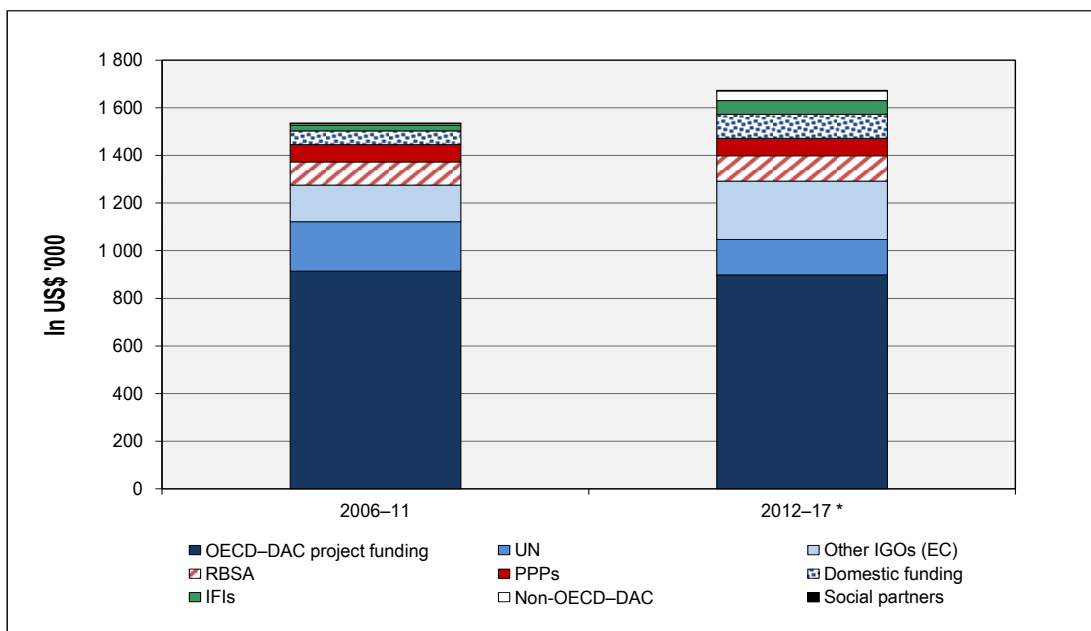
The Regular Budget Supplementary Account (RBSA) funding modality was launched in 2008 as an innovative mechanism for ILO development partners to provide unearmarked and flexible voluntary contributions. RBSA is the gold standard of good donorship as called for in UN policy documents. RBSA is reserved for support to programmes in countries eligible for ODA and is a pivotal element of the ILO's integrated resource framework.

The RBSA modality has four strengths: it affords the ILO flexibility in responding to opportunities for results in areas where other resources might not be readily available; it allows the ILO to leverage further resources and deepen its engagement by expanding its programmes and impact; it enables the ILO to strategically position itself as a preferred partner within the integrated UN framework or response; and its low overheads and lean reporting requirements make it a win-win arrangement for both the ILO and RBSA donors.

Today RBSA is provided by eight funding partners: Belgium, Denmark, Germany, Italy, Luxembourg, the Netherlands, Norway and Sweden. Since its inception, some \$200 million have been mobilized, reflecting a strong commitment by those partners to this funding modality.

¹ See reports of the Governing Body sessions assessing the ILO's technical cooperation and proposing measures to guide the Office's action on development cooperation: [GB.322/POL/6](#); [GB.323/POL/5](#); [GB.325/POL/6](#); and [GB.329/POL/5](#).

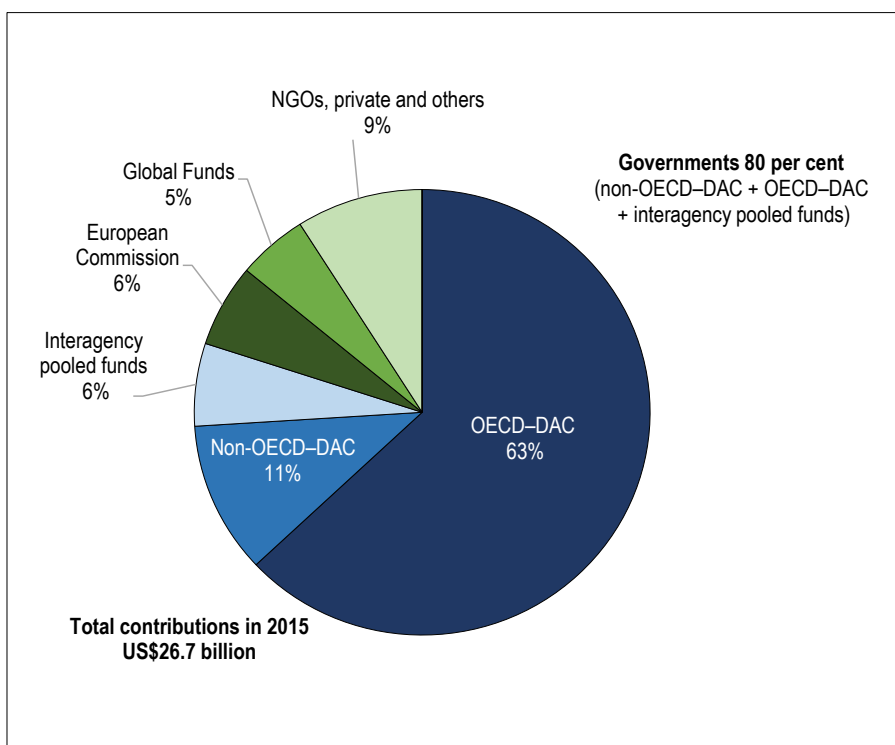
Figure 6. Overview of ILO’s resource diversification, 2006–17



* Data as at 20 February 2018.

109. Today the structure of the ILO’s funding base across different categories closely matches that of the overall funding of UN system operational activities (see figure 7). Hence there is scope for the ILO to expand the volume of its voluntary contributions, in particular at a time when the channels for such funding may be changing in the context of UN reform.

Figure 7. Funding sources for UN operational activities, total contributions in 2015



Source: UN: *Implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system: Funding analysis*, Report of the Secretary-General, General Assembly, New York, 2017, A/72/61–E/2017/4.

Opportunities for further resource mobilization

110. The ILO should therefore explore methods of tapping further voluntary resources, especially in areas recognized as international priorities. The flagship programmes offer a valuable opportunity to do so.

111. The ILO's engagement in an entire series of multi-stakeholder partnerships offers further opportunities to mobilize resources for the Decent Work Agenda. This requires the ILO to invest in such partnerships and to be ready to take a leadership role and participate fully in complex joint funding mechanisms.

112. In order to be successful in increasing voluntary contributions for development cooperation, the ILO must improve its agility, strengthen its delivery capacity, and improve communication on results achieved. The ILO's capacity to share data on financing and on results transparently, based on standards such as the International Aid Transparency Initiative (IATI), will remain of key importance.

Perspectives on partnerships within the 2030 horizon

113. Development partners' views on financial and non-financial contributions in support of decent work outcomes and the SDGs coincide with the renewed attention being given to less traditional partnership modalities. Development partners consider SSTC as most important, followed closely by the leveraging of national public and private finance.

114. Development partners attach value to their participation in national and global multi-stakeholder partnerships and alliances on decent work issues. Moreover, in-kind contributions to innovative partnerships, such as the leveraging of private sector expertise to develop new products, technologies and services, are considered relatively important for the coming years.

115. Respondents attach higher importance to the provision of earmarked financial contributions for specific and predefined ILO development cooperation projects and programmes, than to non-earmarked financial contributions. They show relatively less interest in engaging in a structured dialogue with the ILO on medium-term financial contributions, which might have a planning horizon of between four and six years, a modality that can be regarded as involving light earmarking.

5.4. Regional approaches to development cooperation¹⁵

116. Each of the five regions has established strategies to tailor development cooperation services to constituents in a wide variety of country settings with varying labour market conditions and challenges.¹⁶ Decent work agendas in the regions contribute both to UN country programming and to the development agendas of regional organizations. Resource mobilization strategies and action plans are in place, and local resource mobilization has widely surpassed its 2017 target of mobilizing 50 per cent of resources locally. Since 2006, extra-budgetary development cooperation expenditure across the regions has been relatively stable, with a slight increase in Asia and the Pacific and the Arab States, and a slight decrease in Africa and the Americas (see Appendix II). Almost all regions involve

¹⁵ This is an updated version of the related section in [GB.329/POL/5](#).

¹⁶ ILO: *World Employment and Social Outlook: Trends 2018*, Geneva, ILO, 2018.

domestic funding and benefit from SSTC, but further expansion of non-traditional funding sources is needed.

5.4.1. Africa

117. ILO development cooperation in the region is quite diverse, in response to the wide range of labour market outlooks.¹⁷ Accordingly, the ILO has prepared development cooperation strategies for specific country categories. In addition to the Framework Strategy for the ILO’s Engagement in Promoting Decent Work in Fragile States in the Africa Region,¹⁸ a Framework for ILO Engagement on decent work in middle-income countries in Africa was validated by ILO constituents from 15 African middle-income countries in 2016.¹⁹ Middle-income countries are heterogeneous and diverse in resources and needs, but the latter framework highlights seven implementing principles: development effectiveness, national ownership, an embedded approach, the clarity of the ILO’s value proposition, harmonization with UN agencies, and prioritization of beneficiary countries.²⁰ In addition, the communiqué on “South–South Cooperation and Decent Work in Africa – A Framework for Action”²¹ was adopted by constituents in 2017.

Box 9

South–South Cooperation for Decent Work in Africa¹

In 2017, ILO constituents in the African region adopted the communiqué on South–South Cooperation and Decent Work in Africa – A Framework for Action, to advance decent work within the context of the 2030 Agenda and the African Union’s Agenda 2063. It focuses on the role of African countries as providers of development cooperation. The framework is guided by three objectives: first, increased institutional awareness and capacity in the African region to identify and implement SSTC; secondly, challenges concerning the future of work are addressed through SSTC with the engagement of an increasing number of governments, social partners, UN agencies and non-state actors; thirdly, the establishment of an African South–South Cooperation Coordination Facility within the Regional Office for Africa as the region’s operational arm of the ILO’s global SSTC programme.

The eight subregional economic communities play a key role in facilitating South–South cooperation on decent work. The Economic Community of West African States (ECOWAS), for example, has established social dialogue, social protection and labour legislation committees, while the West African Economic and Monetary Union (WAEMU) has set up a tripartite Labour and Social Dialogue Council.

The Framework calls for participation in SSTC by the African Regional Organization of the International Trade Union Confederation (ITUC-Africa), the Organization of African Trade Union Unity (OATUU), and Business Africa, and highlights the potential of regional and subregional social dialogue institutions, including labour administration centres, to make quality employment the goal of economic growth in the region.

¹ ILO: *South–South Cooperation for Decent Work in Africa: A Framework for Action*, International Labour Office and Regional Office for Africa, Geneva, 2016.

¹⁷ *ibid.*

¹⁸ ILO: *A framework strategy for ILO’s engagement in promoting decent work in fragile States in the Africa region*, Conference Paper, ILO, Geneva, 2015.

¹⁹ ILO: *Decent Work in Middle-Income Countries in Africa: A Framework for ILO Engagement*. International Labour Office and ILO Regional Office for Africa, Geneva, 2016.

²⁰ *ibid.*

²¹ See [ILO Communiqué](#) referring to the Tripartite Validation Workshop “South–South Cooperation and Decent Work in Africa – A Framework for Action” in Addis Ababa, 2017.

118. Throughout the region, DWCPs are being used as the main vehicle for ILO work at country level. The ILO has focused development cooperation efforts on youth employment, labour migration, social protection, labour market governance, labour statistics and labour standards.²² In addition, regional approaches to cross-border issues are applied in partnership with development partners, such as the Joint Labour Migration Programme for Africa on comprehensive labour migration governance for the region.

119. Development cooperation projects initiated since 2016 predominantly target SDG 8, with a high number of projects also pursuing SDG 1 on poverty, SDG 3 on good health and well-being, and SDG 5 on gender equality.

120. The ILO has developed a subregional resource mobilization strategy for nine countries in southern Africa that focuses on country planning, enhancing the ILO's capacity, diversifying partnerships, leveraging internal ILO resources, and formulating regional and subregional projects. Eight countries currently fund ILO development cooperation in employment, social protection, and enterprise development with domestic budgets: Cameroon, the Democratic Republic of the Congo, Egypt, Ghana, Mali, Mozambique, South Africa and the United Republic of Tanzania. The region promotes the effectiveness of development cooperation through training and knowledge-sharing activities for staff and constituents, combined with regular assessments of project implementation.

5.4.2. Arab States

121. The Arab States face significant challenges in promoting labour rights and enhancing decent work opportunities for all, in particular as a result of persistent political and social instability and a worsening humanitarian situation in some countries.

122. The ILO has established three development cooperation approaches reflecting the regional needs, respectively, of countries and areas that are experiencing crises, conflict and fragility (Iraq, Occupied Palestinian Territory, Syrian Arab Republic, and Yemen); countries facing the impact of crises and their spillover effects, which include hosting large numbers of refugees (Lebanon and Jordan); and the Persian Gulf countries that have been suffering in varying degrees from the consequences of reduced oil revenues for economic growth and employment generation.

123. The increased emphasis on employment creation within the 2030 Agenda and in crisis response has created unprecedented demand for support to implement the Agenda. Decent work is now mainstreamed in the annual reports of the Arab High-Level Forum on Sustainable Development.²³ Decent work also features in the new UNDAFs for Bahrain, Jordan, Lebanon, the Occupied Palestinian Territory, and Yemen, and in crisis response frameworks, including the Regional Refugee and Resilience Plan²⁴ and the corresponding country plans for Jordan and Lebanon.

124. The ILO's programmes are concentrated on achieving SDG 8 on decent work and economic growth, delivering on key priorities contributing to SDG 1 on poverty; SDG 4 on quality education; SDG 5 on gender equality; SDG 9 on industry, innovation and infrastructure; and in particular to SDG 10 on reduced inequality; and SDG 16 on peace

²² See ILO: *Addis Ababa Declaration*, 13th African Regional Meeting, Addis Ababa, Nov.–Dec. 2015 (AFRM.13/D.8); and also ILO: *A framework strategy for ILO's engagement in promoting decent work in fragile States in the Africa region*, Conference Paper, ILO, Geneva, 2015.

²³ See background information and final report of the [Arab Forum for Sustainable Development 2017](#).

²⁴ UNHCR: *3RP Regional Refugee and Resilience Plan 2017–2018: In response to the Syria crisis, Regional Strategic Overview*, Geneva, 2017.

and justice and strong institutions. The ILO's development cooperation portfolio in the region showed a remarkable increase and diversification during the period 2016–17. The response to the Syria crisis (box 10) and to the issue of the protection of labour migrants' rights in Qatar²⁵ are the two main driving forces behind this change. The ILO's crisis response programme is centred on a resilience and development-focused strategy. It supports constituents in Jordan and Lebanon, creating decent work opportunities for Syrian refugees and host communities, particularly in the agricultural and construction sectors. RBSA funding has also enabled the ILO to position itself as the lead UN agency on employment and livelihoods.

Box 10

Work permits and employment of Syrian refugees in Jordan¹

As part of the wider UN response to the refugee crisis, the ILO supported trade unions and the Ministry of Labour in reaching an agreement allowing the General Federation of Jordanian Trade Unions to issue non-employer and non-position-specific work permits for Syrian refugees. This pioneer initiative found solutions that serve the interests of the Government, employers, and Syrian workers without jeopardizing work opportunities for Jordanians. The establishment of General Federation centres in locations across Jordan has made it possible to follow up on the status of permit applications, assist workers in acquiring the required documents, submit applications to local government offices, and register applicants for certificates attesting to their skills for job matching.

Coordinated by the Government of Jordan, and in partnership with the Office of the United Nations High Commissioner for Refugees (UNHCR), the ILO inaugurated the first employment office inside the Zataari refugee camp to facilitate access to formal work opportunities across Jordan for refugees living in the camp.

This programme marks a breakthrough in conflict prevention in that it addresses the interests of both the Jordanian and refugee communities. Access to decent employment for refugees has a positive impact on the local economy and brings stability to refugee families. The action was kick-started by RBSA funding that succeeded in attracting the support of other development partners.

¹ See [ILO Response: Syrian Refugee Crisis](#).

125. The approach to bolstering labour migrants' rights in Qatar is unusual in the sense that the country requested ILO support through a specific cooperation programme following the complaint submitted by delegates to the ILC in 2014, and the programme is mostly funded by the country itself.

126. In support of fair labour migration, the ILO has promoted interregional policy dialogue on labour flows for constituents and experts from the Arab States, Asia, and the Pacific, leading to the formulation of a common strategy for the two regions. Extending social protection policies through knowledge sharing and social dialogue is facilitating progress towards tangible results in some countries of the region. This also includes the support provided to the Palestinian Social Security Corporation as part of the ILO's enhanced development programme in the Occupied Palestinian Territory.²⁶

5.4.3. Asia and the Pacific

127. While working poverty continues to decline, informality and poor quality jobs are widespread in the Asia and the Pacific region. This contributes to widening social inequalities within countries, despite high economic growth rates. In some cases, the

²⁵ [GB.331/INS/13\(Rev.\)](#).

²⁶ [GB.331/POL/6](#).

labour market challenges are rooted in persisting deficits regarding the implementation of international labour standards and enforcement of labour rights.

128. The ILO tailors its programme support to the priorities of national policy and action in support of the 2030 Agenda in the region. Those priorities mainly concern the ratification and application of international labour standards, strengthening labour market governance, supporting job resilience in crisis contexts, social protection, labour migration policies, and inclusive jobs, in particular for women and young people.²⁷

129. DWCPs represent the primary vehicle for tailoring development cooperation services to country needs. The programmes adopted since 2015 are aligned to the 2030 Agenda. DWCP oversight is provided by tripartite steering committees which allow for constituent-led review and discussion of development cooperation. In some countries, such as the Lao People's Democratic Republic, a monitoring working group has been set up as part of the DWCP tripartite advisory committee.

130. The ILO's investment in statistical capacity at the country level is facilitating evidence-based policy advice and planning, programme implementation, and reporting on decent work-related SDG indicators. This includes a partnership with the Association of Southeast Asian Nations (ASEAN) Community Statistical System to improve the production of comparable statistics on social protection in member States, and with the Pacific Community on capacity development to implement regular labour market surveys that adhere to international standards and to gather information to monitor decent work and SDG indicators in the Pacific Island countries.

131. Technical intervention models focus on the future of work and integrated strategies towards a just transition. Through its Work in Freedom Programme, the ILO has promoted interregional policy dialogue on labour flows for constituents and experts from the Arab States and Asia and the Pacific, leading to the formulation of a common strategy for the two regions, with special attention for women and girls in domestic and garment work.

132. In support of the growing number of middle-income countries in the region, the ILO has contributed high-level policy advice on strategies to facilitate the transition to formality, which includes expanding the social protection floor and social security coverage, establishing sound wage policies, and promoting sustainable enterprises and social dialogue. Greater emphasis is needed, however, on domestic funding (in cash or in kind, including cost-sharing arrangements) and on advisory services concerned with more efficient use of national resources. This would also enhance the role of the country itself as a provider of development assistance. The region engages in development cooperation with emerging partners, and an increasing number of countries are making national budgets available to ILO development cooperation. Six countries – Bangladesh, Brunei Darussalam, Cambodia, Islamic Republic of Iran, Malaysia and Thailand – have thus far mobilized national resources to develop their capacities in labour law compliance, labour market statistics and social protection. China funds South–South cooperation on the expansion of social protection and employment services in the region, including in collaboration with ASEAN.

²⁷ ILO: *Bali Declaration*, adopted at the 16th Asia and the Pacific Regional Meeting, ILO, Bali, 6–9 December 2016 (APRM.16/D.6).

Box 11**Improving working conditions in the ready-made garment sector in Bangladesh**

In response to the Rana Plaza tragedy of 2013, the ILO developed its Programme on Improving Working Conditions in the Ready-Made Garment Sector with funding from various partners. Following that fire and the electrical and building safety assessment of 1,549 export-oriented garment factories under the National Initiative, a Remediation Coordination Cell (RCC) was launched in May 2017 to verify remediation through a task force run by staff seconded from government regulatory bodies and engineers from the private sector.

With the entry of Accord and Alliance factories to the National Initiative, the RCC will also facilitate knowledge transfer and build the capacity of government officials to develop a sustainable inspection and safety monitoring system. Training provided in cooperation with the Government and social partners is also showing results. The Department of Inspection for Factories and Establishments was authorized to hire up to 575 inspectors, compared to 183 such posts in 2013. By September 2017, there were 310 labour inspectors, including 67 women (21.6 per cent). The Government has increased the department's budget, from \$0.97 million in 2013–14 to \$5 million in 2016–17.

The Department has developed a labour inspection reform roadmap and labour inspection plan, adopted a labour inspection checklist, and established an automated labour inspection management system to ensure more systematic, transparent and comprehensive inspection processes. It concluded a 40-day foundational training course in June 2017, helping 283 labour inspectors to gain the skills needed to improve working conditions.

Concerning occupational safety and health and workers' rights, the ITC–ILO and the Bangladesh Employers' Federation trained 114 master trainers, who went on to train 8,038 middle managers and 811,000 workers at the factory level. A compensation scheme was established by joint agreement between the Bangladesh Ministry of Labour and Employment and leading buyers, employers' and workers' organizations, and non-governmental organizations, in line with the Employment Injury Benefits Convention, 1964 (No. 121). The scheme is fully funded (\$30 million). More than 2,800 claims were processed for over 5,000 injured workers and dependants of the deceased. Over 300 Rana Plaza survivors were provided with direct re-employment and livelihoods training to return to the workforce.

5.4.4. Europe and Central Asia

133. The national and subregional contexts in Europe and Central Asia vary and also share common labour features. Hence, the region's development cooperation approaches range from country-level project operations to policy dialogue, the dissemination of good practices, and peer reviews of employment and labour market policies at the subregional level. In Central and Eastern Europe, the ILO focuses on policy dialogue and cooperation with the EC, with the aim of promoting coherence between ILO work and European integration strategies. In countries and territories that face political challenges, the ILO maintains its operational presence at the local level, working with local constituents.

134. Many countries need to ensure that recovery translates into strong, sustainable and inclusive growth and employment, enhanced competitiveness, and rights at work in support of the SDGs. For example, the ratification by Uzbekistan of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), made Europe and Central Asia the first region in which all countries have ratified all eight ILO fundamental Conventions. The ILO accordingly promotes synergies and policy coherence within the UN system and with other international organizations, in particular the

International Monetary Fund and the World Bank, regional organizations, institutions and forums, the European Union, the Eurasian Economic Union, and the Council of Europe. Policy expectations for the region are to promote strong and responsible social partnerships for social dialogue at all levels. Challenges concerning respect for social rights need to be addressed in certain countries.²⁸

135. ILO support will focus on the provision of adequate and balanced information and research, and on the design of innovative social and economic policies. Long-term and flexible programmes have proved to work well. In some cases, the pace of implementation of programmes is affected by political instability or the limited involvement of its tripartite constituency. The ILO enhances the effectiveness of its development cooperation programmes by facilitating regular collaboration among project managers and with other ILO staff members in monitoring delivery and ensuring adequate resources for technical backstopping. DWCPs have become more strategic and focused on a smaller number of priorities to maximize their impact.

Box 12

ILO and UNDP promoting SDG 8 together in Europe and the Commonwealth of Independent States

Since 2015, the ILO and UNDP have strengthened their collaboration in Europe and the Commonwealth of Independent States to promote inclusive labour markets and decent jobs both at regional level and in countries such as Azerbaijan, Republic of Moldova, the former Yugoslav Republic of Macedonia and Ukraine, with the following results:

- ❑ enhanced centrality of decent employment creation in national development strategies, UNDAFs and Mainstreaming, Acceleration and Policy Support (MAPS) exercises;
- ❑ increased opportunities for cross-fertilization and networking between countries;
- ❑ tools and methodologies developed and tested for replication on a larger scale;
- ❑ enhanced coherence and cost-effectiveness of UN work, including through resource pooling and cost-sharing, showing UN efforts to deliver as one.

136. In addition to the partnership mentioned in box 12, the ILO's main added value in the region is achieved through the implementation of DWCPs, which is associated with its role as a source of knowledge and expertise on labour issues. Besides maintaining alliances with the UN system focused on issue-based coalitions around SDG targets, the ILO works in partnership with the UN Economic Commission for Europe on data collection and statistics. A tripartite partnership was established with the Regional Cooperation Council for the Western Balkans to provide technical expertise and to facilitate the effective involvement of employers' and workers' organizations in the Council's work on the third pillar of the economic reform programmes and the subregional network for the coordination of public employment services.

5.4.5. Latin America and the Caribbean

137. High unemployment and informality have been among the major challenges in the Latin American and the Caribbean region over the past few years. In view of the heterogeneity both between and within countries of the region, the ILO has developed subnational development cooperation programmes to promote decent work in provinces,

²⁸ ILO: *The Istanbul Initiative for the Centenary: Future for Decent Work for strong and responsible social partnership in Europe and Central Asia*, Tenth European Regional Meeting, ILO, Istanbul, 2–5 October 2017, (ERM.10/D.10).

States and subregions. The region has established a network of local decent work agendas following successful experience in several states of Brazil. In the Caribbean subregion, the ILO has developed a two-tier model of development cooperation with a strong subregional strategy to support and complement country-level action.²⁹

138. The region has established three major priorities for 2016–19: productive development policies for inclusive development with more and better jobs; formalization of the informal economy; and the promotion and application of international labour standards.³⁰ These form the basis of development cooperation plans and programmes and are in line with the SDGs. These priorities also have an impact on subregional policy frameworks, such as the portability of social security approved by countries of the Southern Common Market (MERCOSUR).

139. An increasing number of countries in the region are providing domestic funding to work with the ILO since the implementation of the SDGs. To date, some 13 countries³¹ have funded ILO projects in areas such as unacceptable forms of work, labour market governance, sustainable enterprises, social protection, workplace compliance, and inclusive employment policies. The Government of Colombia has requested ILO assistance in a major operation to enhance the capacity of vocational training centres to develop and deliver curricula for the information technology industry.

140. The region has made special efforts to combat child labour through commitments such as the Latin America and the Caribbean Free of Child Labour Regional Initiative, launched in 2014 to accelerate progress towards its elimination and an innovative cooperation instrument to consolidate and sustain progress.

²⁹ This follows up on the recommendations adopted by the high-level *Independent Evaluation of the ILO's Decent Work Country Programmes, strategies and actions in the Caribbean (2010–2015)*, ILO Evaluation Office, Geneva, 2015.

³⁰ ILO: *Lima Declaration*, adopted at the 18th American Regional Meeting, ILO, Lima, 13–16 October 2014 (AMRM.18/D.5(Rev.)).

³¹ Brazil, Chile, Colombia, Costa Rica, Dominica, El Salvador, Mexico, Panama, Paraguay, Peru, Saint Lucia, Trinidad and Tobago and Uruguay.

Chapter 6

Development cooperation: What works

141. The ILO has increasingly invested in identifying, capturing, sharing and learning from development cooperation efforts with a successful track record, in other words, following approaches that work. Such efforts highlight the added value brought by the ILO to the pursuit of decent work outcomes in support of the SDGs. They also provide insights into the areas where enhancements can be made, with a view to maximizing the ILO's influence and impact. This, for instance, is the case of gender equality as a cross-cutting driving force behind policy.

Continued action for gender equality

142. Despite relatively poor results regarding the gender sensitivity of ILO projects during 2010–15,¹ a slight increase in gender mainstreaming in projects has been observed since 2016 (from a level of gender sensitivity in projects in 2014–15 of 27 per cent to 32 per cent in 2016–17, out of the total number of appraised proposals during these periods).

143. ILO development cooperation is required to ensure that more and better jobs are created for women and men alike. Evaluations have indicated that more targeted efforts must continue to tackle sectoral and occupational segregation. In effect, ILO interventions designed to improve women's participation and enable girls, boys and young women and men to make more inroads into non-stereotypical fields of study and work – such as science, technology, engineering, mathematics, and related skills – have proved instrumental in remedying the severe under-representation of women, and their concerns, in decision-making in business and society. The ILO should revamp its efforts to close the gender wage gap by promoting equal remuneration for work of equal value through wage transparency, training and gender-neutral job evaluations. Given the predominant role of women in such key sectors as ready-made garment manufacture, ILO action should continue to foster a more balanced representation in key industries by providing women leaders with training and ensuring women's representation in decision-making and leadership positions.

144. The following section provides an overview of ILO development cooperation with a particular focus on sustainability. The findings, organized along the four strategic pillars of the Decent Work Agenda – rights, employment, social protection, and social dialogue – are based on the body of knowledge generated by the many evaluations, studies and impact assessments carried out since 2010.

145. Greater use of impact evaluations has the potential to improve the quality of evaluative evidence and can be further explored in terms of methodologies, time frames and resources. The ILO has recently stepped up guidance and methodological review

¹ [GB.326/INS/11](#).

facilities to ensure internal quality assurance for impact evaluations in order to meet United Nations Evaluation Group (UNEG) guidelines and other relevant standards.²

6.1. International labour standards

146. The 2030 Agenda has given further impetus to efforts to ensure that development cooperation is in line with international standards in numerous areas and that development cooperation projects more systematically encompass the realization of the rights enshrined in international labour standards. Development cooperation is essential to the realization of the ambitions set by international labour standards. Development cooperation is also important in developing the capacity of member States to ratify and apply international labour standards (box 13).

Box 13

How application of the ILO HIV and AIDS Recommendation, 2010 (No. 200) contributes to SDG target 3.3

As part of its development cooperation efforts, the ILO supported efforts by 46 countries to develop or revise policies and labour legislation and to incorporate in them non-discriminatory clauses regarding workers' HIV status. At least four industrial and labour courts¹ have used this labour standard to uphold the rights of women and men workers who had suffered discrimination based on their actual or perceived status. Constituents in over 30 countries have successfully integrated world of work needs into national HIV strategic plans.

Development cooperation has resulted in the increased uptake of voluntary counselling and testing by women and men workers. In 2016, over 1.1 million workers took an HIV test. A total of 17,773 workers – 1.5 per cent of those who took the test – were HIV positive and were referred for treatment, an important milestone towards reaching SDG target 3.3 on ending AIDS as a public health threat by 2030.²

For example, in Malawi, Mozambique, South Africa, the United Republic of Tanzania, Zambia, and Zimbabwe, 15,858 jobs have been created as a result of economic empowerment and gender equality initiatives, with women accounting for 56 per cent of total beneficiaries.

One ILO project in the Plurinational State of Bolivia, Ethiopia, Haiti, Honduras, Kenya, Paraguay and Senegal demonstrated that addressing HIV and AIDS at the workplace is a win-win for businesses and workers, and indirectly contributed to improved relationships between trade unions and businesses.³

¹ ILO: *HIV and AIDS and Labour Rights: A Handbook for Judges and Legal Professionals*, International Labour Office, Geneva, 2015.

² UNAIDS and ILO: *Voluntary Confidential Counselling and HIV Testing for Workers*, Report, International Labour Office, Geneva, 2016.

³ ILO: *Strengthening HIV Prevention, Care, Treatment and Social Protection in the World of Work: Final Evaluation* Summary of the project GLO/13/06/OPE, International Labour Office, Geneva, 2016.

147. As a standard-setting organization, the ILO has a solid rights-based foundation on which practically all of its actions can find a point of reference. Persistent efforts are made to link development cooperation with international labour standards and to mainstream the latter in relevant projects. In technical areas where the main target of a project is not the promotion of international labour standards as such, the standard-setting basis is often insufficiently highlighted, thereby missing an opportunity to identify impact in terms of the realization of rights at work on the ground.

² GB.331/PFA/8.

Standards and partnerships shape the 2030 Agenda

148. Innovative means of action offer new opportunities to involve private sector participants and to expand South–South cooperation and policy dialogue across regions, with a view to pursuing the realization of fundamental principles and rights at work under the 2030 Agenda. In addition to multi-stakeholder groups, new partnerships with the private sector have been forged with companies and business networks (the Child Labour Platform, the Global Business Network for Social Protection Floors, the Global New Deal, the Disability Network, and the Forced Labour Network). The continued success of new and traditional means of action requires the sustained engagement of all parties and strong political will. Thus, international commitment to the eradication of child labour was reconfirmed at the IV Global Conference on the Sustained Eradication of Child Labour, held in Buenos Aires in November 2017, which concluded with the adoption of the Buenos Aires Declaration, spelling out the principles and action to be taken, including nearly 100 pledges of tangible steps towards the eradication of child labour and forced labour and the generation of quality employment for young people.

Feedback and learning: An integrated rights strategy

149. In recent years, there have been increased efforts to incorporate lessons learned and successful approaches in development cooperation, and greater attention has been given to tackling the social and economic root causes of exploitation and vulnerability. For this purpose, an integrated strategy has been developed that encompasses all fundamental principles and rights at work and promotes their mutually reinforcing nature. In 2017, the ILC approved this strategy and endorsed its continuation. Accordingly, non-discrimination, freedom of association and collective bargaining components have been integrated into strategies addressing child labour and forced labour, and vice versa.³

150. The governance Conventions play an important role in ensuring sustainable results through solid labour inspection systems, tripartite consultation mechanisms, and active labour market policies. The ILO has pursued a more holistic approach by expanding and reinforcing its technical assistance on legal reform, social dialogue and policy-making, along with capacity building for public services and for social partners' organizations. At the community level, the implementation of the integrated area-based approach was expanded: this is aimed at supporting intersectoral activities and collaboration, in particular in combating child labour. This approach is now preferred to the sector-based approach on account of its empowering and multiplier effect on communities.

Development cooperation helping to apply the recommendations of the supervisory bodies

151. A new potential area of development cooperation has emerged through projects specifically aimed at facilitating implementation of the comments by the ILO supervisory bodies on ratified Conventions, at the request of the member States concerned. This has been the case in Armenia, Cabo Verde, El Salvador, Guatemala, Mongolia, Myanmar, Panama, Pakistan, Philippines, Paraguay, Qatar and Thailand. More generally, the effective integration of international labour standards in development cooperation is part of the ILO's theory of change to realize rights and duties, formulate corresponding

³ See [Resolution concerning the second recurrent discussion on fundamental principles and rights at work](#), ILC, 2017, Geneva.

benchmarks and indicators drawing on the provisions of relevant standards, and ensure monitoring and follow-up through the ILO supervisory bodies.

Box 14

Global Action Programme on Child Labour 2011 (GAP11)

The Global Action Programme on Child Labour 2011 (GAP11) built critical knowledge and capacity to accelerate progress against child labour and, where relevant, forced labour in 40 countries in five regions.

Recent successful approaches, strategies, lessons learned and results include:

Strategic choices of target beneficiaries: The project identified and built the capacity of so-called “champions” – people with strong personal commitments to fighting child labour. A key lesson learned is that building the capacity of well-selected individuals can have a major impact on levels of national ownership for child labour initiatives in a given country.

Innovative methods for conducting child labour research: GAP11 made it possible to measure policy impact without needing to undertake full impact evaluations specifically examining child labour. Building the capacity of national universities and non-profit research organizations to collect and analyse data on child labour was also a good practice developed under GAP11.

Promoting greater coordination among national stakeholders: The multi-stakeholder coalition created to steer research on child labour in domestic work in Haiti has reinforced the sense of ownership by the more than 30 organizations concerned of the process and results achieved, one third of which actually contributed funds to the study.

152. It should be noted that the agreed follow-up and reporting mechanisms under the 2030 Agenda are voluntary and do not contemplate mechanisms for independent review or the provision of direct recommendations to States. Institutionalized monitoring bodies on international legally binding instruments such as international labour standards hence add a measure of accountability to the process. The reports of the supervisory bodies can serve as progress measurement indicators and milestones of development cooperation results, supporting the evaluation of results and the impact of projects in terms of the realization of rights on the ground.

6.2. Employment

153. Over the past decade, development cooperation projects and programmes in support of employment promotion have been instrumental in helping ILO constituents in all regions design and implement policies conducive to job creation, enhancing skills development, supporting small and medium-sized enterprises, including cooperatives and entrepreneurship development, launching employment-intensive investment programmes and strengthening active labour market policies. In the last biennium, 15 Member States developed and launched comprehensive national employment policies, in particular in low-income countries in Africa, Asia and the Pacific, where the labour market has been affected by the decline in prices of commodities. Capacity-development efforts have benefited institutions and in turn have reached individuals, in particular young people, women and vulnerable groups. Key lessons learned are outlined below.

***Social dialogue and evidence-based research:
Key to developing employment policies***

154. An effective approach to employment policy projects is to empower constituents to engage in the design of comprehensive employment policies centred on the Employment Policy Convention, 1964 (No. 122), through research, capacity building and social dialogue.⁴ National employment plans have greater chances of success when they involve a wide range of agencies and stakeholders, including at the local level. Inter-ministerial cooperation can facilitate the mobilization of domestic and development partners' resources for new employment programmes. This has been demonstrated in Azerbaijan, Costa Rica, Morocco and Mozambique. Support for the application of new policies has not always been successful, however, in addressing resistance to change, silo mentalities, or insufficient implementation capacity.

***Combining local demonstration projects
with national investment policy reforms***

155. The ILO's employment-intensive investment approach is intended to influence existing national investment strategies and programmes in order to increase employment outcomes.⁵ This normally involves capacity building and policy development work with government officials, and infrastructure improvements involving local authorities, enterprises, and workers. Such projects often result in governments replicating the approach on a national scale out of their national budgets. Experience shows that employment-intensive programmes not only have a positive effect on the social and economic well-being of beneficiaries, but also stimulate broader economic activity, for example, where the infrastructure developed through the project facilitates market access. The approach has been effective in various settings, including middle-income countries such as South Africa and in communities hosting refugees, where projects have brought benefits for both the local communities and refugee populations (box 10).

***Anchor skills development within national institutions
and complement by other labour market measures***

156. The most successful ILO skills development projects have been those that provide support to the formulation of policy and legislation, and to formal training systems and institutions, in particular when they are responsive to the needs of young people, the poor and the marginalized.⁶ Experience of projects targeting technical and vocational education training systems, many of which are of only brief duration, suggests however that increasing the capacity of such systems requires a greater degree of technical support in implementing new tools.⁷ Skills development has also been successfully embedded in activities that improve the employment and income-generation capacity of those working in the informal economy and in rural communities: an impact evaluation of a project on

⁴ See ILO: *Social dialogue interventions: What works and why? Lessons learned from a synthesis review 2013–2016*, International Labour Office, Geneva, 2017.

⁵ See ILO: *Decent work results of ILO employment promotion interventions: Lessons learned from evaluations, 2003–2013: Summary of findings*, International Labour Office, Geneva, 2014.

⁶ See ILO: *Independent evaluation of the ILO's strategy and actions for skills development for jobs and growth, 2010–2015*, International Labour Office, Geneva, 2016.

⁷ ILO: *Decent Work Results and Effectiveness of ILO Operations: A meta-analysis of development cooperation evaluations 2013–16*, International Labour Office, Geneva, 2018 (forthcoming/EVAL).

training for rural economic empowerment in Zimbabwe concluded that the programme had substantially increased the income of its beneficiaries and had enhanced children's welfare and alleviated their health-care expenses.⁸

Youth employment efforts require multi-stakeholder coordination

157. Successful youth employment projects have supported nationally and locally driven multipronged approaches that combine direct assistance to increase individuals' employability with income-generating activities for young women and men, and policy support and advocacy at the national level.⁹ Member States are increasingly relying on existing national policy frameworks to mainstream youth employment objectives, but enhanced collaboration and coordination between national and international stakeholders is required to scale up operations and enhance impact. The ILO and development partners have increasingly invested in rigorous evaluations of youth employment in order to ensure informed and effective decision-making.

Strengthening the capacity of implementing partners

158. ILO enterprise development programmes that strengthen the capacity of implementing partners have proved successful. Empowering employers' organizations to influence policies is an effective means of ensuring the competitiveness of certain economic sectors. Working in partnership with national organizations – rather than merely funding their interventions – has proved effective in promoting an entrepreneurship culture among young people in Kenya, the United Republic of Tanzania and Uganda. This approach has enabled partners to mainstream tools and methods in their operations and extend outreach, enhancing the skills of young entrepreneurs and creating new jobs. Similar findings were observed for cooperative enterprises, which demonstrated a meaningful role in promoting entrepreneurship at the grass-roots level. Promoting entrepreneurship must, however, be combined with efforts to influence the business environment and make it work for small and medium-sized enterprises.

Integrated approach to the formalization of business

159. Where formalization is concerned, work with microfinance institutions in Burkina Faso and India has highlighted the fact that greater impact results when enterprise formalization is integrated into government programmes that reduce the cost or increase the benefits of formalization.

Box 15

Enable business to flourish and reach SDG target 8.3

SDG engagement is not just about large international firms. SMEs are a major job creating engine supporting target 8.3. The ILO's Enabling Environment for Sustainable Enterprises (ESEE) programme helps level the playing field for SMEs by reducing bureaucracy and enhancing the capacity of constituents to formulate, implement, and

⁸ ILO: *Impact Evaluation of Training for Rural Economic Empowerment, targeted towards young people in Zimbabwe*, International Labour Office, Geneva, 2017 (forthcoming).

⁹ See *Interventions to Improve Labour Market Outcomes of Youth: A Systematic Review*.

monitor reforms to SME-related policies. EESE advocacy and follow-up work has achieved the following results:

- ❑ legislative changes involving the revision of existing or adoption of new legislation (Armenia, the Plurinational State of Bolivia, Ecuador, Honduras, Mexico, Republic of Moldova, Montenegro, Nicaragua, Peru, the former Yugoslav Republic of Macedonia and Tajikistan);
- ❑ regulatory and institutional changes – the creation of working groups and councils of various types;
- ❑ reductions in business costs such as corporate tax rates; new tax collection systems; a new single tax collection body; savings in time from simplified registration and licensing procedures; reductions in the inspection burden, and the increased number of registered firms.

Working towards SDG 8 and SDG 4

160. The knowledge gained in the design and implementation of employment and enterprise development programmes is an important component of work towards SDG 8, as illustrated in the ILO–UNDP partnership on that Goal (box 12). Future development cooperation to promote employment will focus on innovation in youth employment and skills strategies to prepare young people for changing labour markets. The enhanced provision of employment services and active labour market policies for youth, women and people with disabilities will contribute to the achievement of targets 8.5¹⁰ and 8.6.¹¹ The Global Initiative on Decent Jobs for Youth and the UN Inter-Agency Network on Youth Development provide the framework for further policy coherence and synergies and will contribute to attainment of target 8.b.¹² Skills development programmes supporting SDG 4 on quality education will build on the G20 Strategy, developed by the ILO in 2010, at the request of the leaders of the Group of 20.¹³ Development cooperation programmes will focus on skills recognition, including for returnees, and the integration of migrant workers. The Jobs for Peace and Resilience flagship programme will be expanded as part of the ILO implementation plan to support the promotion of the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), building on lessons learned in conflict and disaster-affected countries.¹⁴

Box 16

Zambia: Towards inclusive, diversified and sustainable economic growth and decent green jobs

Zambia aspires to be a prosperous middle-income country by 2030. Despite low copper prices and crippling electricity supply deficits affecting economic activity, its gross domestic product (GDP) growth has continued to be positive but is failing to translate into jobs or to significantly reduce poverty. Much of the growth has also been driven by the

¹⁰ “By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.”

¹¹ “By 2020 substantially reduce the proportion of youth not in employment, education or training.”

¹² “By 2020 develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.”

¹³ ILO: *A skilled workforce for strong, sustainable and balanced growth*, International Labour Office, Geneva, 2010.

¹⁴ ILO: *Independent Thematic Evaluation of the ILO’s Work in Post-Conflict, Fragile and Disaster-Affected Countries: Past, Present and Future*, Volume 1 Full Report, International Labour Office, Geneva, 2015.

extractive industry, especially copper mining, whose business practices are in some cases leaving behind huge environmental costs for present and future generations. Since 2013, the ILO-led joint UN Zambia Green Jobs Programme has supported the Government of Zambia in facilitating private sector development in the building construction sector to promote inclusive green growth and create decent green jobs, particularly for young people and women.

The Programme had reached 14,328 beneficiaries by June 2017. It has helped training and capacity building for more than 220 business service providers, who in turn have provided services to 3,729 building construction micro-, small and medium enterprises (MSMEs) including growers, producers and processors of sustainable timber, green building materials, products, and services. These MSMEs with access to finance, business services and market linkages as well as an improved green business environment have formalized and grown their businesses, creating 3,302 new decent green jobs and improving the quality of 2,541 green jobs through improved occupational safety and health, social protection, and better adherence to labour law.

As part of the Programme's final phase and with a view to ensuring its sustainability and upscale impact in the building construction sector, the Programme has been supporting the Ministry of Finance and the Ministry of National Development Planning to upgrade economic statistics and national accounts and tools. Furthermore, an employment projection model will be developed in order to assess and guide the employment potential of fiscal, domestic and foreign direct investments.

6.3. Social protection

High priority on the development agenda

161. The issue of social protection has risen on the global development agenda. With the launch of the UN Social Protection Floor Initiative in 2009, the adoption of a two-dimensional strategy in 2011, and the subsequent adoption of the Social Protection Floors Recommendation, 2012 (No. 202), the ILO was given a mandate to support the development of basic social protection guarantees for all (horizontal dimension), while promoting progressively higher levels of protection guided by up-to-date ILO social security standards (vertical dimension). In the 2030 Agenda, social protection is recognized as a key tool to end poverty and to reduce inequalities. The ILO is committed to supporting the achievement in particular of SDG target 1.3: “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”.¹⁵

162. Over the past decade, there has been a massive expansion of social protection in over 30 low and middle-income countries, showing that universal social protection is indeed feasible. More innovative approaches are needed to extend such coverage still further.

Results in countries

163. During 2016–17, the ILO focused on the development of tailor-made social protection systems and floors in more than 82 member States. This includes supporting the development of national social protection strategies using the assessment-based national dialogue methodology; supporting the design of schemes, with a special emphasis

¹⁵ Other targets that relate to social protection are: target 3.8 on universal health coverage; 5.4 on the recognition of unpaid care and domestic work; 8.5 on full and productive employment; and 10.4 on social protection policies for greater equality.

on uncovered groups (such as migrant workers, refugees, domestic workers, and workers in the informal economy), and priority areas (health, unemployment, old-age pensions); assisting with drafting legal frameworks; supporting the implementation of social protection schemes; and improving governance. This step-by-step approach has led to tangible outcomes such as the adoption of national social protection strategies, reforms, framework or implementation plans (13 countries in 2016–17), legislation (seven countries), the implementation of new or revised schemes (11 countries), and improved administrative and financial governance, including the coordination or monitoring and evaluation of existing schemes (17 countries). The social protection systems, including floors, that are built with ILO support are sustainable, as they are guided by international labour standards, based on broad national consensus and tripartite participation, financed from domestic resources (taxes and social contributions), embedded in law and governed by principles of good governance.

Flagship programme focused on development cooperation

164. The ILO's flagship programme on Social Protection Floors for All supports constituents in giving effect to Recommendation No. 202 and contributing to the achievement of the related SDG targets.

165. The programme packages development cooperation projects and brings together a wide range of partners, leading to real impact: in the 21 target countries identified for the period 2016–20, after only two years of implementation, 14 countries have achieved institutional changes: five have adopted a national social protection strategy; six have adopted a social protection law in line with ILO standards; and eight have improved their social protection operations. This in-country focus is complemented by cross-country thematic projects, such as the projects on social protection for migrants in selected regional economic activities in Africa, and on the extension of social health protection in ASEAN countries.

166. Based on country and thematic experience, knowledge, methodology and tools are developed and shared with member States. A service model for the deployment of timely expertise in response to constituents' request, is being developed. The impact of ILO projects is measured using a results and impact measurement tool over periods of several years, and this provides evidence of the ILO's contribution to the SDGs on social protection. It is also a knowledge management tool that helps to better understand what works in the field of social protection development.¹⁶

Innovative partnerships

167. The ILO has started innovative partnership approaches through the creation of a social protection floors window under the UN Joint Policy Fund to support UN joint programmes and delivering as one on social protection floors. Together with the UNHCR, the Fund will also facilitate the transition from cash-based humanitarian approaches to more sustainable systems. A crowdfunding pilot has started, in collaboration with a foundation which launches awareness-raising and communication campaigns on social protection, to raise resources from philanthropists and private sector leaders to support the development of social protection systems and floors.

¹⁶ See ILO: *Independent evaluation of the ILO's strategy and actions for creating and extending social protection floors, 2012–2017*, International Labour Office, Geneva, 2017.

Box 17

Expanding social security in Cambodia

The social insurance scheme of the National Social Security Fund of Cambodia was launched in late 2016 in consultation with workers' and employers' organizations. In addition to health insurance, maternity and sick leave benefits were introduced. As at August 2017, some 910,000 workers were registered in the scheme and approximately 100,000 workers per month now have access to health services through this scheme. It is expected that, by the end of 2017, 1.1 million members of the Fund will be registered. As from January 2018, the Fund will reach out to workers currently in informal employment. The ILO helped the Government to set up the scheme through feasibility studies and advisory services on the operational design through different development cooperation projects.

6.4. Social dialogue

Both an objective and a means

168. The fulfilment of the core mission of the ILO depends on strong, independent and representative workers' and employers' organizations that are able to play a full role in a robust and functioning tripartite system. This requires ongoing support through capacity development and other forms of assistance for both government administrations and the social partners. In ILO development cooperation, social dialogue and tripartism are a dedicated objective of ILO projects as well as an instrument for involving constituents and achieving results in other policy areas.¹⁷

Strengthening institutional capacity

169. The promotion of social dialogue has been pursued as one of the ILO's strategic objectives mostly through the strengthening of workers' and employers' organizations, and of other institutions, including labour administrations and inspectorates, labour dispute resolution mechanisms, sectoral bodies, collective bargaining institutions, and national tripartite social dialogue institutions. Support has been provided to diverse tripartite and bipartite social dialogue mechanisms at national, regional, sectoral, local, and enterprise levels.

Box 18

Improving labour dispute resolution systems in Balkan countries

In the former Yugoslav Republic of Macedonia, the ILO supported the establishment of a mechanism for the amicable settlement of labour disputes. It built on prior achievements in the country, such as the National Economic and Social Council; legislative reforms on labour dispute resolution; and enhanced capacity of employers' and workers' organizations. This resulted in the establishment of a tripartite licensing commission, which licensed 50 out of the 90 trained conciliators. The country also set up a case management and information system, while a publicity campaign encouraged conciliation. The amicable settlement of labour disputes is being promoted in the country today as part of collective bargaining processes.

¹⁷ See ILO: *Social dialogue interventions: What works and why? Lessons learned from a synthesis review 2013–2016*, International Labour Office, Geneva, 2017.

At the subregional level, dispute resolution agencies have formed a network for peer exchanges and knowledge sharing involving Albania, Bosnia and Herzegovina, Montenegro, Serbia and the former Yugoslav Republic of Macedonia, and also Kosovo.¹ An online case database is being designed to support a community of practice for conciliators and arbitrators of labour disputes. This kind of knowledge-sharing platform responds to constituents' demands for comparative information about what works.

¹ All references to Kosovo should be understood to be in the context of [Security Council Resolution 1244](#) (1999).

Better Work

170. In 2009, the ILO and the International Finance Corporation (IFC) signed the Better Work Cooperation Agreement to improve working conditions and competitiveness in the global garment industry. Building on the Better Factories Cambodia initiative, the programme expanded to seven other countries and now engages over 1,700 manufacturers employing over 2 million people, the majority of whom are young women migrating from rural areas in search of waged employment for the first time.

171. Since its establishment, Better Work has invested in rigorously measuring its impact on compliance, worker well-being, businesses and communities. It follows a holistic approach, involving global supply chain stakeholders at the workplace, national and global levels. Better Work is guided by project advisory committees in each country, where national constituents gather to address systematic non-compliance challenges in the industry. The programme crucially leverages supply chain agents such as global brands and retailers to promote compliance along their supply chains.

Box 19

Better Work: Impact within and beyond the factory¹

Promoting compliance with national law and international core labour standards in global garment and footwear supply chains bolsters a more stable and profitable sector that can influence supply chains beyond the garment industry. Better Work does so by encouraging factories in such countries as Bangladesh, Cambodia, Egypt, Haiti, Indonesia, Jordan, Nicaragua and Viet Nam to improve working conditions and by helping national stakeholders play a stronger role in governing the labour market.

Impact on firm performance

- ❑ Productivity: supervisory skills training, in particular of female supervisors, resulted in a 22 per cent increase in productivity, as workers reach production targets more quickly.
- ❑ Profitability: Factories experienced a rise in profitability (measured as the ratio of total revenue to total costs) as a result of greater compliance, leading to a better supply chain position.
- ❑ Efficiency: Buyers commit themselves to ending duplicative audits in factories enrolled in the programme, benefiting both sides and reducing so-called "audit fatigue".

Impact on working conditions

- ❑ Prevented abusive practices (forced labour, verbal abuse, sexual harassment).
- ❑ Curbed excessive overtime.
- ❑ Closed the gender pay gap.

Impact beyond the workplace

- ❑ Quality jobs encourage dialogue to improve labour standards and ultimately improve workers' livelihoods, reinforcing economic and social development.

- ❑ Workers are creating opportunities for children by keeping them at school, especially girls.
- ❑ Workers apply Better Work training on cooperation, health and financial literacy to improve their home life and family health.

¹ See www.betterwork.org.

Technical support and symbolic back-up important for trade unions

172. In countries where trade unions face challenges in gaining respect for fundamental labour rights, it was found that the ILO projects, beyond their technical support, also served a symbolic role by helping to demonstrate the legitimacy of independent trade unions and of their inclusion in decision-making processes, eventually promoting the realization of the right to collective bargaining. Moreover, involving Global Union federations in country-level support for workers' organizations increases the potential for sustainable partnerships that continue beyond the end of the project.¹⁸

Membership and joint efforts enhance capacity of employers' organizations

173. The development of employers' organizations and expanding their membership is seen as a crucial factor to ensure the sustainability of the outcomes of ILO assistance and to strengthen the financial capacity and representativeness of employers' organizations. A broader and inclusive approach among employers' organizations generates an environment more conducive to ownership of the development process. Strong employers' organizations are better prepared to analyse business environments and influence policy development. There are opportunities to enhance gender equality among the organizational structures of employers' organizations and their advocacy processes, such as national business agendas. Whereas networking and better communications are significant assets in ILO projects, joint efforts by constituents and other partners outside the projects are essential.¹⁹

Constituents performing diverse roles in ILO projects

174. Constituents participate in different ways in development cooperation projects and can perform diverse roles simultaneously in the design, implementation and governance of projects. They can also benefit directly from them. Over the period 2010–17, nearly one third of projects involved constituents in project design and identified social partners as direct recipients, according to information collected during project appraisal. This figure is slightly higher for projects in which social partners were indicated as project implementers. Nearly 25 per cent of projects aim to strengthen mechanisms for social dialogue, across the ILO's four strategic objectives. The ILO is making progress in improving constituents' involvement in development cooperation through national tripartite decent work committees. Among the many countries that have such committees in place, 16 were identified to pilot a new development cooperation oversight function. In at least five of those countries (Cambodia, Jordan, Kenya, Tajikistan, Timor-Leste), the

¹⁸ ILO: *Outcome based funding Norway and Sweden: Workers have strong, independent and representative organizations*, Evaluation report, International Labour Office, Evaluation Unit, Geneva, 2016, p. 8.

¹⁹ ILO: *Employers have strong, independent and representative organizations, Final Internal Evaluation*, International Labour Office, EVAL, Geneva, 2013.

committee members demonstrated a good understanding of current and planned development cooperation activities. In Cambodia and Tajikistan, efforts are under way to link or replace project steering committees with a decent work committee in order to improve coherence and coordination.²⁰

²⁰ [GB.329/POL/5](#).

Chapter 7

Shaping the future of ILO development cooperation

175. As observed by the Director-General in his 2016 Report on the End to Poverty Initiative, positioning the ILO's programmes, plans and initiatives is essential, but not sufficient, to ensure that the ILO's role is played to the fullest. It needs to be supplemented by corresponding efforts to strengthen ILO cooperation and partnerships across the multilateral system, and to reinforce the system's coherence, as required by the very nature of the 2030 Agenda. The responsibility of the ILO is then to understand better the identified needs of its Members, and to organize its activities to support and assist their efforts, including through partnerships and cooperation with other organizations in the multilateral system.

7.1. Golden opportunity

176. Globalization and social change mean that labour markets worldwide are having to adjust to change. Development cooperation must provide sound responses to such change so as to enable governments and their social partners to devise policy solutions of which they enjoy full ownership.

177. International development cooperation is essential to make the SDGs a reality, and the Decent Work Agenda is of major relevance to them all. The Goals offer a fundamentally rights-based approach to development. The four pillars of decent work are recognized drivers for achieving the SDGs. As a normative and tripartite body, the ILO has a major opportunity to support efforts towards the implementation of the 2030 Agenda. In so doing, it will need to shape its strategies to inclusive collaboration and partnerships, the UN reform process and innovation in its operations.

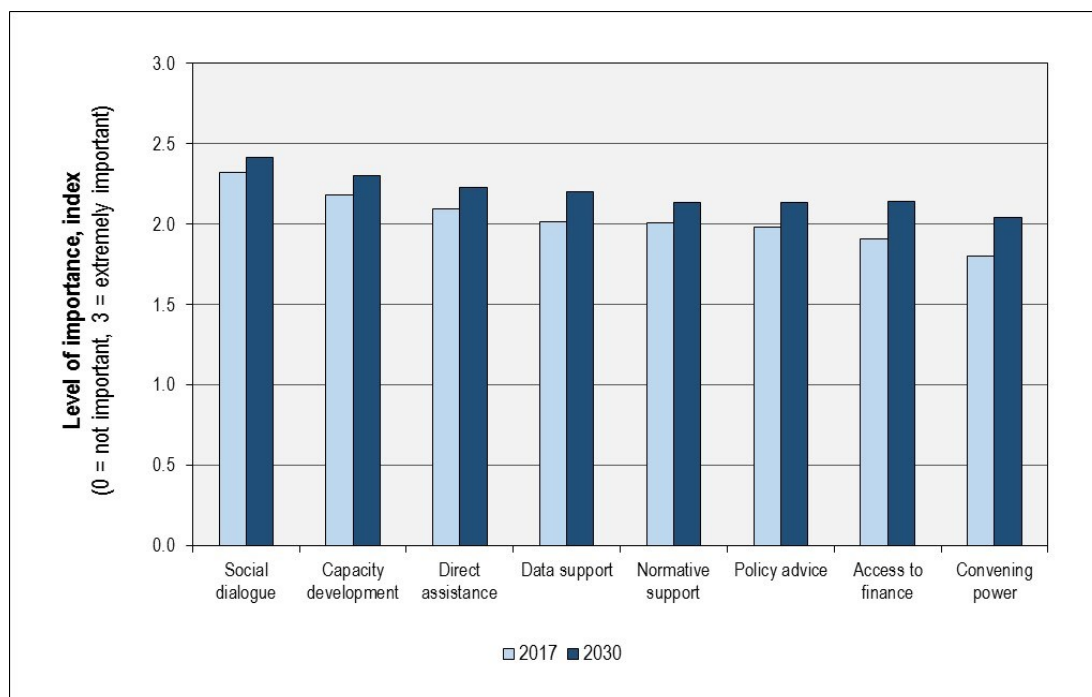
7.2. Constituents' and development partners' views on the future

178. As the actors in the real economy, constituents are responsible for achieving the SDGs, and for ensuring the effectiveness of ILO development cooperation: mutual accountability between the different actors involved is a basic principle. They are the key players who will be involved in developing and adapting tripartite structures to ensure broad-based participation in policy and decision-making processes, and in so doing advancing the role of international labour standards in transforming economies for decent jobs and inclusive growth. Tripartite structures offer a valuable basis to reach out to others, such as the private sector and non-organized workers.

179. In the light of these considerations, it is useful to give a brief overview of how constituents and development partners see the future role of the ILO in development

cooperation. ILO constituents expect ILO activities in different areas, ranging from direct assistance to upstream policy advice and institutional capacity development, to become more important between now and 2030 as a means to achieve decent work outcomes (see figure 8).¹

Figure 8. Importance of different areas of support for ILO development cooperation as perceived by constituents, 2017 and looking towards 2030



Source: ILO survey, 2017.

180. The promotion of tripartite social dialogue is the most important area of support for workers, employers and governments. Capacity development with and for constituents and other partners remains an important area for the three constituent groups and in particular for employers' organizations. Direct assistance to local groups and organizations, including workers' and employers' organizations, and normative work related to labour standards are especially important for workers. Governments highlight the ILO's normative work on international labour standards, capacity development, policy advice and data support as the most important areas.

181. The ILO partners at the national level with trade unions, employers' organizations, ministries of labour, and other organizations that can contribute to the achievement of national decent work outcomes and the SDGs. ILO constituents emphasized the primary importance of tripartite cooperation, but also expressed an openness to partnerships beyond tripartite engagement to maximize ILO development cooperation through a shared concern for policy coherence.

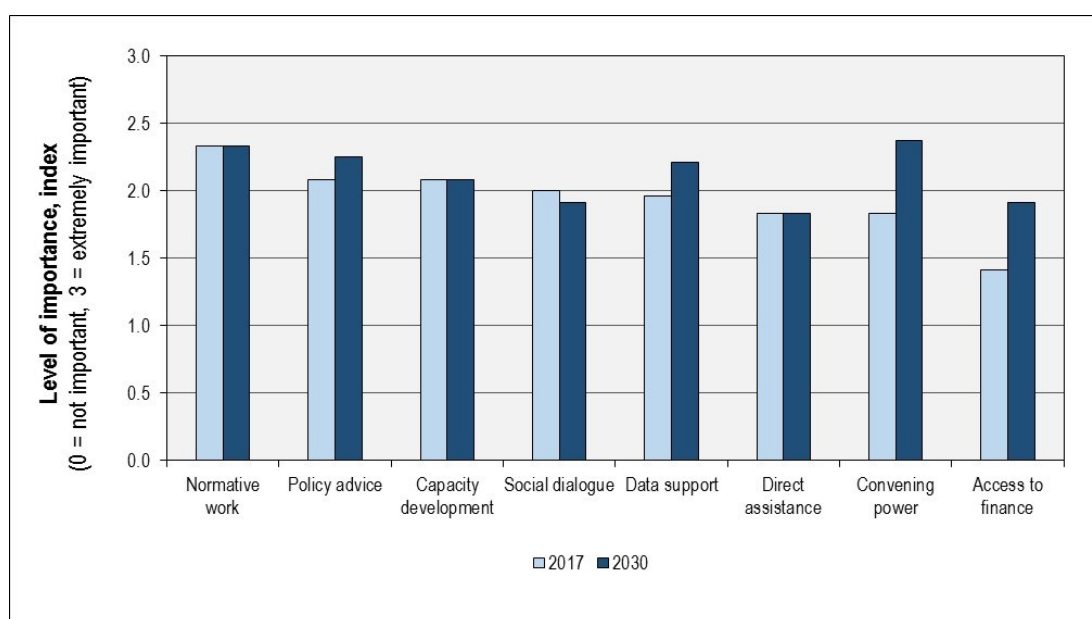
182. While considered to be one of the least important areas at the moment, access to funding sources and financing mechanisms such as Green Finance, multi-partner trust funds and crowdfunding is expected to become more important in the future, especially by governments. The greatest expectations, however, surround the ILO's power to

¹ The level of importance can vary between 0 (not important) and 3 (extremely important). The chart shows the level of importance assigned by constituents for 2017 and 2030. For more details, please see Appendix I.

convene stakeholders on world of work issues. The forging and leveraging of partnerships, including through SSTC, are also gaining popularity. These findings are similar across the regions.

183. While social dialogue is recognized as the most important area of support by ILO constituents, respondents among development partners consider the ILO's standards-related work as the most important area of support for ILO development cooperation (see figure 9).² Evidence-based policy advice and capacity development with and for constituents and other partners are recognized as equally important areas. With regard to changes over time, the convening of stakeholders around world of work issues and the availability of and access to other sources of funding and financing mechanisms are expected to become more important within the 2030 horizon, as are data support and evidence-based policy advice. This finding highlights the need to combine development cooperation support and partnerships with continuing efforts by the ILO and its constituents to bring international labour standards and other decent work dimensions into policy-making at global, national and local levels, including in different economic sectors.

Figure 9. Importance of different areas of support for ILO development cooperation as perceived by development partners, 2017 and 2030



Source: ILO survey, 2017.

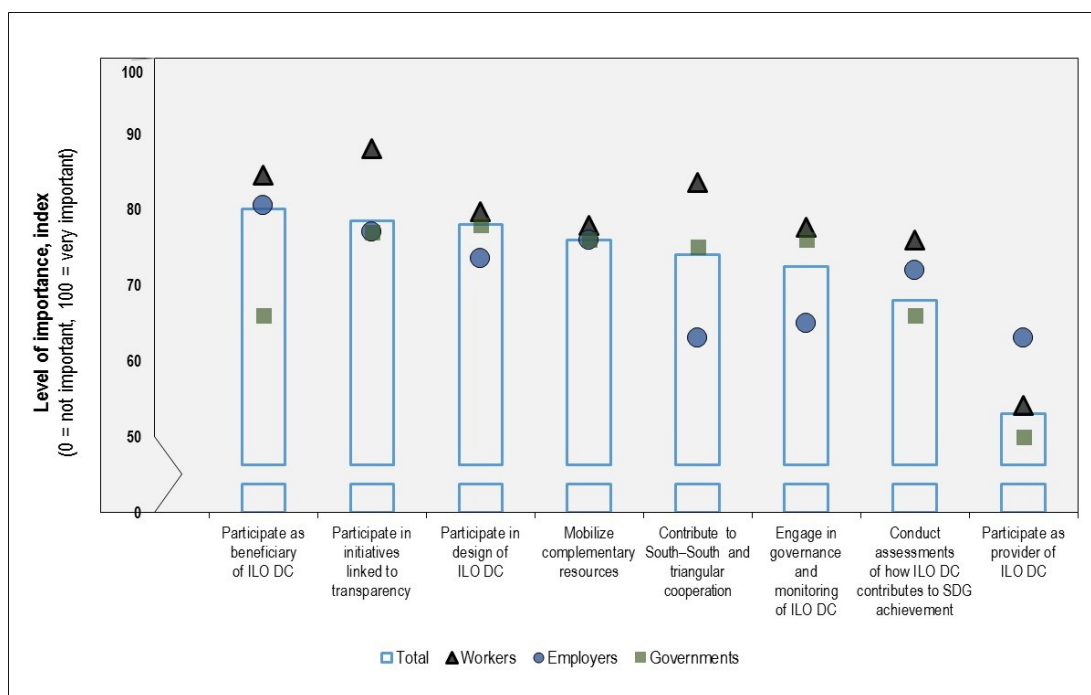
184. Governments, and workers' and employers' organizations can participate in ILO development cooperation in many different ways. Looking ahead to 2030, constituents value aspects of participation and engagement differently (see figure 10).³ Whereas employers find it most important that their organization be able to participate as a beneficiary of ILO development cooperation, workers attach greatest importance to their participation in initiatives linked to the transparency of results and financial flows.

² The level of importance can vary from 0 (not important) to 3 (extremely important). The chart shows the level of importance assigned by development partners for 2017 and 2030. For more details, please see Appendix I.

³ The level of importance can vary from 0 (not important) to 100 (very important). The chart zooms in on constituents' responses and distinguishes between all constituents (blue–white bars), workers (grey triangles), employers (blue circles), and governments (green squares).

Governments, in contrast, assign higher importance to their participation in the design of ILO development cooperation.

Figure 10. Importance of aspects of ILO development cooperation within the 2030 horizon for the achievement of decent work outcomes, by constituent type



Source: ILO survey, 2017.

185. Less importance is attached by constituents to their participation as providers of ILO development cooperation services. Moderate importance is attached by all constituents to the mobilization of complementary resources for decent work outcomes, contributing to SSTC on decent work, engagement in the governance and monitoring of ILO development cooperation, and the conduct of mutual assessments of how ILO development cooperation contributes to the achievement of the SDGs.

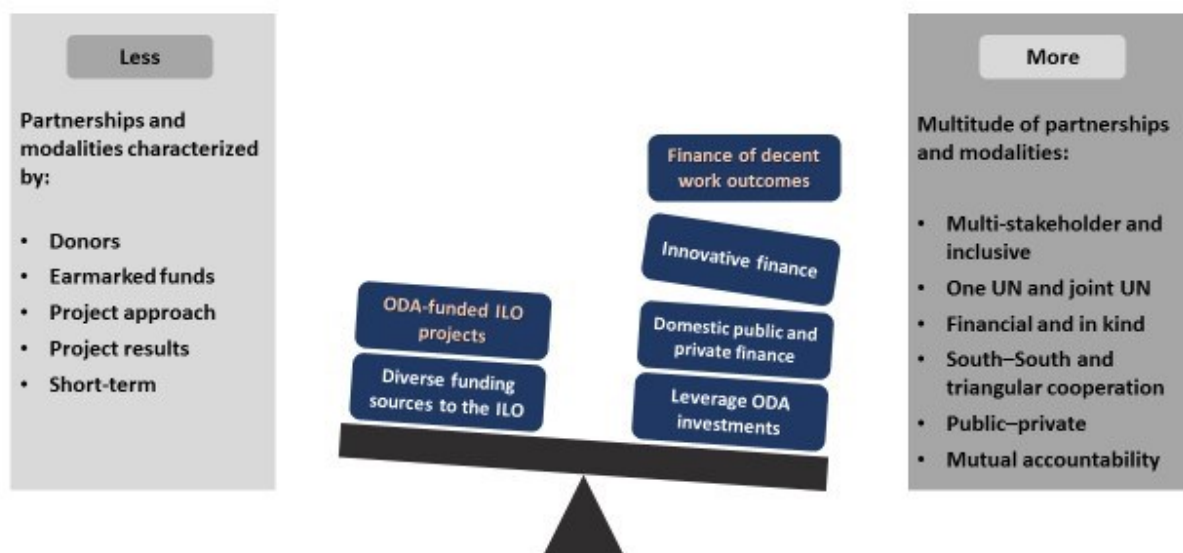
7.3. Evolving configuration

186. This section discusses the needs entailed by more effective ILO engagement in development cooperation in its modern format, and the implications of such an enhanced role.

7.3.1. Catalysing results

187. While ILO development cooperation will still involve the forging of partnerships and cooperation modalities that may be characterized by specific short-term, project-based opportunities, its future focus is on longer-term and enhanced strategic cooperation with a wider range of partnerships and innovative modalities, tailored to country contexts, with clear mutual accountability among its players for achieving and financing SDGs in countries. ILO development cooperation will have more of a leverage function, working with and through partners and building on its added value (see figure 11).

Figure 11. Shifting understanding of ILO development cooperation



From projects to programmes

188. Greater operational agility and flexibility are needed to make ILO development cooperation more effective. One key strategic approach is hence to shift the focus of activities from projects to a more programmatic approach targeting objectives with results evaluated at a higher level. This would fit more readily into the envisaged reformed UN system, since it would make it easier to share goals and build networks at a policy rather than purely operational level. It would also improve the ILO's visibility as a potential partner.

189. This has implications for the manner in which the ILO extends and configures its development cooperation. Implementation of the reforms recommended by the internal Business Process Review should result in greater flexibility and more streamlined processes, leading to more effective deployment of resources.

7.3.2. The ILO in a reformed UN development system

190. The Secretary-General proposed a package of proposals in seven key areas (see section 2.3 above) to reshape the UN development system: a system-wide document for collective action to support the 2030 Agenda; a new generation of United Nations Country Teams (UNCTs); a strengthened Resident Coordinator system; regional approaches; improved strategic direction, oversight and accountability; a system-wide approach to partnerships; and a Funding Compact between member States and the UNDS. These reforms, if adopted by the General Assembly, have important implications for the ILO and how it participates in the UN system at all levels.

191. The ILO is a strong supporter, a team player, and a stakeholder in the UN reform process. The reform offers important opportunities as well as challenges for the ILO as

was discussed by the ILO Governing Body in March 2018.⁴ The reform provides the potential for leveraging the Decent Work Agenda through deeper collaboration with other UN agencies and promoting ILO standards in UN development cooperation. No agency can deliver on the SDGs alone, nor can the ILO alone deliver on the Decent Work Agenda. Under the reform, Resident Coordinators and UNCTs have greater potential to become important partners in promoting international labour standards and social dialogue principles, pending the finalization of the actual processes, structures and reporting lines that would underpin such cooperation. Moreover, the ILO's normative role is well recognized and can be further strengthened, and closer linked to its operations and development cooperation work at the country level.

192. UN reform offers a golden opportunity to ensure the ILO's values and standards are accorded their rightful place in international development cooperation. The ILO has a valued capacity for outreach to the actors in the real economy. It should hence offer an entry point for its national constituents into UN processes where key policy and practical decisions are under discussion, increasing dialogue between the social partners and country teams in a systematic way. In a context where the UNDAF is expected to become the single most important UN country planning instrument in support of the 2030 Agenda, the task of ensuring that DWCP priorities and outcomes contribute directly to the UN system's comprehensive and integrated response to national development priorities will be critical.

193. A more unified UN partnership approach and the greater role of Global Compact also offer opportunities and challenges that are not yet clear at the time of writing. The Funding Compact's aim of securing more predictable and flexible funding to the UNDS, including through pooled funds, potentially increases the resources and leveraging capacity of ILO development cooperation, but may require adjustments to the ILO's resource mobilization strategy.

7.3.3. Vehicles for delivery on the SDGs

194. The following areas concern key vehicles for delivery on the SDGs in future ILO development cooperation: leveraging rights for development; social dialogue as an instrument of governance; capacity development; regional integration; public-private partnerships; multi-stakeholder partnerships; South-South and triangular cooperation; and public information and research.

Leveraging rights for development

195. Development cooperation is an important means of addressing the implementation gaps in countries. Stronger links between the ILO's supervisory bodies and its development cooperation would increase the capacity of the ILO and of member States to deliver on the SDGs. The reports by ILO supervisory bodies, together with requests from member States for support in tackling the challenges posed by labour standards, can be used more systematically to inform the development cooperation response.

Social dialogue as an instrument of governance

196. Social dialogue is both a driving force and an instrument for the governance of sustainable development. Social dialogue, with the full involvement of strong, independent and representative social partners in policy-making, can be a powerful

⁴ [GB.332/HL/1](#).

governance instrument for sustainable development, as it reinforces three principles of the development effectiveness agenda – democratic ownership, inclusiveness and accountability.⁵

197. There is a need for further research and adaptive innovation for improving representation of constituents and exploring ways whereby the interests of groups of employers and workers such as those in the informal economy, in SMEs or in new forms of employment are brought to the policy table.

Capacity development

198. With the renewed focus on the 2030 Agenda on “effective and targeted capacity building in developing countries”, the ILO’s value proposition should increasingly focus on institutional capacity development that goes beyond governmental agencies and involves employers’ and workers’ organizations and their bipartite and tripartite interaction.

199. The ILO’s operational approach will continue to rely heavily on national institutions. This may include more systematic collaboration with national academic and training institutions, in particular those linked to ILO constituents, which will enable the ILO to disseminate its values, principles, tools, and experience to a larger audience in a sustainable manner.

200. In this endeavour, the role of the ILO, and the ITC–ILO in particular, is centred on disseminating and validating ILO values, policies, research and tools; generating opportunities for peer learning and cross-fertilization; and enhancing the competencies of institutional leaders and trainers, with a strong multiplier effect.

More strategic collaboration

201. There is an increased need for a shift in emphasis from ad hoc, short-term partnerships, focused primarily on resource mobilization, towards multiple, long-term, more strategic and stable collaboration, including with the private sector. Such a move necessitates innovations in administrative and costing structures towards more flexible operating methods and reporting.

Regional integration

202. At the same time, stronger engagement is needed with regional economic communities to ensure the incorporation of the Decent Work Agenda in their programmes. Such bodies are useful entry points for efforts to ensure the positive impact of trade agreements on employment through the inclusion of labour clauses. Other possibilities for regional integration could draw on the enhanced role of the UN’s regional economic commissions in pursuing the 2030 Agenda through regional forums for sustainable development and inputs to the HLPF reviews.⁶

⁵ *ibid.*

⁶ See, in particular, the *Implementation of the 2030 Agenda for Sustainable Development: The Role of the Regional Commissions*, UN, Regional Commissions New York Office, New York, 2015.

Public–private partnerships

203. The full potential of the public–private partnership modality in support of the Decent Work Agenda has still to be explored. Besides funding, public–private partnerships bring expertise, knowledge and enhance policy coherence and outreach. This benefits all parties. Attention should be given to examining how such agreements might be concluded and managed more flexibly, and operate at different levels, including domestic arrangements, possibly through the reform of ILO business processes. Differentiated and innovative approaches are needed with different actors. However, the wide range of bodies with which the ILO has entered into public–private partnerships – including enterprises, foundations, public institutions, universities, non-governmental organizations, and the social partners themselves – illustrate this need. In addition, the UN system strives for coherence in its partnership approaches with the private sector.⁷

Multi-stakeholder partnerships, social partners, and civil society

204. The ILO's involvement in an increasing number of multi-stakeholder partnerships on decent work-related themes has been an organic process. As yet, however, the Organization does not have a general multi-stakeholder partnership strategy. This would be valuable, as ILO engagement in such partnerships necessarily involves policy and priority setting, resource mobilization, and capacity-development plans, including for constituents. Such a strategy should include criteria to ensure effectiveness and success, and clearly define the procedures that the ILO should follow to ensure appropriate governance, effectiveness, transparency, and visibility.

South–South and triangular cooperation

205. There is scope for further engagement with partners from the global South in ILO development cooperation.⁸ Following the example of the African region, facilitating SSTC at the regional level would provide useful synergies with other programmes. Future orientations for expanding this modality include SSTC exchanges to support the Future of Work Centenary Initiative and its follow-up through peer-to-peer exchanges and regional networking. The measurement of results under this modality, however, requires different methods. In addition, efforts should be made to ensure that full account is taken of the Decent Work Agenda in UN system-wide preparations for the second High-level Conference on South–South Cooperation, to be held in Argentina in 2019.

Public information and research

206. Support for ILO constituents must be accompanied by significantly greater efforts to provide quality and well-targeted public information on the values of decent work: only by sustaining the groundswell of support for decent work among the general public – as revealed by the consultation process that led to the SDGs – will the momentum achieved over the past decade lead to effective broad-based universal support for the Decent Work

⁷ JIU: *The United Nations – Private sector partnerships arrangements in the context of the 2030 Agenda for Sustainable Development*, Joint Inspection Unit, Geneva, 2018 (forthcoming) and UN: *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet*, Report of the Secretary-General, General Assembly, New York, Dec. 2017, A/72/684–E/2018/7.

⁸ GB.332/POL/4.

Agenda. To strengthen both advocacy and public support, the ILO should therefore do more to showcase examples of successful decent work initiatives and tailor the stories to national contexts.

Chapter 8

Suggested points for discussion on the future of ILO development cooperation

207. The global context for development cooperation is undergoing profound changes. Technological and demographic development, climate change and the continued globalization mark the world of work today and will do so even more in the future. The implementation of the 2030 Agenda, reforming the UN to be fit for that purpose, and the emergence of the financing for development paradigm, are core issues influencing this general discussion on what should be the ILO's effective development cooperation in support of the SDGs. The Social Justice Declaration, an essential objective in its own right, is the strategic vehicle for the ILO's contribution to the implementation of the SDGs. Partnership, convergence and policy coherence in promoting, implementing and in financing the Decent Work Agenda at national, regional and international levels will be essential to realize the SDGs. Considering the main opportunities to be seized and main challenges to be addressed in the coming years, ILO constituents are in particular asked to provide guidance on the following points.

- (a) How can ILO development cooperation adapt to the new context with a view to best supporting constituents at national, regional and international levels in achieving the Sustainable Development Goals, all the aspects of decent work they are calling for, and, in particular, SDG 8, which calls for promotion of inclusive and sustainable economic growth, full and productive employment and decent work, and other relevant goals for the ILO?
- (b) The ILO offers a particular added value through its normative agenda, tripartite structure and social dialogue principles and practices. In view of the rights-based approach of the 2030 Agenda, what could be done to strengthen the link between this ILO added value and development cooperation and in particular how could ILO development cooperation assist in effectively addressing gaps at national level, in the ratification and implementation of international labour standards as well as in social dialogue and tripartism?
- (c) Considering the reforming UN at the country level, how can ILO development cooperation best support its constituents in facilitating policy coherence and in mainstreaming decent work into national development strategies and budgets? How can the DWCPs be strategically used as a demand-driven vehicle for the effective involvement of ILO constituents in mainstreaming the integrated Decent Work Agenda and gender equality into national development planning and UN Development Assistance Frameworks?
- (d) In the context of the financing for development, partnerships and innovative funding trends – also being promoted in the UN reform – what are the roles and responsibilities of governments, employers' and workers' organizations and the

Office in ensuring the achievement of decent work outcomes at national level at large? What would be the optimal combination of partnerships and modalities, including with business and civil society for adequate funding of an effective and accountable ILO development cooperation?

Appendix I

Survey methodology

1. In June and July 2017, the ILO conducted an online survey of constituents concerning the future of ILO's development cooperation. The 194 respondents represent 106 member States and one regional intergovernmental organization. All ILO constituents and regions are adequately covered in the survey. Table 1 reflects the distribution and proportion of country representation per region.

Table 1. Distribution of constituents responding to the survey by ILO region

ILO region	Representation in the survey (%)	Number of responding countries	Number of ILO member States
Africa	50	27	54
Americas	63	22	35
Arab States	73	8	11
Asia and the Pacific	50	18	36
Europe and Central Asia	61	31	51

2. Responses were weighted to avoid over-representation of responses of a particular constituent type in a particular country, in the event that more than one response was received. Thus the proportion among respondents per constituent type is as follows: 68 responses from employers' organizations, 72 responses from workers' organizations, and 54 responses from government representatives.
3. In parallel with the online survey sent to constituents, a similar survey was issued for selected development partners from ILO's development cooperation portfolio. The 24 respondents represent OECD and non OECD-DAC countries, UN agencies at the headquarters and field offices level, non-governmental organizations and business partners.
4. Both surveys collected inputs on the importance of different areas of support for the implementation of the SDGs, and on how constituents and development partners would see this support changing in the 2030 horizon. The surveys included multiple choice questions, along with open answer fields for suggestions, looking at matters such as the diversity of partners at the national level, and challenges and opportunities for the ILO's development cooperation.
5. Table 2 summarizes the applied methodology for each figure mentioned in the present ILC 2018 report. The summary of methodology applied in charts and tables presenting results from the survey are organized in order of appearance. The table also brings the questions and answer options of the survey for each finding, guiding the reader in the overall conclusion of each query.

Table 2. Description of results from the constituent and development partner survey presented in the report, in order of appearance

Topic	Respondents	Question and answer options	Description of charts and survey results discussed in the text
Importance of trends with regards to their influence on the ILO's development cooperation (Chapter 1).	Constituents	<p><i>"Within the 2030 horizon, how important are the following trends with regards to their influence on the ILO's development cooperation?"</i></p> <p>Respondents were asked to indicate the respective level of importance of 12 trends on a scale from 0 (not important) to 100 (very important).</p>	The chart shows the median value ¹ of importance on a scale between 0 and 100 that constituent survey respondents respectively selected. Results for constituents are also shown by constituent type.
Need for improvement of the ILO's development cooperation activities with regards to principles of effectiveness (section 5.2.2)	Development partners	<p><i>"In your view, to what extent should the ILO improve its work on implementing the four internationally agreed effective development cooperation principles?"</i></p> <p>Respondents indicated their views on each of the four principles on a scale between 0 (no improvements needed) to 100 (major improvements needed).</p>	<p>The presentation of survey results in the text is based on the median value of the need for improvement on a scale between 0 and 100 that development partner survey respondents selected.</p> <p>The values attributed to each principle are as follows: (a) ownership – 52; (b) focus on results – 71.5; (c) inclusive partnerships – 58.5; and (d) transparency and accountability – 57.</p>
Measures that could improve the relevance, impact and sustainability of the ILO's capacity development activities (section 5.2.2)	Constituents Development partners	<p><i>"What could improve the relevance, impact and sustainability of ILO's capacity development activities?"</i></p> <p>Respondents selected three measures they considered most important among measures proposed.</p>	<p>The presentation of survey results in the text is based on the frequency that a particular response was selected respectively by constituents and development partner survey respondents, relative to all responses. Results for constituents are also discussed by constituent type. Findings in the text reflect median value attributed to each measure, according to their frequency.</p> <p>The values attributed to each measure are (from the most important): (a) ensure that capacity development interventions are carried out within the framework of national development strategies and programmes (e.g. UNDAFs, DWCPs); (b) jointly determine with the beneficiary organizations performance objectives and targets to help measure and track the impact of capacity development activities; (c) assess, prioritize and agree on capacity development needs with the beneficiary organization; (d) in collaboration with ITC–ILO, enable local training providers to become the lead providers of training on world of work issues in their country/region; (e) ensure participants in capacity development activities are provided opportunities to apply the learning in their organization; (f) carry out (self) assessments to measure changes in capacities (before and after, over time); and (g) when performance targets are not met within the Organization after an ILO capacity development activity, new or additional ILO capacity development activities are provided conditional to the Organization taking corrective action.</p>

Topic	Respondents	Question and answer options	Description of charts and survey results discussed in the text
Importance of financial and non-financial contributions in support of decent work outcomes within the 2030 horizon (section 5.2.2)	Development partners	<p><i>“Within the 2030 horizon, what kind of financial and non-financial contributions are important for your institution to support the achievement of decent work outcomes and SDGs?”</i></p> <p>Respondents were asked to indicate the respective level of importance of 12 different types of contributions on a scale from 0 (not important) to 100 (very important).</p>	<p>The presentation of survey results in the text is based on the median value of importance on a scale between 0 and 100 that development partner survey respondents attributed to each type of contribution.</p> <p>The type of contributions that survey respondents were asked to evaluate and the value attributed to them are: (a) SSTC – 75; (b) national public and private finance – 73.5; (c) national multi-stakeholder partnerships – 73; (d) innovative partnerships – 72.5; (e) global multi-stakeholder partnerships – 70.5; (f) earmarked financial contributions – 70; (g) partners’ attribution and visibility – 60; (h) medium-term financial contributions – 51.5; (i) national development plans – 51.5; (j) UN-led multi-partner trust funds – 49; (k) ILO-led multi-partner trust funds – 48; (l) unearmarked financial contributions – 43.</p>
Importance of different areas of support for ILO development cooperation, 2017 and 2030 (section 7.2)	Constituents (figure 8) Development partners (figure 9)	<p><i>“Given the present global context, how important are the following areas of support for the ILO’s development cooperation efforts? How do you see this changing by 2030?”</i></p> <p>For each of eight areas of support, respondents were asked to select an option out of four to indicate the respective level of importance in the present context and by 2030. The options are as follows: 0 = not important, 1 = slightly important, 2 = very important, 3 = extremely important.</p>	<p>The charts show the average value of importance that constituents and development partner survey respondents respectively selected. The average is taken of an index that assigns numerical values to the four options that respondents of the survey had available.</p> <p>Results for constituents are also discussed in the text by constituent type.</p> <p>The eight areas of support are: (a) capacity development with and for constituents and other partners; (b) normative support related to international labour standards; (c) direct assistance (e.g. training, livelihood support and grants) to local groups or organizations; (d) promoting tripartite social dialogue; (e) convening stakeholders on world of work issues and forging and leveraging partnerships, including through SSTC; (f) evidence-based policy advice, technical support and advocacy; (g) assisting member States with data collection and analysis; (h) reliance on and access to other sources of funding and financing mechanisms (e.g. Green Finance, multi-partner trust funds, crowdfunding, etc.).</p>

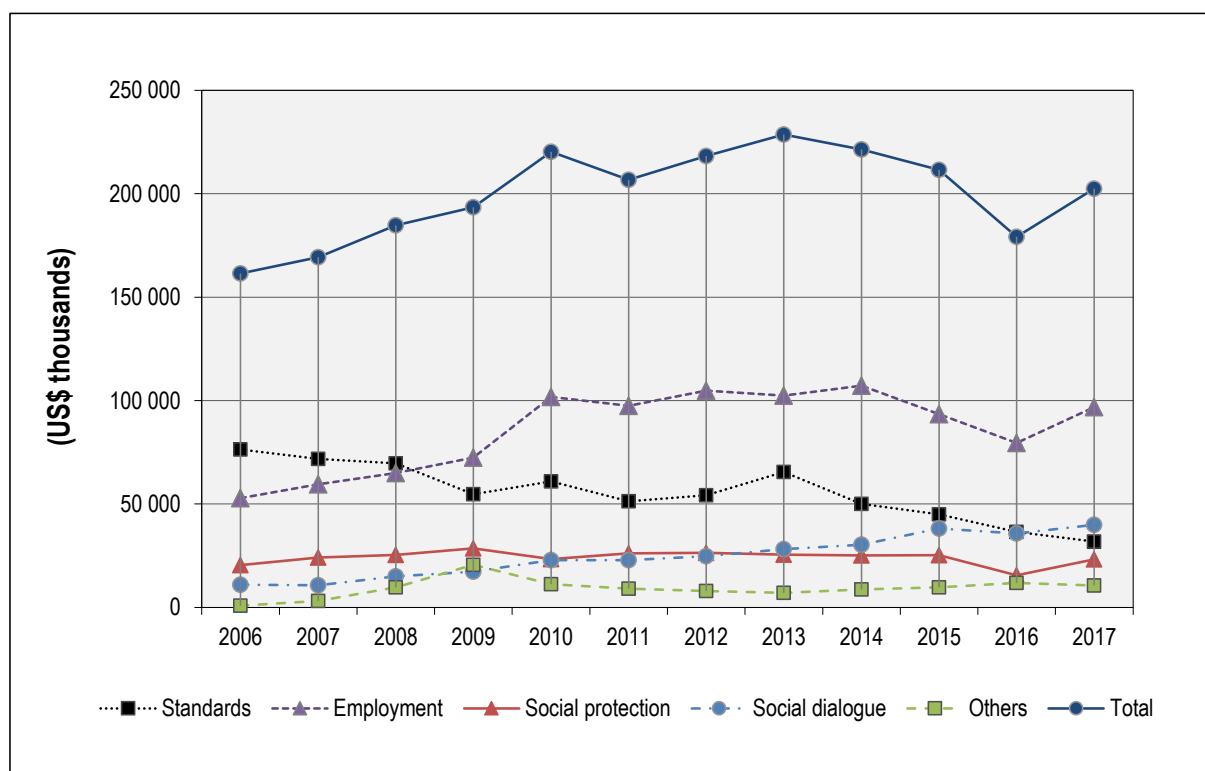
Topic	Respondents	Question and answer options	Description of charts and survey results discussed in the text
Importance of aspects of ILO development cooperation within the 2030 horizon for the achievement of decent work outcomes (section 7.2)	Constituents (figure 10)	<p><i>“Within the 2030 horizon, how important for your organization are the following aspects of ILO’s development cooperation to achieve decent work outcomes?”</i></p> <p>Respondents were asked to indicate the respective level of importance of eight aspects on a scale from 0 (not important) to 100 (very important).</p>	<p>The chart shows the median value of importance that constituent survey respondents selected on a scale between 0 and 100. Results are also shown by constituent type.</p> <p>The description of the aspects of ILO’s development cooperation to achieve decent work outcomes for both constituents’ and development partners’ surveys is as follows: (a) participating in the design of the ILO’s development cooperation interventions; (b) participating as a beneficiary of the ILO’s development cooperation services; (c) participating as a provider of the ILO’s development cooperation (e.g. planning, steering and evaluation); (d) engaging in the governance and monitoring of the ILO’s development cooperation (e.g. planning, steering and evaluation); (e) mobilizing complementary resources for decent work outcomes (e.g. through national budgets, loans, private funding, in-kind contributions such as expertise, premises, etc.); (f) conducting mutual assessments of how the ILO’s development cooperation contributes to the achievement of the SDGs in the respondent’s institution; (g) participating in initiatives linked to transparency of results and finance flows; (h) contributing to SSTC in relation to decent work.</p>

¹ The median is a measure of central tendency that corresponds to the mid-point of a set of numbers: half of the numbers are below the median value, and the other half above.

Appendix II

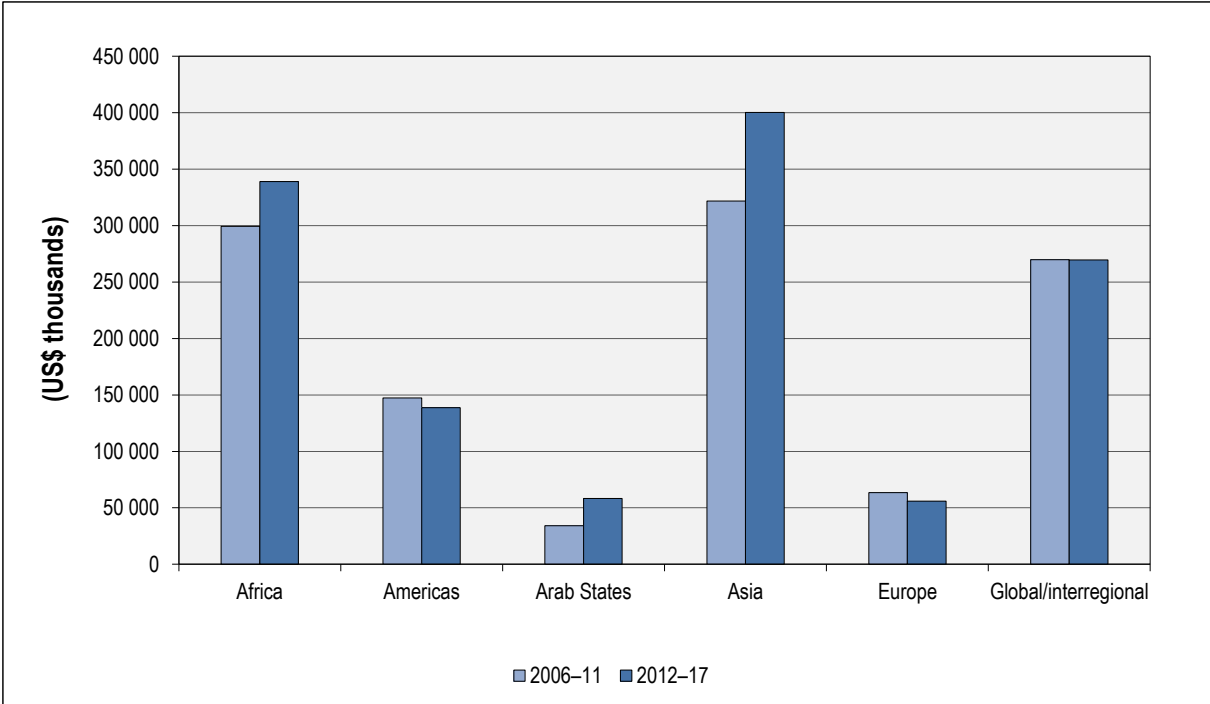
ILO extra-budgetary development cooperation expenditures, 2006–17

Figure 1. Extra-budgetary development cooperation expenditures by policy area, 2006–17 *



* Initial data as at 7 December 2017.

Figure 2. Extra-budgetary development cooperation expenditure by region, 2006–17 *



* Initial data as at 7 December 2017.