



EIGHTH ITEM ON THE AGENDA

**Report on programme
implementation in 2002****Contents**

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Introduction

1. This paper provides an overview of ILO programme implementation in 2002, in keeping with the commitment made to report annually to the Governing Body on ILO performance.¹ It provides current information on implementation and the progress the Office is making. It also notes changed conditions that may have led to modifications in strategies, or realignments of focus that may merit guidance from the Governing Body.
2. This is the second mid-term implementation report since the introduction of strategic budgeting. Both the mid-term and final implementation reports for 2000-01 focused mainly on results achieved to date. Members of the Governing Body indicated that they would like to see more description of actual strategies and approaches being used, what the Office was learning and how it was applying that learning to its work. As well, since the mid-term report is considered at the same session as the next programme and budget, a more in-depth look at actual implementation strategies would provide useful information to the Governing Body in its deliberations. The Office therefore proposes to focus the mid-term report mainly on implementation. Beginning with this report, the mid-term report will move towards being a review of strategy, noting preliminary results that either validate the approach of the Office, or identify needed corrections to existing strategies. A review of strategy will become more meaningful as the Office increasingly has the tools for this, through improved resource and management tools now in development, and as the regular evaluation cycle is established. The Director-General has emphasized his interest in more attention to delivery and programme management for results. The final implementation report at the end of the biennium will continue to focus primarily on results.
3. All implementation reporting complements other information available to the Governing Body on the activities and impact of the ILO, such as that found in Governing Body committee reports, and on the ILO web site.
4. Consistent with the proposed model, information is provided under each strategic objective, focusing on preliminary results, confirmation of approaches, and any points where budgets, targets, strategies or conditions set out in the original programme and budget may need adjustment. In this way the response of management to changing conditions will be clear.
5. Introductory sections summarize the current priorities and focus of action in each region, and conditions affecting the Office as a whole. The report concludes with a short discussion of progress in cross-cutting areas and in management, support and governance.
6. This report also provides interim resource information. A table with updated technical cooperation projections and preliminary estimates for 2000-01 surplus expenditure in 2002-03 is provided for each operational objective. Actual expenditure information will be included in the final implementation report.

¹ GB.276/PFA/9, paras. 157-158.

Implementation of improvements in strategic budgeting

7. The Office is continuing its long-term commitment to implement a results-based management approach, now entering its third cycle with the development of the Programme and Budget proposals for 2004-05. These proposals, developed during 2002, take into account lessons and feedback from earlier programme and budget exercises.
8. While much remains to be done, there has been considerable progress in the implementation of strategic budgeting in the Office. Measures have been taken to improve performance in three key areas, with varying degrees of progress:
 - Relevance – the Organization’s responsiveness to the needs of its constituents – has been greatly aided by the new programme and budget format, which clearly states the Organization’s priorities and establishes the broad framework and specific targets for results. This has enabled constituents to better direct the main thrust of the Office’s work towards agreed priorities. This in turn has led to a greater emphasis on priorities at the regional level, to involving constituents in country level programming, and to a closer link between the priorities of the ILO and those of the Millennium Development Goals, the poverty reduction strategies, and other elements of the international development agenda.
 - Effectiveness – the quality of result achieved – is being addressed through the progressive refinement of objectives, indicators and targets in successive programme and budgets. There is still much to be done in this area however to ensure that the real relationship between the Organization’s work and the intended outcome is understood and demonstrated to the extent possible, given that the causes of major policy change in a member State are generally diverse, and not necessarily immediately directly attributable to ILO efforts. However, in line with results-based principles, the Office will continue to limit the use of “production” measures (reports published, seminars held).
 - Efficiency – achieving results for an acceptable resource investment – is in many ways the most challenging element for the Office to implement. The part of this challenge that relates to the Office’s financial and personnel management systems is to be addressed by the Integrated Resource Information System (IRIS), for deployment in 2004. IRIS will link personnel and financial systems, and allow for modern analytical reporting. This will provide significant efficiency information for day-to-day management as well as improved Organization-wide accountability.
9. The final implementation report for 2000-01 noted that the first stage of implementation of strategic budgeting had been substantially completed in 2000-01 with the development of a results-based framework, the restructuring of the Office and a first biennium’s experience of stating and reporting on objectives. It also noted that the next phase would focus on deepening the practical application of this approach. Steps in 2002 include the establishment of a work planning database for all technical and regional units, available across the Office through the Intranet, to establish distinct performance goals at the working level and to enable better collaboration between technical and regional units. In addition, the first two evaluations of InFocus programmes were completed and submitted to the Governing Body in November 2002.
10. A number of initiatives were under way in 2002 related to the elaboration and application of new approaches to planning. These initiatives seek to better involve regional and technical staff; better integrate planning for regular and extra-budgetary funds and focus attention on country-relevant results. These include:

- an initial “strategic budgeting” training programme, developed with support from the United Kingdom and delivered to programming staff in all regions in 2002 (this was noted positively by the External Auditor);
- a new approach to planning the Programme and Budget for 2004-05 that integrates regional priorities (see further discussion in the programme and budget);
- the “technical cooperation resource allocation mechanism” pilot, which integrated the ILO’s strategic priorities with the technical cooperation project identification process (work on this approach is continuing based on lessons learned in 2002);
- the development of a new approach to programming that uses country-level results as an integrating factor. (The ILO’s Senior Management Team approved a participatory approach to this development in November 2002; work will build on practices already developed and in use.)

Developments in the regions

Africa

11. Africa continues to face some of the most challenging conditions inhibiting the realization of decent work – from civil strife and instability, to the spread of HIV/AIDS and its devastating social and economic impacts, to persistent poverty. However, over the past few years there are hopeful signs. The Africa Economic Report (ECA, 2000) reveals that the continent’s gross domestic product (GDP) has, for the fifth successive year, grown faster than its population. Furthermore, positive dividends are being reaped on many fronts: political pluralism has continued to replace dictatorship through credible elections and democratic systems; the fight against HIV/AIDS is yielding promising gains and prevalence reversal in a number of countries including Uganda and Senegal; peer pressure is having attenuating impacts on internal and cross-border conflicts.
12. The New Partnership for Africa’s Development (NEPAD) is set to give fresh impetus to these positive developments. The ILO-supported Organization for African Unity, now African Union Ministerial Meeting on Employment and Poverty Reduction (Ouagadougou, Burkina Faso, 2002) provided the appropriate context to mainstream social concerns into the NEPAD framework. Five interrelated priority concerns must be addressed: poverty reduction, good governance, crisis management, HIV/AIDS prevention and impact mitigation, and regional integration. These priorities are reflected in the conclusions of several forums on Africa’s development including the 1999 African Regional Meeting, the 37th Ordinary Session of the OAU Heads of State and Government which adopted NEPAD, and the tripartite 25th OAU Social Affairs and Labour Commission, amongst others. The outlook for 2004-05 will largely be determined by progress made in the realization of the objectives set out in these documents, and towards meeting the Millennium Development Goals (MDGs), which have a particular focus on Africa.

Americas

13. The Americas have been working in a dynamic environment in the course of 2002. Major events such as persistent and growing economic, political, financial and social crises in many countries have arisen, coupled with natural disasters and agricultural commodity price collapses. The loss of foreign investment capital linked to this instability and increased risk has added to negative employment impacts. These factors have considerably

affected the efforts made to reach development goals and have increased demands for the ILO to assist in dealing with crisis and post-crisis situations such as those in Colombia and Argentina.

14. The Fifteenth American Regional Meeting of December 2002 confirmed the region's ongoing priority of "decent work and protection for all", along with a recognition of the linkages between globalization and decent work. It did so recognizing that decent work deficits this year have been particularly accentuated by high unemployment rates and limited unemployment compensation mechanisms outside of Argentina, Chile, Uruguay and Venezuela. Crisis situations in these countries and others have triggered historically high informal work rates, around 50 per cent for the period 2001-02 as an average, as well as increasing precariousness of work. Therefore, ILO work in the region has focused on the consequences of the economic slowdown with special attention on the most vulnerable sectors.
15. Much work is being done to ensure that decent work is a central objective of regional integration processes, such as the Free Trade Area of the Americas, aspired to for 2005. High-level regional meetings and tripartite partners are promoting decent work in all situations. The increase in ratifications of international labour standards is a good example of the growing rights-based approach to decent work. Strategies for decent work also take account of the challenges faced by small economies, such as those of the Caribbean, focusing on enterprise-level productivity and competitiveness through improved management-labour cooperation, and prevention and elimination of discrimination. However, development in the Caribbean is threatened by the continued upward trend in HIV/AIDS and a prevalence rate second only to sub-Saharan Africa.

Arab States

16. Since the Programme and Budget for 2002-03 was adopted in mid-2001, the Arab States region has seen setbacks to the peace process that was envisioned as one of two major focuses of work in the region. Work continues on the other focus (promotion of decent work) but some of the resources that were intended to support programmes of institutional, social and economic rehabilitation in the Palestinian territories, Lebanon, Iraq and the Syrian Arab Republic have been redirected into programmes to provide immediate interim support and assistance to basic labour market institutions and services damaged or destroyed in the Palestinian territories over the past year.
17. New extra-budgetary programmes to promote the Declaration on Fundamental Principles and Rights at Work and provide for practical application of its principles, to combat child labour and to address issues relating to gender, poverty, employment and social protection have improved the level of service the ILO is able to provide in these areas.

Asia and the Pacific

18. The events of 11 September 2001 and its aftermath have had a considerable impact on this region. The opening of Afghanistan to democracy calls for a major effort of recovery, reconstruction and development, while the recent bombing in Bali demonstrates the longer term effects that acts of terror can have on local economies. The ILO is reviewing its interventions in countries affected by terror and the threat of terror to develop appropriate responses that reinforce decent work. Ongoing concerns for the region are linked with countries emerging from conflict such as Fiji and East Timor.

19. IPEC is the largest technical cooperation programme in many of the countries of the region. The signing of a Memorandum of Understanding with the Asian Development Bank for collaboration on poverty reduction and social protection opens new avenues for technical cooperation both in terms of financing and influence. In addition, it marks a concrete step towards integrating a decent work framework in the international development agenda. Following on the conclusions of the Thirteenth Asian Regional Meeting, work is under way in a number of countries to assist the constituents to develop, implement and monitor national plans of action for decent work.
20. The region has developed a planning framework called Decent Work National Plan of Action (DWNPA). The first one, based on extensive consultations with the constituents, was completed in the Philippines and is the first decent work pilot programme in the region. A draft plan of action for Indonesia has been prepared for discussion with constituents. Preliminary work on DWNPA is under way in China, Mongolia, Cambodia, Bangladesh and Sri Lanka. It is envisaged that by the end of the biennium ten countries in the region will have developed DWNPA's. This work will inform the development of country-based programming for the ILO as a whole.

Europe

21. As identified in the Sixth European Regional Meeting, major priorities during the 2002-03 biennium are to centre on the ILO's role in the European accession process for 13 candidate countries, on the Social Cohesion Initiative of the Stability Pact for South-Eastern Europe, and consolidation of democracies in the Commonwealth of Independent States. Important initiatives spearheaded by the Budapest subregional office are a series of case studies comparing pension systems in Central and Eastern Europe and increased capacity building of the social partners and ministries of labour and social affairs to deal with issues of the Decent Work Agenda. The EU accession process creates momentum for ILO constituents to adopt ILO standards as part of the EU *acquis communautaire*. Closer working relations with the EU Commission are also high on the ILO agenda. The Social Cohesion Initiative of the Stability Pact constitutes a useful forum to address labour and social issues faced by countries of South-Eastern Europe recovering from several years of conflict. EU accession has become a driving force for change in the Stability Pact countries despite it being a long-term prospect for countries other than Bulgaria and Romania.
22. An integrated approach to promoting decent work within Eastern Europe and Central Asia has been outlined in a policy paper for donors, constituents, United Nations agencies and other partner institutions. For the Commonwealth of Independent States, constituent priorities are poverty alleviation, employment, income generation and social protection. The ILO response emphasizes integrated and inter-sectoral initiatives, which capture multiple aspects of decent work.

Global developments

Impact of the events of 11 September 2001

23. In the aftermath of 11 September 2001, the world community's attention turned to a number of issues where the ILO's expertise has been called upon. A worldwide demand for greater security of air traffic, shipping and ports has meant an accelerated time frame for work already under way on various maritime instruments, particularly seafarers' identity documents and port security. The ILO is internationally recognized as having the expertise and authority needed to develop globally accepted instruments that also

safeguard workers' rights and protect access to work for those from less developed countries. However, meeting these demands has required some readjustment to work foreseen in all sectors.

Major world/United Nations conferences

24. Globalization and its economic and social impacts have created a renewed interest in the ILO, its mandate and its tripartite constituency. Notably, through the work of the World Commission on the Social Dimension of Globalization, the Decent Work Agenda is gaining international recognition and provides opportunities for the ILO to make a more significant contribution to the international development agenda. This agenda has been shaped by three major conferences in the past two years: Doha, Monterrey and Johannesburg. At each of these conferences, the ILO has been recognized as the leading institution on all aspects of the social dimensions of globalization.
- At the World Trade Organization Doha Conference on Trade and Development, a group of mainly industrialized countries stressed the importance of core labour standards, and the social dimension of globalization called for a clear reference to the work and mandate of the ILO. This was difficult to accept for developing countries (the G77) who did not want to see any conditionality placed on trade development. The compromise reached in Doha confirms the declaration made regarding internationally recognized core labour standards at the earlier Singapore Ministerial Conference. The declaration “notes the work under way in the International Labour Organization on the social dimension of globalization”.
 - The Monterrey Consensus adopted at the Conference on Financing for International Development in March 2002 provides a number of strong entry points for the ILO. For instance the ILO was encouraged in its work on the social dimension of globalization, thus acknowledging the importance of integrating the social dimension into the formulation of economic and financial policies. This reinforces the potential for an enhanced role for the ILO in the governance structure of the global economy.
 - Finally, the Johannesburg World Summit on Sustainable Development confirmed the need to integrate social, economic and environmental policies at the national and global level. While this is recognized as an immense and complex undertaking, after the Johannesburg Summit this is now accepted as an urgent necessity. One important outcome of Johannesburg for the ILO is the paragraph in the final declaration that reads: “We also promise to provide assistance to increase income-generating employment opportunities, taking into account the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization.”² Another element was the link between the private sector and the development process, where the ILO has important contributions to make, for instance through the Global Compact, small and medium enterprise development and youth employment.
25. The outcomes of these major global conferences will need to be effectively linked and mainstreamed within the overall process of managing the ILO's contribution to the achievement of the MDGs and decent work. Other United Nations and international conferences where the ILO has had an impact are noted in the section on external relations and partnerships at paragraph 136.

² Para. 28, Report of the World Summit on Sustainable Development, A/CONF.199/20.

Global development agenda

26. The international development community, including the ILO's major donors, is making a strong plea for coherence of development policies at national and international levels. Two instruments to achieve more coherence are emerging: the MDGs and the Poverty Reduction Strategy Papers (PRSPs).
- PRSPs are increasingly seen as the vehicle to coordinate and macro-manage development and social policies and strategies at the country level for many developing countries. Even if countries are not involved in a PRSP process as such, often the national development plan has a similar strong focus on poverty reduction. In 2002, the Office has substantially increased its focus in this area, bringing together the work of sectors, regions and the Turin Centre to build the capacity of constituents to intervene effectively and to develop a sound knowledge base illustrating the centrality of employment to poverty reduction.
 - International political support for the MDGs is increasing and they are achieving the status of universally accepted objectives for development policy. The global campaign to achieve the MDGs involves a myriad of actors and processes. The ILO joined the United Nations Development Group in 2002, and through this is identifying areas where the Decent Work Agenda can provide a useful contribution to global and national development work.

Developments in the ILO

Technical cooperation

27. Total approvals in 2002 are likely to amount to some US\$163 million with multi-bilateral donors representing over 97 per cent of extra-budgetary funding to the ILO. Although the total amount of the ILO's technical cooperation has grown, there are two concerns for the coming years:
- Multi-bilateral funding has been dependent, to a large extent, on a few donor partners. The Office needs to diversify and broaden its donor base and increase its capacity in resource mobilization. The Office has undertaken two main strategies: developing new opportunities at the local level, reflecting donor decentralization; and consolidating relations with current donors through multi-year partnership programmes.
 - There is a need for innovation and new programme development beyond the current ILO flagship programmes. New areas for which technical cooperation may be developed in the coming years include migration, youth employment and the informal economy.
28. At the end of 2002, estimates for delivery of technical cooperation in 2002-03 are significantly higher than originally forecast for the biennium in the Programme and Budget for 2002-03 – a total of US\$215.1 million compared to US\$188.5 million. This is mainly due to the significant increase in approvals compared to previous years and to original forecasts. This positive development is reinforced by the fact that the increase is not limited to child labour, but extends to all objectives, most strikingly in the areas of employment policy support and government and institutions of social dialogue, where donor interest has led to significant increases over original projections. However, there are concerns that not all of this increased delivery will be realized. For example, recent civil

unrest in Côte d'Ivoire has affected the ILO's regional headquarters in Abidjan, which may have an impact on the ILO's capacity to deliver planned technical cooperation projects in Africa.

29. Detailed information on the ILO's technical cooperation programme can be found in the annual reports to the Governing Body in November. The most recent report is *The ILO's technical cooperation programme 2001-02*, GB.285/TC/1.

The World Commission on the Social Dimension of Globalization

30. The World Commission on the Social Dimension of Globalization was established by the ILO Governing Body in February 2002. It is co-chaired by President Tarja Halonen of Finland and President Benjamin Mkapa of the United Republic of Tanzania. The Commission was established to respond to the needs of people as they cope with the unprecedented changes which globalization has brought to their lives, their families, and the societies in which they live.
31. The broad goals of the Commission are:
- to identify policies for globalization which reduce poverty, foster growth, employment and development in open economies, and widen opportunities for decent work;
 - to identify policies which can make globalization more inclusive, in ways which are acceptable and seen to be fair to all, both between and within countries;
 - to assist the international community to forge greater policy coherence in order to advance both economic and social goals in the global economy.
32. The Commission held its first meetings in March, May and October 2002, and is expected to release its final report by the end of 2003. The ILO provides secretariat support to the Commission, which is sustained through regular budget funds.

US\$2,800,000 from the 2000-01 surplus is being used in 2002-03 to support the Commission.
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Creation of the Policy Integration Department

33. The Policy Integration Department became operational at the beginning of 2002 with the task of providing analytical and substantive support to the Office's work on policy integration. The Department and its units are working in close collaboration with technical sectors, regional programmes and other units with cross-cutting responsibilities in order to deliver key products. The Department provides a substantive framework, technical support and an institutional mechanism which helps different technical units to work together towards common goals. Issues addressed during 2002 include poverty reduction and decent work, foreign direct investment and export processing zones. The Department also established the internal Working Group on the Informal Economy.
34. From the international to the national level there is a widespread demand for a more integrated approach to economic and social policies. The Department leads analysis on global and national issues with a bearing on the Decent Work Agenda and supports the ILO's participation in global debates on economic and social policy integration. Working

with regions, the Department supports decent work pilot programmes at the national level and is developing an integrated approach to PRSPs. Overall, the Department's role is to identify and enhance cross-sectoral linkages and to facilitate increased coherence in the Office's work, in partnership with other management and cross-cutting bureaus within the ILO. It does this in part by improving understanding and linkages between the global agenda and that of the ILO.

35. The Department's Statistical Development and Analysis Unit has started work on developing statistical indicators to measure the extent and type of progress towards reducing decent work deficits. The Department is also continuing the work of the Bureau of Statistics to generate, collect, analyse and disseminate statistical information on a range of products as well as to develop an integrated approach to the statistical underpinnings of the Decent Work Agenda.
36. Three posts from the new Department were decentralized to the regions (Africa, Americas and Asia-Pacific). This has helped the ILO to develop new areas of action, for example launching new activities on the impacts of globalization in Latin America and the Caribbean.

Key decisions of the Governing Body and International Labour Conference

Informal economy

37. At its 90th Session (June 2002), the Conference adopted a resolution on decent work and the informal economy. At its November 2002 session, the ILO Governing Body reviewed recent work on the informal economy and the plans set out by the Office for following up on the Conference conclusions (GB.285/7/2). These include an Office-wide Working Group on the Informal Economy, which serves as a forum for sharing information and identifying good practices in the work undertaken by the sectors and regions. Implementing the plan has required a small shift in resources in the current biennium and some surplus funds. Extra-budgetary funds are being sought.

Employment relationship

38. Following the decision of the Governing Body in 2001 to have a general discussion on the scope of the employment relationship during the 2003 International Labour Conference, the Office undertook the preparation of a Conference report. Additional resources were allocated during 2002 to facilitate consultations with employers, workers and governments on this topic.

Consolidation of maritime standards

39. The Governing Body's 2001 decision to proceed with a substantial project to consolidate maritime Conventions and Recommendations into a single instrument is proving to be a more complex process than originally envisioned. The number of instruments involved and the creation of a modernized mechanism for monitoring, enforcement and updating will have significant impacts on workers, employers and governments. Consequently, constituents have led the way in supporting more extensive preparatory work and expert meetings, which in turn has placed greater demands for technical support on the Office.

Tripartism and social dialogue

40. At its 90th Session (June 2002) the Conference adopted a resolution on tripartism and social dialogue. A report on this and on the ILO's proposed effect to be given to this was presented at the November 2002 Governing Body (GB.285/7/1). In its decision on the paper, the Governing Body requested that the Director-General to establish a plan of action to ensure that the work of the ILO is operationalized through tripartism and social dialogue during the current biennium and in 2004-05, and that the final implementation reports on both bienniums provide detailed information on how the resolution is being implemented throughout the ILO. This work is described in the Programme and Budget proposals for 2004-05.

Decision on use of the 2000-01 regular budget surplus

41. The Governing Body and the International Labour Conference agreed to the Director-General's proposal to retain part of the 2000-01 surplus in June 2002. These funds will be allocated to respond to specific needs within the overall strategic framework over the next four years. Access to this fund allows the Office to respond to additional, unexpected demands (such as the crisis situations in Colombia and Palestine) without a corresponding reduction in already planned objectives and provides additional value to the investments made in the strategic framework.

Strategic Objective No. 1: Promote and realize standards and fundamental principles and rights at work

42. The Programme and Budget for 2002-03 identified two key strategies for achieving this objective:
- strengthening a modernized normative system that is in tune with today's labour market realities;
 - recognition by States and the international community that social dialogue and tripartism is the most productive way to address social and economic issues that create persistent decent work deficits in member States.
43. Significant opportunities to promote international labour standards have opened up in this biennium. The potential to use international labour standards to deepen the decent work element of PRSP processes is being explored. Gender equality is being emphasized, especially through supervision of Conventions Nos. 100, 111, 156, and maternity protection Conventions. Work relating to instruments on the working environment, labour inspection and labour administration Conventions is contributing to ensuring environmental sustainability. Provisions of several Conventions are of importance in terms of combating HIV/AIDS. All these are being mobilized to promote a rights-based approach to development.

Operational objective 1a: ILO member States give effect to the principles and rights concerning freedom of association and collective bargaining and the elimination of forced labour, child labour and discrimination in employment and occupation

Performance indicators	Targets
<p>1a.1. Member States that have ratified either:</p> <p>(i) all eight fundamental Conventions; or</p> <p>(ii) at least one Convention in each of the four categories of fundamental principles and rights.</p>	<p>(i) 50 per cent of member States (87);</p> <p>(ii) 135 member States.</p>
<p>1a.2. Member States in which there are positive changes, as noted in the ILO Declaration Expert-Advisers' introduction to the compilations of annual reports on the Declaration.</p>	20 member States.
<p>1a.3. Member States that have begun implementation of gender-sensitive technical cooperation that specifically addresses needs or problems identified in reports submitted under the Declaration, the introduction by the ILO Declaration Expert-Advisers and plans of action adopted by the Governing Body.</p>	20 member States.

44. Technical advisory services, information and capacity-building activities and technical cooperation are core services of the Office to promote ratification and application of ILO fundamental Conventions. Since January 2002, 15 member States have achieved the ratification of all eight fundamental Conventions, leaving five more to be achieved in this biennium. Moreover, five additional member States have ratified at least one Convention in each of the four fundamental principles and rights. Ratifications by six more member States are needed to reach the target of 135 member States.
45. There are three main elements to the strategy to assist member States to give effect to the principles and rights concerning freedom of association and collective bargaining and the elimination of forced labour, child labour and discrimination in employment and occupation:
- annual reports on situations where one or more fundamental Conventions have not yet been ratified;
 - a Global Report each year on one of the principles and rights; and
 - related action plans for technical cooperation.
46. As part of a strategy to facilitate positive changes in relation to fundamental principles and rights at work in member States, assistance is being provided to build confidence and support for eventual ratification in countries not yet bound by all fundamental Conventions. National employers' and workers' organizations are mobilized through information, advocacy and training. Discussions on China eventually ratifying the forced labour Conventions began with an initiating seminar in January 2003 to obtain a better understanding of the parameters of forced labour, and to agree on future activities. Work is ongoing in the Islamic Republic of Iran to promote the Declaration and Conventions through advisory work regarding freedom of association and collective bargaining as well as missions aimed at improving the application of selected Conventions.
47. The action taken in 2001-02 to incorporate the gender dimension in technical cooperation projects, through improved project design, indicators and targets, as well as gender training of project managers, is beginning to produce results. Support is being provided to mainstream gender equality objectives in workers' and employers' organizations and to

address the legislative and practical obstacles to achieving equality of opportunity and treatment for women and men. Work is in progress in a number of countries in all five regions to support governments to undertake gender-sensitive studies on the nature and location of forced labour, under the new Special Action Programme to Combat Forced Labour that became operational at the beginning of 2002. Support is also provided to governments to engage in awareness-raising activities with workers' and employers' organizations relating to all four principles of the Declaration.

48. The series of Global Reports for the Declaration continues. The 2002 report, *A future without child labour*, was discussed at the International Labour Conference in June 2002. The Global Report for 2003 is on the elimination of discrimination in respect of employment and occupation. At the same time, the Office is seeking to streamline work on the annual review, and to render its discussion more useful.
49. Interim results on indicator 1a.2 have also suggested changes to this measure to introduce a more explicit standard for progress. This is reflected in the Programme and Budget proposals for 2004-05.

Gulf Cooperation Council

Following the agreement of October 2001 between the ILO and the Gulf Cooperation Council countries, the Office collaborated with a number of those countries. In Saudi Arabia missions in early 2002 led to a review of the national law on workers' committees and promulgation of rules allowing national and foreign workers to establish committees at workplaces with 100 or more workers. A meeting to explain to a broader public the commitments of the Government under the Declaration and under ratified standards was held in January 2003. A national meeting in the United Arab Emirates provided an opportunity for a frank discussion on freedom of association and ideas for a law on the subject. A national meeting in Qatar considered the fundamental principles and rights within the context of globalization and decent work. In Bahrain, a series of ILO activities relating to labour law and employment issues helped the Government adopt the first labour law on trade unions in the Gulf in September 2002. These actions demonstrate how the follow-up to the Declaration has identified valuable areas of work, and has combined with national forces at play to help countries move to give greater effect to fundamental principles and rights at work.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	17 450 000	–
Adjusted as of 31 December 2002	12 677 000	511 010
Change	-4 773 000	511 010

Note: 2000-01 surplus funds are being used in the regions to give effect to labour standards e.g. in Colombia. More information will be available at the end of the biennium as programming began only in late 2002. Changes in the projection for technical cooperation expenditure show revised estimates based on information available at the end of 2002.

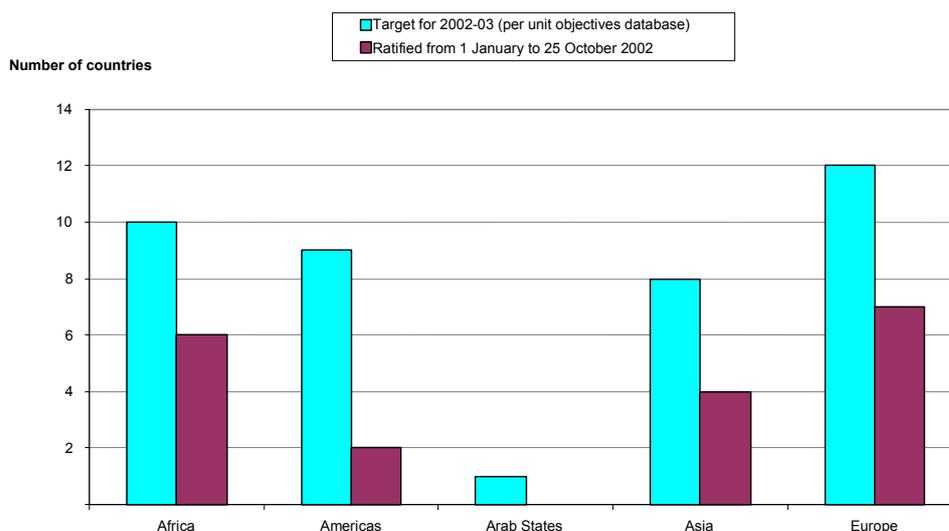
Operational objective 1b: Child labour is progressively eliminated, priority being given to the urgent elimination of its worst forms and to the provision of alternatives for children and families

Performance indicators	Targets
1b.1. Member States that ratify: (i) the Minimum Age Convention, 1973 (No. 138); (ii) the Worst Forms of Child Labour Convention, 1999 (No. 182).	(i) 30 additional member States; (ii) 65 additional member States.
1b.2. Member States that carry out national quantitative and qualitative studies on the extent of child labour.	32 additional member States.
1b.3. Member States that formulate policies and programmes specifying time-bound targets for the elimination of the worst forms of child labour, taking into account the special situation of the girl child.	20 additional member States.
1b.4. Children who benefit from ILO action in particular in regard to the worst forms of child labour and the girl child.	1 million.

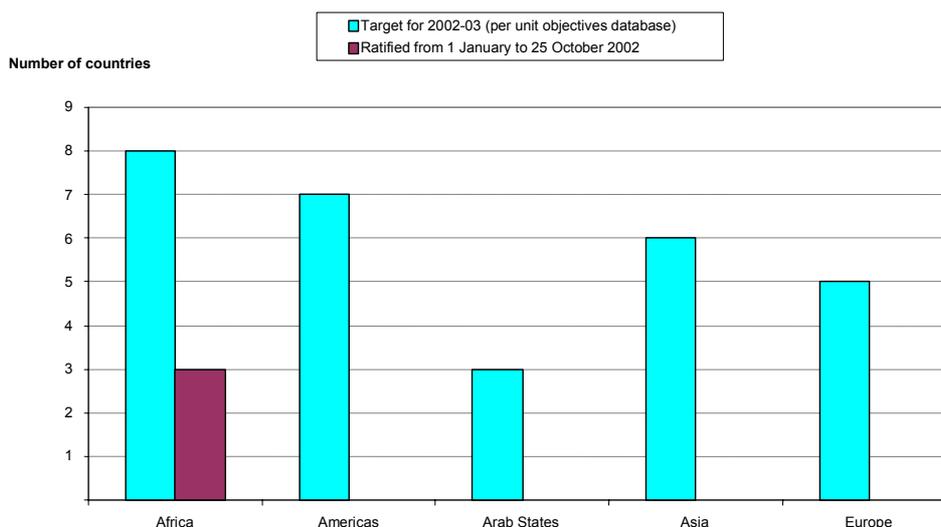
- 50.** In June 2002, ten years after launching a worldwide campaign against child labour, the ILO issued the landmark global study *A future without child labour, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work*.³ The ILO's most comprehensive report on the subject to date describes the worldwide response to calls for abolishing child labour, especially in its worst forms, through direct action at the local, national and international levels.
- 51.** The InFocus Programme on Child Labour (IPEC) maintained wide and diversified donor support during 2002. However, IPEC is faced with a constantly increasing demand for support from ILO member States as follow-up to ratification of Conventions Nos. 182 or 138, or in order to step up activities in countries where there is a desire to expand the programme. Securing donor resources at the international level will continue to be a priority for IPEC and new approaches to resource mobilization will be explored and implemented. The last few years have seen an increasing number of examples of substantial cost sharing at the local level for various projects with both public and private counterpart agencies.
- 52.** The campaign for universal ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182), has given the general fight against child labour a new urgency and scope, by focusing world attention on its worst forms. As of the end of December 2002, Convention No. 182 had been ratified by 132 of the ILO's 175 member States, with 19 ratifications registered in 2002. In fact, the target for ratifications in 2002-03 (65 additional member States) was already out of date by the beginning of the biennium, as a higher level of ratifications in 2000-01 meant only 62 States remained to ratify at the end of that biennium. By the end of 2003 virtually all member States with a real capacity to do so will have ratified this Convention. Consequently, indicators for success in this area have been modified in the Programme and Budget for 2004-05 to focus on other aspects of the ILO's work in combating child labour. Progress in ratification of the Minimum Age Convention, 1973 (No. 138), has also been good, rising to 120 member States at the end of 2002. The pace of ratification is also slowing for this Convention, reflecting the large number of ratifications in the previous biennium (32 against a target of 20). To date there have been four additional ratifications in 2002.

³ International Labour Conference, 90th Session 2002, ISBN 92-2-112414-9.

Ratification of Convention No. 182



Ratification of Convention No. 138



53. Close cooperation exists between IPEC and other units across the Office regarding the normative aspects of child labour and the implementation of relevant Conventions. Many ILO programmes have collaborated on child labour efforts that also address other ILO priorities, such as improvements in occupational safety and health, employment development and social dialogue. During 2002, contacts were reinforced between standards specialists in the regions and the IPEC legal advisers to maximize effectiveness and coherence in assisting ILO constituents with ratification, national legislation and implementation. IPEC also contributes to the monitoring of ratified child labour Conventions through the ILO supervisory organs, such as the Committee of Experts on the Application of Conventions and Recommendations.

54. As the focus passes from ratification to implementation of these Conventions the ILO's work emphasizes awareness raising and legal and policy advice to member States. Some major events in 2002 were:

- the “**Red card to child labour**” football campaign launched to coincide with the start of the 2002 African Cup of Nations held on 19 January 2002 in Bamako, Mali. This built on the popularity of the event to generate the widest possible public awareness of child labour and to encourage people to support the global movement against it. It is estimated that 17 million people received the message in Kenya and Zambia alone. In Egypt and Ghana, enthusiasm for the campaign was so great that it will continue to be part of many upcoming football competitions and other public events;
 - the Inter-Parliamentary Union (IPU) and the ILO launched a **Handbook for parliamentarians** entitled “Eliminating the worst forms of child labour: A practical guide to ILO Convention No. 182”, which was presented to the 283rd Session of the Governing Body in March 2002. The Handbook was introduced to the world parliamentary community through a panel on the worst forms of child labour, organized jointly by the two organizations on the occasion of the IPU Conference in Marrakech in March 2002 at the invitation of the Moroccan Parliament. It aims to provide policy-makers with the tools to translate international child labour legislation into effective action in a range of local contexts;
 - on 12 June 2002, the ILO formally launched the “**World Day against Child Labour**”. The World Day will be held annually to intensify support for the global campaign against child labour and will also serve as a catalyst for enhancing the growing worldwide movement against child labour;
 - in June 2002, IPEC launched a new **education and social mobilization initiative (SCREAM)** to help educators promote understanding and awareness of child labour among young people.
55. The new focus on technical support to implementation after ratification has meant new demands from constituents for research and data collection. The **Statistical Information and Monitoring Programme on Child Labour**, IPEC-SIMPOC, currently has 32 national child labour surveys at various stages of implementation. In addition, 38 rapid assessments (RAs) on selected worst forms of child labour in 19 countries and one border region were completed in 2002. IPEC’s strategy to improve data collection and research capacity among member States includes strengthening its function as both a source and clearinghouse for child labour research and good practices. Several important initiatives were undertaken or completed by SIMPOC during 2002. These include the new global estimates on child labour, a study on the links between HIV/AIDS and child labour in four sub-Saharan African countries and technical support for studies on child labour in West African cocoa plantations. The ILO’s bibliographic database, LABORDOC, contains some 2,200 references to child labour.
56. The ILO’s role is shifting from hands-on execution of projects to advisory services to countries as they formulate concrete policies and programmes, especially **time-bound programmes (TBPs)**. A key aspect of this strategy involves building collaboration with employers’ and workers’ organizations.
57. During 2002, the first three national TBPs in El Salvador, Nepal and the United Republic of Tanzania moved from preparation to implementation. The experience gained in this preparatory process of information gathering and stakeholder consultation has been highly instructive. The TBP initiative is now expanding to a growing number of countries. The formulation of national programmes has been completed in the Dominican Republic and the Philippines, and another is nearing completion in Ecuador. Bangladesh recently received funding approval for preparatory work and part of the implementation of its upcoming TBP and preparatory activities are at various stages in Costa Rica, Indonesia, Madagascar, Pakistan, Senegal and Turkey. IPEC is laying the groundwork for future

TBPs by designing current and future country and subregional programmes in such a way that capacity building for key IPEC partners and the development of the knowledge base for programme development and implementation will be in place.

58. Substantial progress was made during 2002 in advancing the networking initiative started last year. The project's goal is to stimulate national, regional, interregional and eventually global networks of technically competent and committed institutions and associations that can act as an ongoing force for child labour action. Its strategy includes creating these networks where necessary or supporting them where they already exist. So far, two interregional networks are in the process of being set up, one on development policy and the other on hazardous child labour, with gender as the cross-cutting theme in both.
59. The ILO is forging closer partnerships with employers' and workers' organizations, as well as with other institutions and groups that share the goal of abolishing child labour. On 10 May 2002, the ILO, UNICEF and UNHCR convened a joint event, highlighting child trafficking and how to counter it, at the UN General Assembly Special Session on Children (UNGASS) in New York. Aimed at world leaders and policy-makers, the event showcased some of the work undertaken by the ILO and UNICEF to prevent trafficking and to rehabilitate those who have fallen victim to it.
60. In setting the target of 1 million children benefiting from ILO action for the current biennium, the measurement of impact was expanded to include indirect as well as direct beneficiaries. Efforts are being made to make interventions cost-effective, affordable and easy to replicate so that a minimum amount of resources is necessary for the package of services required to remove a child from work. Budgetary allocations earmarked for direct action in 2002-03 will permit 500,000 units of direct services⁴ to be provided during this biennium.
61. This development-oriented approach more explicitly addresses the underlying, fundamental causes of child labour and brings about changes that can multiply the eventual impact on beneficiaries. It also lends itself to more sustainable action by equipping countries and constituencies to constantly analyse the issue of child labour and develop appropriate responses to child labour. The challenge for IPEC will be to measure how the creation of an enabling environment impacts on children and families, bearing in mind that some of IPEC's effects on children might show only in the medium or long term.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03
(in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	60 000 000	–
Adjusted as of 31 December 2002	78 193 000	–
Change	18 193 000	–

Note: A 30 per cent increase in delivery is anticipated in this area in 2002-03 reflecting improved administration and the continuing interest of donors. No 2000-01 surplus funds were allocated to this area for 2002-03.

⁴ The reason for counting the units of services, rather than the number of individual children reached, is that, depending on the circumstances, different packages of services are required for different children in the process of prevention, withdrawal and rehabilitation.

Operational objective 1c: Services are provided to the supervisory bodies, constituents and the Governing Body and the International Labour Conference, enabling existing standards to be supervised and new standards to be set

Performance indicators	Targets
1c.1. Improvements in ILO standards-related activities.	(i) Adoption of a programme of action on occupational safety and health standards; (ii) consideration by the Governing Body of similar discussions in two additional areas for 2004-05.
1c.2. Reports processed for the Committee of Experts.	90 per cent of reports received.
1c.3. Complaints examined by the Committee on Freedom of Association.	First examination by the CFA within 12 months of receipt of complaint.
1c.4. Rate of response from governments for each supervisory body session.	70 per cent for each session of the Committee of Experts.
1c.5. Improvements in the application of the fundamental Conventions noted in the biennium by the Committee of Experts.	(i) 20 cases of satisfaction; (ii) 90 cases of interest.
1c.6. Cases of progress in the implementation of Conventions other than the fundamental ones noted in the biennium by the Committee of Experts.	(i) 40 cases of satisfaction; (ii) 200 cases of interest.
1c.7. Cases of progress noted in the biennium by the Committee on Freedom of Association.	50 cases.

Modernizing and refocusing ILO standards

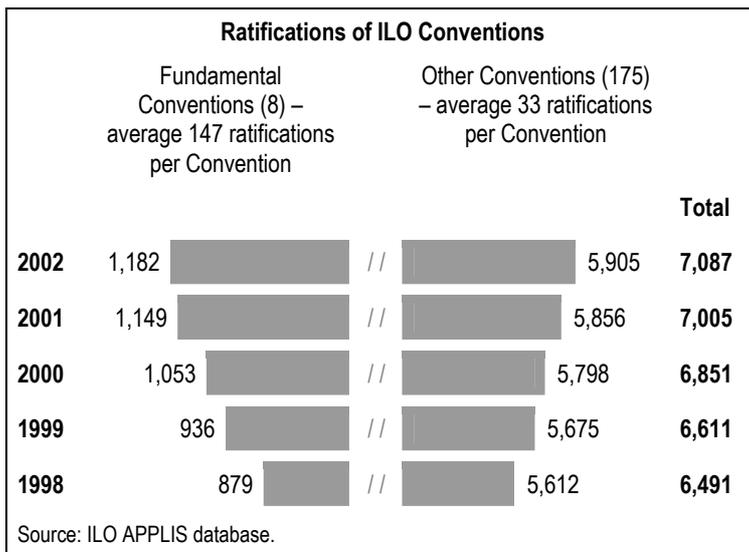
March 2002 marked the conclusion of a seven-year review of the status of ILO international labour standards, carried out by the LILS Committee Working Party on Policy regarding the Revision of Standards. The review concluded that:

- 71 Conventions, five Protocols and 73 Recommendations are up to date and therefore are priority targets for promotion;
- 24 Conventions and 14 Recommendations should be revised; and
- 55 Conventions and 30 Recommendations have become outdated.

In addition, 19 Recommendations have been replaced by more recent instruments and five outdated Conventions and 20 outdated Recommendations have been withdrawn by the Conference. This review demonstrates that the ILO is making important progress towards a modernization of its body of standards and can now offer its tripartite constituents a clearer view of what constitutes efficient and relevant tools to move towards a world of work with decent work for all.

62. This operational objective, as written, reflects the Office's expected performance standards in supporting the effective operation of the standard-setting and supervisory system. Objectives concerning the wider application or impact of ILO standards and other international instruments are addressed in other operational objectives in terms of numbers of ratifications and practical application of fundamental Conventions and other standards.
63. The indicators and targets established under this objective fall into two groups, reflecting the overall objective's dual aim of providing effective services so that standards function in practice to facilitate progress in member States.

64. Indicators 1c.1, 1c.4, 1c.5, 1c.6 and 1c.7 are measures of progress in the application and implementation of Conventions and other instruments. In these cases it is the change in policies of member States, as reported by different committees as part of the supervision process, that forms the measure. A more general measure of progress in terms of the acceptance and use of international labour standards in the world is seen in the increase in ratifications in total. In part the recent increases have been linked to the increased number of countries – many new States in Central and East Asia have moved decisively to ratify labour standards – as well as to the ratification campaigns for the fundamental Conventions.



Strategy to improve reporting in the Caribbean

The ILO is working in the Caribbean to better integrate standards requirements into the ongoing needs and work of the constituents. To counter the perception that reporting is an obligatory bureaucratic exercise and that the documents produced have limited internal application, specialists work with the ministries and social partners to build approaches to monitoring and reporting that serve national needs. The link between standards and the technical subject at hand is made by all specialists, so that the relevance of standards to all issues is better understood. Promoting the enhanced involvement and training of employers' and workers' organizations is a key part of this strategy, along with capacity building for responsible officials.

Capacity building for the judiciary in the Americas

Building the capacity of the national judiciary so that they understand and can apply international labour standards is a key strategy of the ILO. Examples of this work in 2002 include:

- training 100 judges and magistrates in Peru;
- in Chile courses in international labour standards have been given for magistrates, judges and academics in the field of law. These have raised interest in the application of international labour standards and led to requests to extend training sessions to the rest of the country;
- the ILO was asked to prepare a comparative analysis of labour legislation in the United States and Chile, which has been used as the basis for labour-judicial aspects of the free trade agreement signed between the two countries in December 2002.

65. Indicators 1c.2 and 1c.3 reflect the performance of the Office in processing reports and complaints and collecting data. Although the Office does not control the inputs to these processes, and has noted considerations such as the increasing complexity of complaints received for processing, targets have been set to improve the timeliness and completeness of materials prepared for the supervisory processes, necessary to the success of the first set of indicators. While some improvements have taken place, there is still a combination of a backlog of reports and a large inflow of first reports on recently ratified fundamental Conventions.
66. Experience with the current indicators and targets for the objective led to substantial changes for 2004-05, to reflect the impact of standards. The ILO will continue to have administratively-focused internal targets for the prompt and effective processing of files.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	2 950 000	–
Adjusted as of 31 December 2002	4 139 000	1 160 000
Change	1 189 000	1 160 000

Note: 2000-01 surplus funds are being used to provide the additional expertise required to develop an integrated approach to standard setting and a consolidated maritime instrument. The 2000-01 surplus funds are also being used to eliminate a backlog of reports.

Strategic Objective No. 2: Create greater opportunities for women and men to secure decent employment and income

67. The ILO's strategic objective on employment recognizes that this is one of the fundamental elements of decent work. Unemployment and underemployment, and distortions in access to employment based on gender and other forms of discrimination are a major source of decent work deficits. The Programme and Budget for 2002-03 identified three major areas for change:
- effective and appropriate employment policies in member States and among constituents, so that they can themselves establish and sustain strategies that support decent work;
 - increased investment by member States and constituents in training and skills development, to ensure that more people are able to access better quality jobs; and
 - active use of employment-generating policies in all areas: crisis reconstruction, economic development and investment.
68. The ILO's work in support of this strategic objective received a significant new focus and momentum with the very successful Global Employment Forum of November 2001. The Global Employment Agenda produced for that Forum has provided a framework for the actions of the ILO, its partners and constituents all over the world. The Agenda sets out several key elements for a new employment strategy that work together to produce a

virtuous cycle of productivity, employment and output growth. As the world has globalized, so have employment and the policies that sustain or constrain the growth of decent work. The Agenda also sets out a framework for global alliances and partnerships for governments, social partners, the multilateral agencies and regional development banks to work together on key issues such as macroeconomic policies, development strategies, trade policies and other issues critical for global employment. The Forum and subsequent Governing Body discussions of the Agenda have helped to sharpen the work of the ILO and place it in a broader context, with a view towards substantial and sustained change in the institutions and systems that most affect employment.

69. The discussion on decent work and the informal economy at the 2002 International Labour Conference as well as the new Recommendation on the promotion of cooperatives adopted at that Conference will also provide substantive guidance for the ILO's work in the area of employment.

**Operational objective 2a: Employment policy support:
ILO constituents are better equipped to analyse trends
in national and global employment and labour markets,
and to elaborate, advocate and implement effective
strategies for the promotion of decent employment for
men and women**

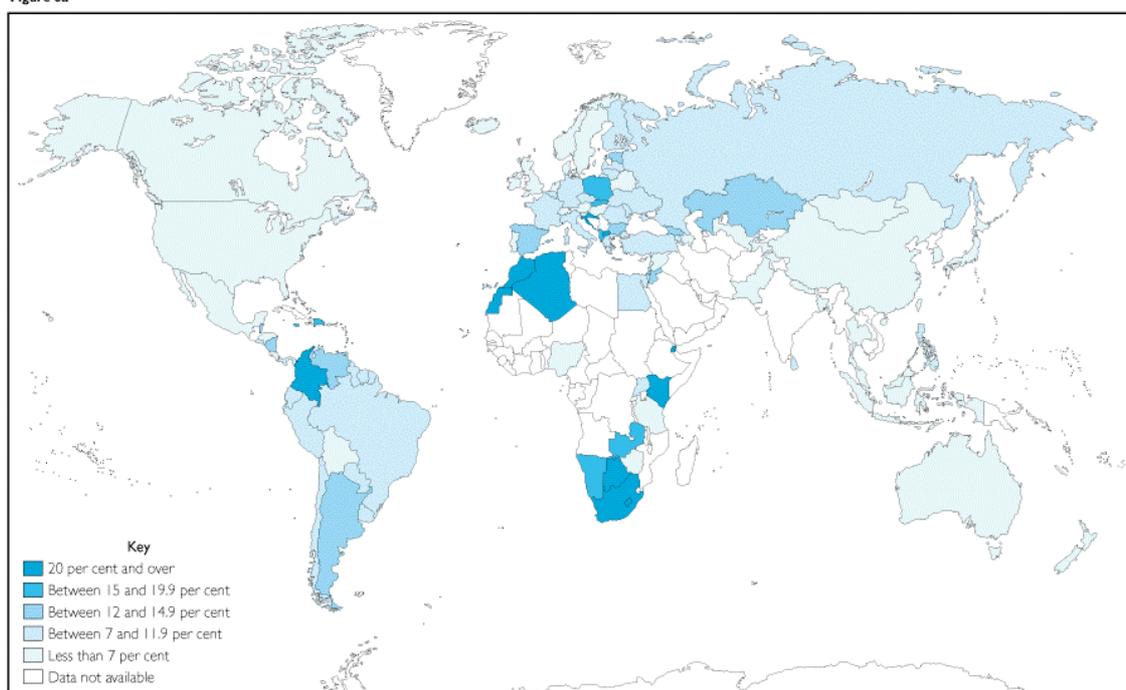
Performance indicators	Targets
2a.1. ILO constituents that make use of the ILO knowledge base.	Constituents in 30 member States.
2a.2. Global and national employment policies that are influenced by recommendations of ILO policy advice.	National employment policies in six member States.

70. Although the indicators of success for this objective refer, properly, to the use of the ILO's knowledge base and the impact of the ILO, these results are only possible to the extent that the ILO develops and maintains this knowledge base. It is the analytical work, incorporating cutting-edge issues and debate which forms the basis of the ILO's advisory services. The effectiveness of this is shown by the extent to which constituents seek out and are influenced by the information and advice provided. In 2002, analytical research work continued in four main areas: (i) the employment aspects of globalization; (ii) macroeconomic policy and employment; (iii) labour market analyses and policies; and (iv) poverty, income and the working poor. Two examples of the results of the analytical and data collection and dissemination work carried out are described below.
71. An important resource for constituents is the Key Indicators of the Labour Market (KILM) – a comprehensive set of labour market indicators that provides easy access to the most up-to-date set of indicators and analysis relating to the world of work. KILM is available in hardcopy format, CD-Rom and the Internet. Extra-budgetary funding is used to assist constituents in Central America, Africa, Asia and Central Europe in building labour market information libraries. The aim is to improve the extent and quality of labour market information so that knowledge of the labour market is improved and the policies on which that knowledge is based are better targeted.

Example of data available in KILM

72. The following image is taken directly from the KILM online database. Users are able to directly access both tabular information on (in this case) unemployment rates in all countries, or see a map of the world with a graphic representation of the same data. This provides constituents with ready access to up-to-date information to inform their own work.
73. The *World Employment Report* is the ILO's main vehicle for disseminating ILO positions on employment issues and global labour market trends. The 2001 *Report on work in the information economy* continued to be disseminated throughout 2002 at seminars in several countries. Meanwhile, work began on the 2003 report, which will focus on the linkages between employment, productivity, and poverty reduction, a central theme of the Global Employment Agenda.

Figure 8a



74. A good example of how the ILO links its knowledge base to its technical advisory services has been its involvement in Nepal's PRSP process. Based on a comprehensive analytical paper focusing on the centrality of employment for decent work and poverty reduction, ILO policy recommendations and proposals for specific strategies to implement these have been endorsed by Nepal's National Planning Commission and incorporated in the country's tenth Five-Year Plan. A distinctive feature of the ILO approach was the continuous involvement of Nepal's workers' and employers' organizations in crafting a poverty reduction strategy based on employment and decent work. ILO policy advice has influenced national policies in other countries in Asia. In Sri Lanka a chapter on "Decent work" was incorporated into the National Employment Policy. An ILO report on employment has been incorporated into the Bangladesh National Plan Document. In Fiji and Papua New Guinea employment policies were reviewed with the participation of constituents.
75. The ILO has also had an impact on policies in the European region. In 2002 the ILO provided advice to the Government of Turkey on restructuring and labour market policy

and to Poland on a regional employment strategy for Lodz. Both governments have requested the continuation of these projects plus the replication of the second project in another region of Poland. In addition, a number of technical units collaborated with the region on a high-level regional tripartite seminar on labour market and social policies for older workers in the EU accession countries in Budapest in November 2002.

Employment policy in the Arab States

The Office worked with Saudi Arabia, Bahrain and Qatar as those member States considered their employment policies in 2002. The ILO has also been involved in extensive assistance in the Palestinian territories through the establishment of vocational rehabilitation centres in Nablus and Hebron, creation of a task force on employment in the Ministry of Labour and launching of the Palestinian Fund for Employment and Social Protection.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	1 300 000	–
Adjusted as of 31 December 2002	10 296 000	617 010
Change	8 996 000	617 010

Note: There has been a major increase in anticipated technical cooperation expenditure for the biennium in this area reflecting increased donor interest, including from UNDP funding for employment strategies. The 2000-01 surplus funds will be used in the regions for projects which directly impact on national employment policies. More information will be available at the end of the biennium as programming began only in late 2002.

Operational objective 2b: Knowledge, skills and employability: ILO constituents invest more in training and skills development to provide men and women improved and equal access to decent jobs

Performance indicators	Targets
2b.1. ILO constituents that adopt policies and invest in improvements in the quality and effectiveness of skills development and training and employment services.	ILO constituents in 15 member States.
2b.2. ILO constituents that adopt strategies to ensure that women in general, and persons with special needs, such as disabled, displaced and young and older workers, have access to training and skills development.	Constituents in 15 member States.

76. This strategy has two parts: to increase total investment in human resource development and training systems; and to improve the access to those systems by less advantaged groups. Both elements help to increase decent employment for all. Ongoing technical cooperation assists constituents to improve their policies and programmes in this area. For 2002, work has focused on a number of key issues:

- identifying new approaches to human resource training and development (e.g., draft revision of the Human Resources Development Recommendation, 1975 (No. 150));
- promoting youth employment and training policies (e.g., contributions to the UN/ILO/World Bank Youth Employment Network, cooperation with UNESCO);
- promoting enhanced training policies and programmes in the informal economy (e.g., skills for the working poor);
- advocating strategies for the integration of people with disabilities into the labour market (e.g. promoting the implementation of the code of practice for managing disability in the workplace);
- providing technical advisory services for the improvement of training policies, programmes and product development;
- identifying new approaches in the development of labour market information systems;
- recommending improvements to draft legislation on employment and placement services (Indonesia, Serbia and Peru);
- improving skills development policies for older workers (e.g., preparation of a policy guide to promote the employability of older persons).

Introduction of flexible vocational training programmes for the unemployed in Ukraine

This technical cooperation project, launched in 1997 with funding from the Swiss Government, is nearing completion of its second phase, with a third phase anticipated for 2003-05. The project has proved a valuable tool for the improvement of training delivery nationwide through the development of new training curricula and enhancing the capacity of national vocational training specialists to implement their training programmes. Some 1,500 learning elements for 100 occupations have been developed and 1,200 national specialists have been trained in use of these curricula. To date, over 40,000 trainees have benefited from training conducted under the auspices of the project in more than 90 affiliated training institutions. The ILO and project activities as a vehicle for employment promotion are noted in the State National Employment Programme and numerous ministerial decrees concerning education and training policy nationwide.

Decent work, training and youth

CINTERFOR/ILO has placed the objective of decent work at the centre of its restructuring of employment prospects in the context of youth employment and training problems in the Latin American region. An example of this is an initiative conducted recently by CINTERFOR through an online seminar.

With technical and financial backing from the National Youth Institute (INJUVE) of the Ministry of Labour and Social Affairs of Spain, an online seminar on the subject of youth and training for employability: development of key employment skills, took place from 28 October to 12 November 2002. This first online seminar on the training and employment of young persons was held on the CINTERFOR web site, where the sub-site on the theme has been significantly enlarged.

Disability knowledge base in Asia

The Asia-Pacific region developed a significant knowledge base on disability issues by commissioning 14 country studies, launching a web site (www.ilo.org/abilityasia), and collecting examples of good practice to be published soon under the title *Moving forward: Toward decent work for people with disabilities in Asia and the Pacific*. The ILO is stimulating positive employer attitudes about hiring disabled workers through the production and dissemination of two videos, *AbilityAsia* and *AbilityThailand* and by providing technical assistance to employer networks on disability in Cambodia and Sri Lanka. The *Alleviating Poverty through Peer Training Project*, launched in Cambodia, addresses the employment and training needs of disabled persons in rural areas and the informal sector. A regional technical consultation meeting is planned for January 2003 to encourage constituents to develop effective policies and practices that foster decent work for people with disabilities and to address the training and employment targets in the Biwako Framework for Action that guides activities of the Asia and Pacific Decade of Disabled Persons, 2003-12.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	18 300 000	–
Adjusted as of 31 December 2002	16 982 000	274 110
Change	-1 318 000	274 110

Note: 2000-01 surplus funds will be used in regionally initiated skills development projects. More information will be available at the end of the biennium as programming began only in late 2002.

Operational objective 2c: Employment creation: ILO member States and constituents are better equipped to design and implement employment promotion programmes in the areas of enterprise development and employment-intensive investment, including in post-crisis situations, paying particular attention to the situation of women

Performance indicators	Targets
2c.1. ILO constituents and other institutions that apply ILO advice and practical tools for enterprise development.	Constituents in 60 member States and institutions in 30 member States.
2c.2. ILO member States that apply the ILO approach to employment-intensive investment, particularly in post-crisis situations.	15 member States, of which six in crisis or post-crisis situations.

77. Employment creation is a responsibility of many actors: governments, social partners, development frameworks, national and international institutions, and many more. The ILO's work on employment promotion seeks to influence key constituents and institutions in order to achieve outcomes that encourage more employment and better quality jobs.
78. Strategies to achieve this objective are designed to mainstream gender equality and include:
- enterprise development – particularly focusing on smaller scale enterprises of all types;

- promotion of employment-intensive investment;
 - crisis response using an inter-sectoral, well-integrated strategy to ensure the necessary timely and coordinated interventions, including strategic partnerships with constituents, United Nations agencies, research centres, NGOs, etc.;
 - promotion of microfinance; and
 - engagement with and support to the United Nations Secretary-General's Global Compact.
79. Indicators for this operational objective are being revised for 2004-05, to clarify the changes sought and the sectors targeted.
80. One element of enterprise development, promotion of cooperatives, reached an important milestone in 2002. At the 90th Session of the International Labour Conference in June 2002, the new, universally applicable Recommendation No. 193 on the promotion of cooperatives was adopted, replacing Recommendation No. 127, which dated from 1966 and only applied to developing countries. The new Recommendation was adopted with the full support of the ILO's tripartite constituencies and will guide member States in their efforts to promote decent work through cooperatives.
81. Advice on the reform of cooperative legislation and policy has been provided on request to Burundi, China, Croatia, Eritrea, Indonesia, Lebanon, Romania, South Africa, Zambia and Zimbabwe. Guinea-Bissau adopted a new cooperatives policy in 2002 based on the new Recommendation. The ILO's work has focused on establishing conditions that facilitate cooperative development through a participatory process involving all stakeholders. Based on Recommendation No. 193, a Caribbean subregional conference on cooperative development was held in Trinidad and Tobago in October 2002.

Job creation in Viet Nam

This year has seen a substantial increase in ILO support for job creation in Viet Nam. The Start and Improve Your Business Programme, established in partnership with the Viet Nam Chamber of Commerce and Industry (VCCI), has been extending business training to hopeful entrepreneurs for several years. VCCI asked the ILO to help them assess the wider policy and business environment with an eye to making a more welcoming environment for the emerging small-scale private sector. VCCI participated in an international review of small enterprise policies and identified priority areas of support needed by small enterprises. The ILO now works with VCCI and other partners in Viet Nam to deliver a broad package of support in three selected provinces: training for local officials on policy implementation and labour standards; capacity building to newly established small business associations in providing services to their members, especially to women entrepreneurs; building the local market for business development services; and promoting small businesses to work with municipalities in extending waste collection services. Assistance for employment growth through enterprise development is also under way in Cambodia and the Lao People's Democratic Republic, creating opportunities for shared learning and market development throughout the Mekong subregion.

82. The relevance and effectiveness of the ILO's strategies have been confirmed through results achieved in 2002. Selections of these are noted below.

Enterprise development:

- Asia Regional Workshop on Women's Entrepreneurship Development with Employers' Organizations held in Bangkok, May 2002.
- International Seminar on Business Development Services, hosted with the Turin Centre, September 2002.

- ILO/HABITAT Workshop on Urban Employment Promotion, Nairobi, October 2002.
- Entrepreneurship training programmes incorporating new materials on job quality and productivity and dealing with HIV/AIDS in micro and small enterprises have been extended in Sri Lanka, Viet Nam, Jordan and in West, southern and eastern Africa.
- In Africa, national agenda-setting workshops for researchers and stakeholders on promoting women entrepreneurs were held in Ethiopia, the United Republic of Tanzania and Zambia.
- Workshops funded by the EC were held in Turin in December 2002 and January 2003 to assist social partners and managers from the EU countries and the accession countries to discuss enterprise restructuring.
- The Local Manager Development Programme, intended to develop managers' understanding of workers' fundamental rights and good labour practices by linking them to improvements in productivity and quality, has been piloted in Sri Lanka, and will now be delivered in five countries.

Promotion of employment-intensive investment:

- The ILO continued to collect and disseminate knowledge so that constituents could build on successful models. In 2002 new information was developed on the poverty-reducing effects and macroeconomic potential of employment-intensive investment programmes (EIIPs) based on results of these programmes in Cambodia, China, Guinea, Mozambique, Philippines and Zambia.
- Practical information on how to incorporate employment as a criterion for public investment was developed based on work in Ecuador, Mali, Namibia, Nepal and South Africa, and in connection with poverty studies in Bangladesh and India.
- EIIP technical cooperation programmes (operational in some 20 countries) for training and capacity building for governments and small and medium-sized enterprises (labour-based contractors) continued to promote private sector development for job creation with decent working conditions; strengthening of the national construction industry; transparent contracting and payment systems. Local governments and community-based organizations were trained and their capacities strengthened to promote the principles of organization and negotiation in unorganized rural and urban informal sectors, community contracting, and rights and obligations of the parties concerned. The entire technical cooperation programme continued to emphasize the centrality of employment for poverty reduction in investment planning and capacity building, gaining increased acceptance among governments, regional organizations and financing institutions.
- A Task Force on Socially Responsible Investment in Construction was established in 2002, bringing together major investment institutions (e.g., World Bank, regional development banks, European Union) to analyse decent working conditions as a productive or cost factor, to explore means of integrating employment and social policy considerations into public procurement systems, and to promote labour-based approaches in the construction industry that create jobs and decent working conditions. This initiative is expected to lead to significant results in later years.

Crisis response:

- Eight new major multidisciplinary crisis responses, including in Afghanistan, Argentina and countries in the Great Lakes region of Africa, were launched in 2002.

- Lessons learned to date have been used to produce manuals providing ready-to-use guidelines on core aspects of crisis response: generic crisis response modules, rapid needs assessment, emergency employment services, local economic development, cooperatives and other self-help organizations, a trainer's guide on ILO crisis response, and a module on gender.
- The ILO is continuing to build its knowledge base with research on gender in financial/economic downturns, HIV/AIDS, natural disasters and armed conflicts in Africa and on Afghanistan's employment and socio-economic situation and prospects.

Microfinance:

- An Employers' Federation of India workshop on the legal, regulatory and policy changes required to adjust the collateral and property rights framework led to new policy proposals for the Reserve Bank of India.
- The ILO has provided technical advice on a number of key processes, for example, assisting the central bank for eight countries in West Africa to set up an annual microfinance data bank and observatory that gives a complete and updated view of the performance and poverty outreach of MFIs in each of the member countries, and assisting the 14 central banks in southern Africa to monitor the impact of microfinance on poverty, incomes and employment.
- To improve the usefulness of microfinance and its integration across programmes, the Office launched an audit of four pilot ILO projects with microfinance components to assess their impacts on poverty.
- The ILO organized a workshop for trade union trustees on pension fund boards on how pension funds can use socially responsible investment to encourage decent work.
- The ILO regional programme in South Asia to eliminate debt bondage through the provision of microfinance is reaching a pilot population of approximately 50,000 families, providing accessible savings, insurance and emergency loans services to families that would otherwise have to contract usury loans.

Global Compact:

- A Tripartite Forum on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy was held in March 2002.
- The ILO has worked successfully with other agencies in its crisis responses this year, and contributed to the UN Global Compact Business Guide for Conflict Impact and Risk Management.

Employment-intensive investment in the Andes

The Andean multidisciplinary advisory team is implementing a project to promote employment-intensive technology in public infrastructure investment in Bolivia, Ecuador and Peru. The goal is to maximize the job-creation potential of local government investments in construction, reconstruction and maintenance projects and in public services.

Local economic development in Croatia

In the traditionally poor and most war-affected areas in Croatia, the ILO promotes local economic development within the framework of a multi-agency (the EU, UNDP and UNOPS) rehabilitation and social development programme. Since 1996, the programme has focused support to the returning and local populations in three main sectors: rehabilitation/reconstruction of community infrastructure; social programmes and support to the vulnerable families; and local economic development (LED) and income-generation activities. Since 1998, the ILO has assisted four region-based commercial banks to operate loan guarantee funds. More than 1,500 loans have been approved under the funds, mainly for small-scale agriculture, livestock and small family businesses, thus promoting the social and economic reintegration of returnees and others affected by war. In 2002, four new agreements for guarantee funds were signed to support the development of SMEs and cooperatives. In response to the ongoing decentralization process, four local economic development agencies (LEDAs) were set up. The LEDAs contribute to an integrated and comprehensive planning of the region's economic development, and provide complementary business support services to existing and potential entrepreneurs.

Multinational enterprises in Kenya

A National Tripartite Seminar on the MNE Declaration and Social Dialogue in the Plantation Sector in Kenya was held in Nairobi from 30 September to 1 October 2002. It addressed issues identified in workshops and consultations prior to the seminar, such as the need of workers' organizations for capacity building and education, management development, labour standards and health and safety in the workplace, using the principles of the MNE Declaration. Thirty participants nominated by the Government, the Federation of Kenya Employers (FKE), and the Central Organization of Trade Unions of Kenya (COTU), attended the seminar and adopted a set of recommendations for a common action plan. This seminar represented the culminating phase of "Strengthening labour relations by making use of social responsibility guidelines for MNEs in the plantation sector and their local partners in Kenya".

The creation of the Micro and Small Enterprise Promotion Center of Central America (CENPROMYPE)

More than 21 million people in Central America do not have sufficient income to satisfy their basic needs. Since 1990, the ILO, with the financial support of the Government of the Netherlands, has implemented the Central American Project to Support Micro-enterprise Programmes (PROMICRO). Its fundamental objective is to create more and better opportunities for decent work for the self-employed and those who work in micro-enterprises, through the strengthening of the public and private bodies that support them.

Based on evaluation results, ILO technical advice and resource mobilization – with the continuing support of the Netherlands – led to the fourth and definitive phase of the project from 1999 to May 2002. This included formal establishment of the Micro and Small Enterprise Promotion Center of Central America (CENPROMYPE), which was finalized on 15 June 2001, beginning operations on 18 March 2002. The Center's work focuses on improving the quality of services to micro-enterprises and self-employed people, encouraging effectiveness of the organizations that provide these services and facilitating environments more conducive to the development of these businesses. As part of this, the Central American Bank for Economic Integration provided a US\$1 million grant to support the operations of the Center for two years.

Emergency assistance in Argentina

The special programme of emergency technical cooperation implemented by the ILO Area Office in Buenos Aires together with the Ministry of Labour and Social Security and the support of employers' and workers' organizations illustrates how the ILO has responded quickly and effectively to emerging needs.

- The ILO assisted with the development of joint emergency employment programmes for poor households and target groups such as youth, senior citizens, and long-term unemployed; at the same time strengthening institutional support and assistance for micro-enterprises.
- The ILO's expertise in social protection has been called on for a diagnosis of the current situation of the integrated system of retirement and pensions. This analysis is reviewing the legal, economic, financial, and political aspects, and considering resource distribution as a tool for equality and the extension of social protection to excluded groups.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	47 000 000	–
Adjusted as of 31 December 2002	45 236 000	2 735 910
Change	-1 764 000	2 735 910

Note: 2000-01 surplus funds allocated under this operational objective are to provide for ILO expertise in response to crises. More information will be available at the end of the biennium as programming began only in late 2002. Changes in technical cooperation projections reflect slightly slower than expected programming and implementation, although donor interest remains high.

Strategic Objective No. 3: Enhance the coverage and effectiveness of social protection for all

- 83.** In setting priorities for the Programme and Budget for 2002-03, a number of global concerns related to social protection steered ILO thinking. Fiscal constraints, demographic trends, gender variations in labour market participation and increasing reliance on less formal working relationships are severely straining government capacities to finance social security systems in many member States. The result is that only one person in five has access to adequate social security at a time when improving social protection is understood to be a primary means to alleviate poverty, with vulnerable groups of workers such as men and women working in hazardous occupations, and those most affected by HIV/AIDS in the world of work, being particularly at risk. The mutual interdependence of sustainable social progress and economic development frames the ILO's work to support efficient and inclusive social protection schemes. To gain greater impacts, the ILO overall social protection strategy includes close collaboration with other agencies within the United Nations system, Bretton Woods institutions, the academic community and specialized NGOs.
- 84.** Since the adoption of the Programme and Budget for 2002-03, priority issues specific to each region have been identified through consultations with constituents. Further details on specific regional strategies are available on the ILO's social protection web site.

Operational objective 3a: Social security: Member States broaden the scope and the instruments of social security systems (including the informal sector and the working poor), improve and diversify benefits, strengthen governance and management, and develop policies to combat adverse effects of social and economic insecurity

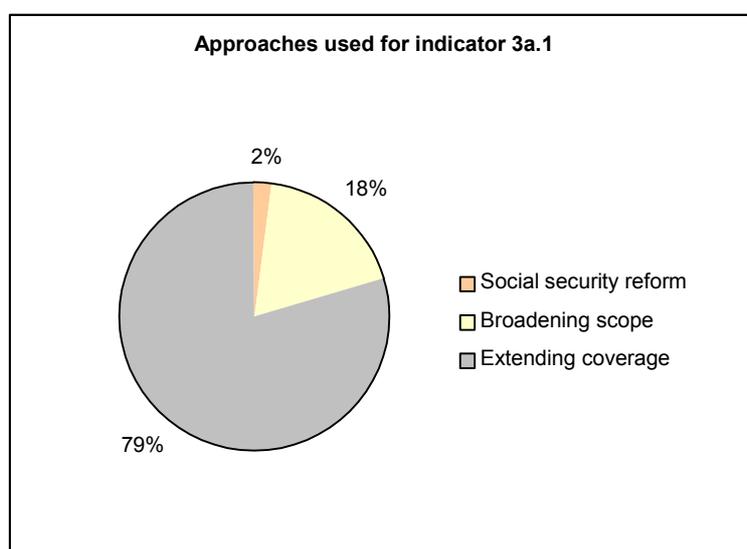
Performance indicators	Targets
3a.1. Member States that adopt voluntary or public schemes, including improvement of existing social security schemes, to extend social security coverage to previously uncovered sections of their populations.	20 member States.
3a.2. Member States that initiate actions to improve the financial architecture and governance of their national social security schemes and systems.	15 member States.
3a.3. Member States where data are generated and used to develop strategies and policies to combat economic and social insecurity.	12 member States.

85. There are three performance indicators measuring progress under this objective. The targets for operational indicator 3a.1 are being met through a strategy focusing on research, advisory services and pilot activities to: broaden the scope of public social security schemes; promote and support the development of voluntary community-based schemes; and identify innovative ways of extending coverage using linkages between the public systems and community-based initiatives.
86. Currently under 3a.1, support is provided to approximately 20 countries through advisory services, policy review and technical cooperation to broaden the scope of existing public social security schemes. An example includes the activities financed by Portugal to strengthen and extend the scope of protection of schemes in the five Portuguese-speaking African countries. In addition, work is taking place in more than 40 countries to develop innovative community-based schemes or other non-traditional mechanisms to extend social protection to workers in the informal economy. Much of this takes place through extra-budgetary funding of the Strategies and Tools against Exclusion and Poverty (STEP) programme. The demand for services to extend social protection through community-based schemes is particularly high in Africa. Many of these initiatives involve working with women's community-based organizations, which in turn can contribute to their empowerment and their capacity to promote gender equality.

Social security in Asia

Recognition in Asian countries of the need to extend the coverage and improve governance of public social security schemes has been matched with interest in community-based schemes. This has resulted in a range of projects including:

- work towards a national social security regime in the Lao People's Democratic Republic;
- a project on extending coverage to the self-employed in Malaysia;
- technical assistance on extending social security to the informal sector in Thailand and Mongolia;
- technical assistance on the extension of coverage, including unemployment benefits in Thailand and Sri Lanka;
- a proposal for restructuring social protection in Indonesia based on an analysis of current needs; and
- development of community-based health-care schemes in Bangladesh and Nepal.



- 87.** With support provided to constituents in over 60 countries, it is probable that at least 20 countries will implement concrete voluntary or public schemes to extend social security coverage to previously uncovered sections of the population in this biennium. Initiatives such as the Universitas project, which is financed by Italy, are encouraging South-South knowledge and innovation transfer in this area. Other technical cooperation projects, such as the Netherlands-funded one in Honduras, Sri Lanka and Mali, are determining how best to extend coverage with the participation of social partners and civil society representatives.
- 88.** Strategies for enabling member States to initiate actions to improve the financial architecture and governance of their national social security schemes and systems (target 3a.2) focus on providing diagnostic, advisory and capacity-building services, as well as rapid interventions in cases of social and governance crises. Baseline activity under this operational indicator remains the direct support that the ILO's Financial and Actuarial Service (ILO FACTS) is providing to member States. In collaboration with regional operations ILO FACTS provided direct actuarial and financial advice to 20 countries in 2002 (including Chile, Cyprus, Indonesia, Kuwait, Luxembourg, Mauritania, and a crisis response in Argentina).
- 89.** The priorities identified in the Programme and Budget proposals for 2002-03 continue, with a strong focus on improving national capacity to plan and manage social protection initiatives through a strategy of training and facilitating knowledge and methodology transfer to financial planners in member States. The highlight was the graduation of the first group of mid-career students from the joint ILO-Maastricht University Master's Programme in Social Protection Financing in June. In the meantime a second class of 21 students from 16 countries (including China, Ghana, Indonesia, Nigeria, Thailand and the United States) has entered the course.
- 90.** Other priorities identified were the further development of a diagnostic tool for the effectiveness and efficiency of national social protection systems, the Social Protection Expenditure and Performance Review as an analytical element in the decent work country methodology, and the development of a modelling methodology for rapid assessment of

the impact of HIV/AIDS on national social protection systems. Altogether support was provided to 46 countries (Americas, ten; Asia, five; Europe, 17; and Africa, 14). In at least 15 countries, the inputs provided in terms of training or direct advice will have an impact on the improvement of the financial governance of national social protection systems.

91. A further highlight was the completion of the feasibility study on a Global Social Trust which seeks to support the build-up of basic national social protection systems in the poorest developing countries. Based on the recommendations of the report, the Governing Body approved the piloting of the concept in November 2002.
92. Availability of reliable data is a crucial factor in designing appropriate policy responses. The Office gives particular priority to developing the capacity of constituents to generate data on social economic insecurity which are used to design locally specific strategies and policies. Performance indicator 3a.3 measures progress to this end. Specific initiatives under this target include providing technical support to constituents in Indonesia to develop a national migrant workers' database and information system to increase effectiveness of interventions. Furthermore, activities are ongoing in Azerbaijan, Belarus, Kazakhstan, Russian Federation and Uzbekistan to develop comprehensive databases, analysis and policy formulation tools. Similar initiatives are ongoing in seven countries in Latin America and the Caribbean. In total, the Office is working in 16 countries to meet this target. A ratio of 16 countries to achieve concrete results in 12 member States within a biennium is reasonable.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	9 000 000	–
Adjusted as of 31 December 2002	14 808 000	149 220
Change	5 808 000	149 220

Note: This area has shown an increase of over 60 per cent in projected expenditure related to increased donor interest. The 2000-01 surplus funds are being used to develop constituent capacity in social security system design and financing. More information will be available at the end of the biennium as programming began only in late 2002.

Operational objective 3b: Working conditions: ILO constituents target and take effective action to improve safety and health and conditions of work, with special attention to the most hazardous conditions at the workplace

Performance indicators	Targets
3b.1. Member States in which constituents strengthen their occupational safety and health capacity through ratification and application of ILO standards, and the implementation of codes and guides, as well as information and statistical tools and methods on safety and health.	40 member States.
3b.2. Member States in which national programmes of action are launched for selected industries and hazardous agents.	8 member States.

3b.3. Member States in which local institutions are using ILO tools and methodologies to improve working conditions in small-scale enterprises and the informal sector.	8 member States.
3b.4. Member States that ratify and apply ILO standards on work and family, maternity protection, and working time, and in which relevant data on these issues are generated and used in policy formulation.	15 member States.
3b.5. Member States that establish policies and programmes for equal treatment of women and men migrants and against their trafficking.	8 member States.
3b.6. Member States that have incorporated world of work component and workplace initiatives, involving ILO tripartite constituents, into their national action plans to combat HIV/AIDS.	20 member States.

- 93.** Strategies for safety and health at work focus on workers in especially hazardous occupations and in high-risk sectors – including in the informal sector and small and medium-sized enterprises. A key strategy is to support member States to ratify and implement occupational safety and health (OSH) Conventions, to create national SafeWork programmes, and to promote ILO occupational safety and health management systems (ILO-OSH 2001). States are encouraged to adopt modern principles of labour inspection, to update and strengthen legislation and to use of codes of practice and guides on safety and health. The ILO supports this by providing codes and guides in local and regional languages, and by accelerating the exchange of OSH information through its International Occupational Safety and Health Information Centre (CIS). Office strategies in this field were often integrated into more comprehensive actions to realize all four strategic objectives and involved collaboration with other units and regional offices. During 2002 there have been seven new ratifications of OSH Conventions, and considerable progress in the application and implementation of codes and guidelines.
- 94.** Recognizing the importance of the improvement of occupational safety and health in hazardous sectors such as agriculture, in 2002 Brazil, Costa Rica and Honduras submitted Convention No. 184 to their national bodies for ratification. Others, including Argentina, Colombia, Dominican Republic, Uruguay and Viet Nam have done preparatory work towards ratification.
- 95.** National and subregional tripartite seminars and workshops play a substantial role in the promotion of ILO Conventions and their ratifications. An interregional seminar in Damascus in May 2002 targeted national legislators and policy-makers, giving them the information and tools needed to consider ratifying and applying the Safety and Health in Agriculture Convention, 2001 (No. 184). Brazil has established a tripartite group to plan and monitor the implementation of the same Convention. The ILO-OSH 2001 guidelines on management systems were very well received by the ILO constituents. They have been translated into ten languages and promoted in workshops in all regions in 2002. The guidelines have been used as the basis for national guidelines in China, Germany and Mexico.
- 96.** National OSH action programmes related to specific industries and hazardous agents are effective instruments for reducing occupational accidents and diseases. These national SafeWork programmes are developed to address priority OSH problems that are identified through national surveys and preparation of national OSH country profiles. National surveys have been launched in Europe, Central Asia, East Asia, Africa and Latin America. National programmes were launched in Mexico, Mongolia and Thailand in 2002.
- 97.** The International Occupational Safety and Health Information Centre's worldwide network of OSH information centres was strengthened in 2002 by the recognition of new centres in Canada, Gabon and Kazakhstan, as well as one based in Antigua and Barbuda

covering the Caribbean. The Centre continued to offer access to national and international information, which assisted constituents engaged in upgrading national OSH infrastructures, while more visitors to its web site consulted the chemical safety information that had been developed by the ILO/WHO/UNEP International Programme on Chemical Safety.

98. Within the Americas, support activities are focused on dialogue with constituents to raise awareness of OSH issues in small businesses, develop national programmes, and to strengthen labour inspectorates. In its regional strategy to improve working conditions, the Arab States are supporting efforts to ratify key OSH Conventions and to apply codes and guides, as well as to provide information and statistical tools to build local capacities and raise awareness. In China and Mongolia efforts are focused on supporting ratification and application of OSH Conventions, recording and notification of occupational accidents and diseases, and creation of OSH training centres.

Occupational safety and health management system in China

In December 2001, the State Administration of Work Safety (SAWS) for China issued national guidelines on an OSH management system based on the ILO-OSH 2001 guideline. A national framework on OSH-MS has been established with the mechanisms for certification, training of auditors and designation of certifying institutions. Over 200 enterprises have received certification and 30,000 internal auditors and 2,500 external auditors have been trained. *

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Occupational safety and health management system developments in Germany

The German translation of the ILO guidelines on occupational safety and health management systems (ILO-OSH 2001) was finalized in December 2001, with the participation of two German tripartite working groups. Based on this work, national OSH-MS guidelines for Germany, the "Nationaler Leitfaden für Arbeitsschutzmanagementsysteme", were elaborated in 2002 by the German Federal Ministry of Labour. The Ministry has also set out a plan for implementation tailored to specific industries, under the direction of the Federal Institute for OSH (BAuA). The BAuA's homepage (<http://www.baua.de/eindex.htm>) is building a "toolbox" of OSH examples for a range of industries, including non-profit agencies. *

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99. Improved working conditions extend to areas other than safety and health. ILO indicators for achievement also cover progress on areas such as work and family, maternity protection and working time; issues of specific relevance to migrant workers; and HIV/AIDS in the workplace. The Programme and Budget for 2002-03 established targets and set out strategies in each of these three areas.
100. In the area of work and family, maternity protection and working time, the Programme and Budget for 2002-03 anticipated that there would be a focus on promotion of the ratification of the Maternity Protection Convention, 2000 (No. 183), as well as analysing and disseminating information on working time, non-standard working arrangements and work and family. Over the course of 2002, constituent demand has led to a refocusing of this strategy, now emphasizing working time and conditions and information and advice with less focus on promoting the ratification of the Convention. In addition, new expertise on wages has been added, again in response to constituent demand. The ILO database has been expanded to include information on working patterns and working arrangements in organizations as a response to competitive pressures, trends in hours of work and working

time arrangements, and related legal provisions. This is providing direct support to constituents seeking such information, and also provides the basis for developing specific tools for constituents. The practical application of ILO knowledge and tools includes projects in Bangladesh where a social dialogue approach is being used to improve working conditions within the garment and ship-breaking industries. In Turkey and Eastern Europe, ILO guidance on legislative reform and policy advice on maternity protection for women workers and migrants has helped constituents to build their own approaches.

- 101.** In 2002 the ILO has continued to develop information and provide practical advice to constituents on issues related to migration. The ILO employs a variety of means of action towards this end – advisory services, technical cooperation projects, advocacy, research and information dissemination. During 2002, the ILO assisted Thailand (on regularization of undocumented workers and formulating long-term labour migration policy), Nepal (in identification of needs and strategies to promote overseas employment and protect migrant workers), Bahrain and Kuwait (research on alternative foreign labour recruitment systems and measures for absorbing more national workers into the workforce), and Mongolia and southern Africa (training of officials and social partners in migration policies). Within Western Europe, the ILO has supported activities related to anti-discrimination policies and strategies for integrating migrants into the workplace, particularly in Ireland and Italy. The ILO has placed special emphasis on protection of female migrant workers through research and advisory work on measures against trafficking, and reducing the vulnerability of domestic migrant workers.
- 102.** The ILO Africa Labour Migration Policy Initiative is a comprehensive approach to providing governments and social partners in the region with needed capacity building, policy perspectives and practical technical assistance. The ILO has contributed to the current international debate on globalization, migration, development and regional integration through an active programme of policy-oriented research, especially on migration of skilled persons. A key message is that international migration for employment under regular conditions can contribute substantially to growth and prosperity in both host and source countries in the context of globalization.
- 103.** The ILO code of practice on HIV/AIDS and the world of work, first adopted in May 2001, continues to be a major element of the ILO's strategy in this area. To support implementation, the code was translated into more than 20 languages and an education and training manual was developed in 2002. In Africa subregional offices are working with constituents to integrate the new code into their national HIV/AIDS programmes and plans of action, with particular attention to the impact of HIV/AIDS key sectors such as transport and the informal economy. Field staff in China, India, Republic of Moldova and Ukraine are supporting comprehensive worker-inclusive HIV/AIDS policies, plans of action, and promoting advocacy activities to increase workers' awareness of HIV/AIDS issues. In Cambodia, Malaysia and Thailand, the ILO is working with tripartite constituents and others on implementing the code of practice for workplace prevention and education.

Mainstreaming HIV into infrastructure programmes

In response to constituent demand, the World Bank asked that the ILO participate in their Highlands Highway Rehabilitation Project in Papua New Guinea to incorporate elements to prevent discrimination at the workplace against HIV-affected people. Initial exploratory work in 2002 is expected to lead to full development of this work, drawing in non governmental organizations and the existing national AIDS programme. Other multilateral funders have expressed interest in this approach.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03
(in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	12 300 000	–
Adjusted as of 31 December 2002	9 678 000	379 920
Change	-2 622 000	379 920

Note: Donor interest in the area of social protection has been more focused on specific issues of social security than was anticipated for 2002-03, reflected in overall higher approvals in the area, but lower with respect to working conditions. Donors are also interested in HIV/AIDS in the workplace initiatives, but programming on this has only recently begun. The 2000-01 surplus funds are being used to expand regional services, mainly in the areas of occupational safety and health and HIV/AIDS in the workplace. More information will be available at the end of the biennium as programming began only in late 2002.

Strategic Objective No. 4: Strengthen tripartism and social dialogue

- 104.** The Programme and Budget for 2002-03 identified three key factors preventing the full realization of social dialogue as a means of achieving ILO objectives in member States:
- lack of government-sanctioned frameworks for social dialogue, ranging from basic rights to effective institutions of dialogue, and the lack of capacity of workers' and employers' organizations;
 - rapid changes in the traditional environment for social dialogue, including a declining influence of labour ministries on major economic and social policies, changes in the structure of labour markets and bargaining conditions, and the role and influence of regional and transnational actors; and
 - the representativeness of traditional parties to social dialogue, for example the degree to which women are included at all levels, as well as the links of social partner groups to others in civil society.
- 105.** The ILO's work for the biennium is intended to address all three of these barriers to social dialogue, whilst promoting the use of social dialogue as a means to achieving decent work in all of the ILO's objectives.
- 106.** Since the Programme and Budget for 2002-03 was adopted, the validity of this approach and of the need to build the institutions and practices of social dialogue has been widely supported. The value of effective participation of workers and employers has been illustrated in the recent developments in certain ILO member States preparing Poverty Reduction Strategy Papers (PRSPs), where workers' and employers' capacity to take part can materially improve the quality of poverty reduction strategies (e.g. United Republic of Tanzania).
- 107.** The ILO goal under this strategic objective to make its sectoral services more strategic and results-focused was illustrated in the quick response to the sectoral employment impacts of the 11 September 2001 tragedy.

Operational objective 4a: The representation, services and influence of the social partners are strengthened

Performance indicators	Targets
4a.1. Employers' or workers' organizations that provide new or improved services to their members or strengthen their capacity to provide such services.	Employers' organizations in 20 member States. Workers' organizations in 30 countries.
4a.2. Employers' or workers' organizations that take policy or practical initiatives to extend representation of their organizations.	Employers' organizations in 10 member States. Workers' organizations in 30 countries.
4a.3. Member States in which the social partners have greater capacity to influence economic and social policies and programmes.	15 additional member States.

Poverty reduction strategy paper process in the United Republic of Tanzania

The United Republic of Tanzania was one of the first countries to prepare a full PRSP, which was done in a context of strong country ownership and a broad-based participation of civil society. Against this background, the ILO has facilitated the incorporation of employment and skills training as a part of the PRSP progress report. The ILO has also focused on encouraging the social partners to constitute a formal tripartite forum which would take its own initiatives to consult with NGOs and donors and other stakeholders in the PRSP process. A series of tripartite meetings was organized by the ILO and culminated in the production of a strategic paper on "Towards a decent work strategy for poverty reduction in the United Republic of Tanzania" which was submitted to the Government. The social partners identified work on education and agriculture as being priorities. The ILO's further approach has been based on addressing issues within these sectors. See GB.285/ESP/2 for more details.

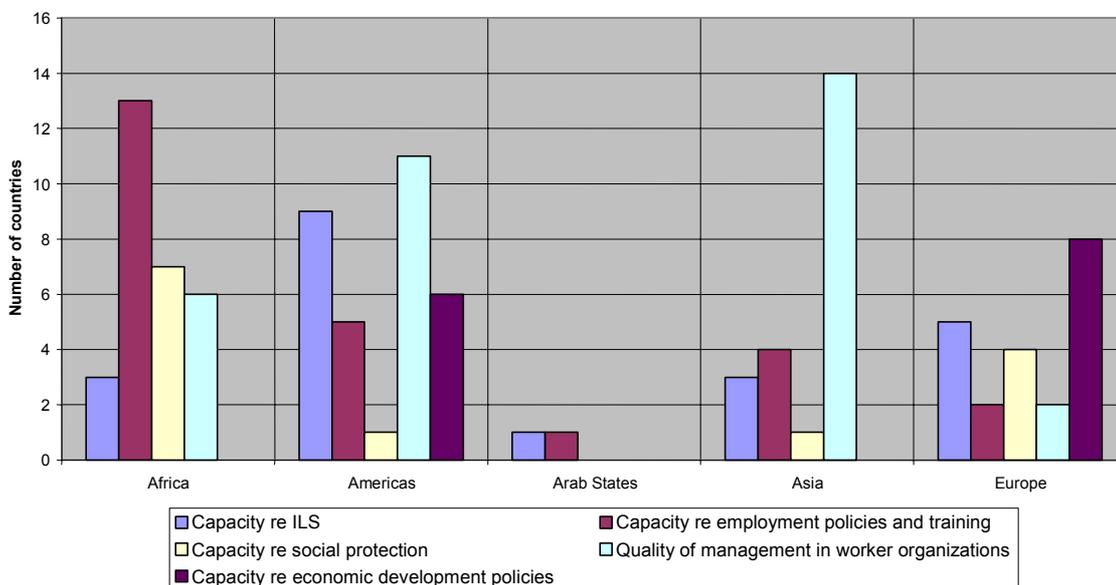
Workers' organizations

- 108.** Strategies and activities aimed at improving representation, services and influence of workers' organizations are implemented by the Bureau for Workers' Activities and field offices. Positive results were achieved mainly through capacity building and awareness raising of workers' organizations in a number of key areas: promotion of the ILO Declaration and of core labour standards, collective bargaining, social protection, gender and equality issues, reaching out to the unorganized, child labour, dialogue with international financial institutions (IFIs) and strengthening workers' representation in bi- and tripartite structures. Work aimed at strengthening representation of unions is under way in more than 50 member States (e.g., through organizing-the-unorganized campaigns and pro-poor activities for working women in nine countries of Asia and Latin America). Workers' organizations are now in a position to better influence social and economic policies and labour legislation in 15 countries across all regions. Efforts to enhance leadership effectiveness and management capacity of unions are under way in more than 35 countries.
- 109.** Trade unions' representation was strengthened through new services to vulnerable groups (assistance to informal economy workers in ASEAN and French-speaking Africa, with occupational safety and health and HIV/AIDS included as distinct subjects). Gender equality has made good progress in gender-specific projects (South India) and in "mainstream" projects (Cambodia, Mozambique, the Caribbean, Venezuela, Colombia, Peru, Brazil and Uganda). Projects on child labour are reaching out to new regions, including member States in the Commonwealth of Independent States and Latin America. Improved capacity for providing new services to their members allowed trade unions in

Eritrea, Mozambique, Uganda, Cambodia, South Africa, Central America, Guyana, Jamaica, Vanuatu and India to effectively approach authorities with specific claims for improvement to workers’ rights. Measures were taken to strengthen unions’ representativeness and financial viability in Cambodia, India, South Africa and Uganda. Introduction of strategic planning and services to new groups of workers, e.g. informal workers in Burkina Faso, India, Mali, Mozambique, Niger, Philippines, Senegal and Viet Nam, were among the most important developments.

110. The following chart illustrates the range of topics being addressed, and the scope of countries involved during 2002-03. Based on the scope of member States and topics addressed, it appears likely that the targets foreseen in the Programme and Budget for 2002-03 will be met, and that the strategies being adopted are effective. At the same time, there is clearly an opportunity to improve focus. Although PRSPs and the opportunities they offer for access to key economic and social policy-making for workers’ organizations are an important issue in Africa and some parts of Asia and the Americas, there is as yet limited capacity building on relevant topics originating in the regions.

Bureau for Workers’ Activities: Support to be provided for new or stronger services provided by workers’ organizations



Trade union organization in Central America, Panama and the Dominican Republic as actors in the labour relations system

Trade unions in this region requested ILO assistance to assess their current situation and support them to become more effective participants in national social dialogues. The resulting research and action programme included self assessment processes for the workers’ organizations as well as supporting materials and publications. The project worked closely with existing trade union confederations in Panama and the Dominican Republic and helped to develop such mechanisms in Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. The Inter-American Regional Organization of Workers of the International Confederation of Free Trade Unions, the World Confederation of Labour Latin American Central of Workers and the Central American Coordinating Committee of Workers provided support towards establishing a subregional forum for inter-trade union dialogue which enabled the trade union movement to make a cohesive contribution to drafting a Tripartite Labour Agenda of the Countries of Central America, the Dominican Republic and Panama (May 2002).

These processes have achieved significant progress, despite the impacts of changes of government in Costa Rica, Honduras and Nicaragua. The establishment of the Economic and Social Council (March 2002) in Honduras marked a major step forward in this ongoing process, overcoming a stalemate on labour issues in recent years and empowering and conferring legitimacy on trade unions as actors in labour relations. The number of requests for ILO technical assistance in this area is still increasing.

Youth and trade unions in the Russian Federation

A programme to encourage greater involvement of young people in trade unions was launched in 2002 by the Global Unions Federation and the International Confederation of Free Trade Unions (ICFTU) in cooperation with the ILO Bureau for Workers' Activities. The programme combines theoretical knowledge with role playing and practical experience. Participants at all the youth seminars held in Saint Petersburg and Moscow paid visits to technical schools where they explained union rights to future workers. They developed trade union agendas and made presentations during the course of special events in Moscow and Novgorod the Great. The ILO has assisted the Global Youth Network in the region by organizing seminars for young Russian trainers (enterprise-level union activists), who are now developing plans of action and strategies of youth involvement. The ICFTU "Join a union" campaign (with videos, CDs and audio cassettes with trade union songs) is under way and is demonstrating an impact.

Employers' organizations

111. Strengthening employers' organizations by developing and improving their services, attracting new members, and increasing their policy influence through the effective articulation of the business community's views are the focus of the ILO's work with employers' organizations. The strategy of the Bureau for Employers' Activities continues to be in-depth dialogue and strategic planning by employer specialists in the field to enable identification of employers' organizations' priorities. This dialogue leads to the development of workplans to address priority areas for ILO assistance.
112. Strengthening the systems and processes of employers' organizations, building their capacity and improving their management are key areas of assistance. The ILO provides staff training, support for networking, service development, and support to strengthen advocacy skills needed to influence the policy and legal environment affecting business. Issues such as competitiveness, productivity, workplace relations and development of a good business environment continue to be high on the agendas of employers' organizations. In supporting this key agenda, the Bureau is also assisting employers' organizations to tackle issues such as HIV/AIDS and child labour, which have direct impacts on the workplace and national economic development.
113. Activities to enhance women's leadership in business and their position in employers' organizations are also being implemented. A key example of this in 2002 was a regional seminar in Morocco on women's entrepreneurship and the role of employers' organizations, in which 20 African employers' organizations participated. As a result of this meeting, a plan of action was formulated outlining specific strategies for promoting the role of women entrepreneurs in Africa.
114. To ensure that employers' organizations can engage effectively in poverty reduction strategies (i.e. PRSPs), the Bureau has increased this focus of support to employers' organizations. It is expected that this should help lead to a business-friendly environment, national strategies that remove barriers to business creation in the formal economy, increased productivity and employment and a larger potential membership base for employers' organizations.

From awareness raising by employers' organizations to concrete action at the enterprise level: Combating HIV/AIDS in Africa

Employers' organizations are taking up the challenge of HIV/AIDS through innovative responses. Subregional workshops in Africa, the Caribbean and Asia have been held to share experiences on how employers' organizations can respond effectively. For example, a regional meeting of 16 employers' organizations in Douala, Cameroon, in November 2000 on HIV/AIDS led to a resolution stating the employers' organizations' intent to take action, as well as a plan of action for 2001. That led all employers' organizations in Africa to establish their own HIV/AIDS action plans.

In December 2001, the employers' organization in Cameroon, GICAM, held a workshop for its member companies. In the Declaration of Limbe, those companies stated commitment to fight HIV/AIDS in the workplace and agreed to key areas for action. As a result of this initiative, the World Bank has stepped in to support an awareness-raising campaign to be carried out by GICAM and the National Committee to Fight Against HIV/AIDS. GICAM has helped formulate action plans in 30 enterprises to address HIV/AIDS, of which 18 are eligible for financing by the World Bank.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03
(in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	15 000 000	–
Adjusted as of 31 December 2002	6 470 000	957 000
Change	-8 530 000	957 000

Note: A significant investment of 2000-01 surplus funds is being made to address tripartism and social dialogue. This will significantly increase the capacity of workers' and employers' organizations to more effectively influence social and economic policies. This investment recognizes that donors are increasingly interested in seeing worker and employer issues integrated into substantive proposals, rather than separate projects. More information will be available at the end of the biennium as programming began only in late 2002. The Bureau for Employers' Activities recently reviewed and updated its technical cooperation strategy. More emphasis will be placed on evaluation as an important means for assessing the impact and results of the technical activities and improving project design and implementation.

Operational objective 4b: The legal frameworks, institutions, machinery and processes for social dialogue are strengthened

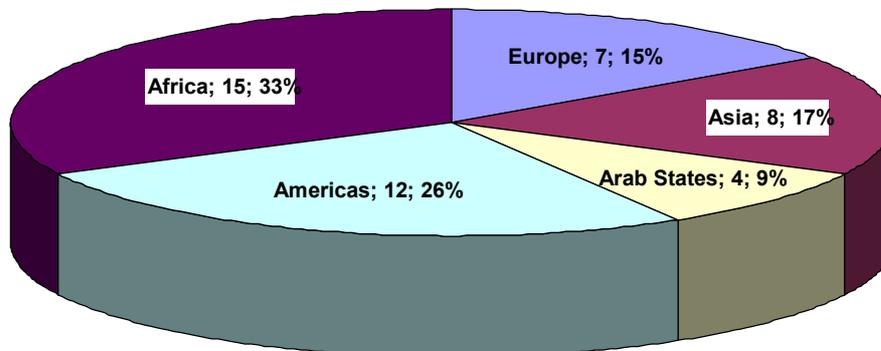
Performance indicators	Targets
4b.1. Member States that ratify ILO Conventions addressing the institutions or practice of social dialogue.	10 ratifications of Convention No. 144. 15 ratifications of Conventions covering specific sectors.
4b.2. Member States that adopt legislation based on ILO standards and advice, with the involvement of the social partners.	10 additional member States.
4b.3. Member States that establish or strengthen legal frameworks, institutions, machinery or processes for social dialogue.	20 additional member States.
4b.4. Member States in which social dialogue institutions or processes specifically address gender issues.	15 additional member States.

4b.5. Member States that ratify or take practical steps to apply the Labour Administration Convention, 1978 (No. 150).	10 additional member States.
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4b.6. International organizations and regional or subregional groupings that integrate social dialogue into labour-related policies, action plans and institution building.	2 international organizations. 5 regional or subregional organizations.
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- 115.** Of the six performance indicators measuring results under this objective, four relate directly to social dialogue institutions and policies (4b.1, 4b.3, 4b.4, 4b.6) while the other two refer to the practice of social dialogue (4b.2, 4b.5). The strategies to achieve these outcomes focus on technical assistance to member States, research and publications to improve knowledge and share good practices, and promotion of the various Conventions. Where ratification has been achieved, the ILO's attention moves to the practical application of the Conventions.
- 116.** The first target for this objective focuses on ratification of Conventions. It takes many years of work to achieve ratification, but interim results indicate that ILO strategies are continuing to be successful. For target 1a, ratification of Convention No. 144 and of Conventions and protocols covering specific sectors, results in 2002 suggest good progress:
- four ratifications of Convention No. 144 (40 per cent of target). Promotional material was prepared and published in 2002 in three languages. This will be used actively to promote further ratifications.
 - 13 ratifications of Conventions and protocols covering specific sectors (87 per cent of target).
- 117.** Work in support of 4b.5, ratification or practical application of Convention No. 150, illustrates the scope of ILO strategies to achieve the goal. Work is under way in 46 countries, representing a good proportion of those in each region. The target of ten States that ratify or apply this Convention is likely to be achieved, recognizing that proceeding to ratification and then to application is a process that takes many stages over a number of bienniums. A ratio of work in 46 countries to achieve significant changes (ratification, legislation which implements a Convention in practical terms, introduction of new management systems in ministries of labour, or extension or delivery of new and better services for employers and workers) in ten countries within a single biennium is appropriate, and shows a balanced approach, with work proceeding at different stages in countries in each region. Three ratifications of Convention No. 150 have been registered in 2002 (Albania, Antigua and Barbuda and China).

Number and per cent of countries in each region where efforts are being made towards ratification or application of Convention No. 150 (target 4b.5)



- 118.** Concern that simple ratification is not a complete indicator of achievement has been reflected in the Programme and Budget proposals for 2004-05, where the indicators have been modified to emphasize the practical application of machinery for social dialogue.
- 119.** The remaining performance indicators relate to the promotion and strengthening of the practice of social dialogue in a variety of situations; adoption of legislation at national level; use of social dialogue in international and subregional structures and institutions; and addressing issues such as gender equality, poverty, and labour market reform through social dialogue. Demand for advice on labour law reform intersects with ILO cross-cutting themes, such as gender, poverty and HIV/AIDS. Work and results in this area involve capacity building for social partners, so they can take part in social dialogue initiatives effectively. Those results also reflect overall decent work trends in a country. The Office is making substantial progress in this regard through technical assistance to foster social dialogue in the design of poverty reduction strategy programmes in several countries (e.g. Cambodia, Ethiopia, Sri Lanka and the United Republic of Tanzania).

**Promotion of management-labour cooperation (PROMALCO):
Caribbean enterprise project**

The Caribbean region, with its vulnerable economies and precarious industrial development, faces opportunities as well as risks through economic globalization. The business community and workers' representatives can help to create an environment that is competitive, attracts job-creating investment, sustains universal social standards and facilitates decent work. Working in the context of the developing agreement for a Free Trade Area of the Americas, there are opportunities to create better labour conditions, form social partnerships and eliminate business practices that encourage confrontational labour relations. The ILO project is working to achieve:

- employer-worker cooperation to improve enterprise productivity and competitiveness;
- human resources management and bargaining strategies that reconcile economic efficiency with workers' rights;
- greater respect for the fundamental labour standards as a positive element in business development; and
- a commitment to working together as a means of ensuring profitability, employment security and protection of workers' legitimate interests.

- 120.** Work to ensure that member States' social dialogue institutions and processes specifically address gender issues shows an integrated range of activities across many different fields of action. At a general level, the work of the Office to assist member States to create and sustain institutions for social dialogue aims to ensure their gender responsiveness. Addressing gender equality as part of social dialogue is also reflected in other ways: in Bangladesh and Cambodia, as part of work to improve working conditions in the garment industry; in Hungary, as part of capacity building for constituents; and in Mexico as part of more and better jobs for women.
- 121.** The importance of good labour market data that allow constituents to understand and address the gender dimension is a focus of regional work (e.g. the Americas) and specific industrial sectors (e.g. civil aviation). These specific interventions are complemented by global efforts: campaigns to improve the participation of women in trade unions in 33 countries; and providing support to establish and sustain gender-responsive social dialogue institutions in 45 countries. Tools have been prepared to support gender-responsive social dialogue, including a publication on incorporating gender into technical cooperation, as well as the updated version of "Gender equality: A guide to collective bargaining" and the "Guide on promoting gender equality in poverty reduction strategies".
- 122.** A final performance area is not well reflected in the Programme and Budget for 2002-03 indicators and targets, but falls generally under the heading of social dialogue. Sectoral-specific services are an ongoing responsibility of the ILO, as well as an area where the expectation that traditional types and levels of service will be maintained. Continuing zero-growth budgets, and demands for new and more responsive services are bringing increasing pressure on the Office's limited capacity. Six sectoral meetings were held in 2002, out of a total of 12 scheduled for the biennium, as well as many additional Geneva-based and regional meetings and follow-up activities engendered by unanticipated events.

Restatement of technical cooperation projections and projected allocations of the 2000-01 surplus in 2002-03 (in US\$)

	Estimated extra-budgetary technical cooperation expenditure for the biennium	2000-01 surplus funds
Programme and Budget for 2002-03	5 220 000	–
Adjusted as of 31 December 2002	16 667 000	732 210
Change	11 447 000	732 210

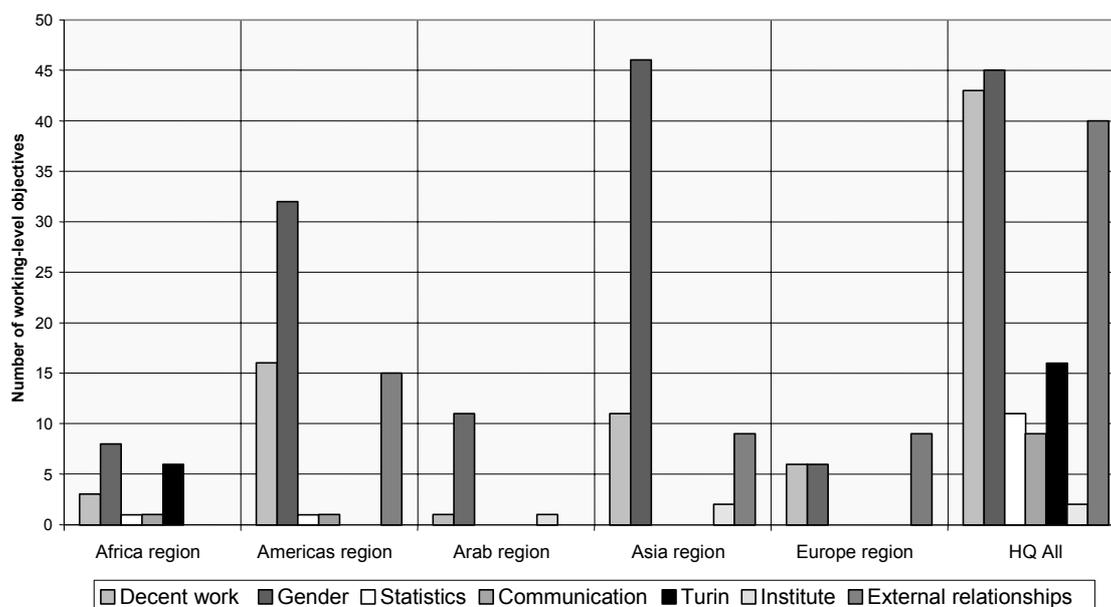
Note: Donor interest, particularly in terms of the relevance of social dialogue partners and mechanisms to overall issues of governance, has led to increased technical cooperation in this area. The 2000-01 surplus investment in this area will provide for improved support to local worker, employer and government constituents in each region, as well as specific projects in response to crises. More information will be available at the end of the biennium as programming began only in late 2002.

Cross-cutting activities

- 123.** The Programme and Budget for 2002-03 did not include specific objectives or a results-based framework for a range of items described as "cross-cutting activities". In the course of 2002, based on the discussions of the 2000-01 implementation reports, it was agreed that the Programme and Budget proposals for 2004-05 would establish concrete measures of progress on cross-cutting objectives. For 2002-03, it is possible to review some of the activities and progress in terms of awareness across the Office. The following figure illustrates the degree to which the cross-cutting themes of 2002-03 are explicitly reflected in the working-level objectives of ILO units in the field and in technical sectors. Gender

equality has achieved a high recognition in all regions and sectors, relative to the other issues, while there is quite low reflection of issues such as communication. The latter point is currently being addressed through increased work to build capacity for external communications, particularly from a regional perspective.

Profile of “cross-cutting” issues by region and HQ



Decent work: Inter-sectoral operational support

124. At the national level, the work previously carried out by the decent work pilot programme is continuing and expanding to include further development of coherent national policies to achieve decent work goals in different economic and social settings. The contribution of the Decent Work Agenda to poverty reduction is being stressed.

Decent work integrated pilot programmes

In 2002, decent work pilot programmes were designed and launched in five countries (Bangladesh, Bahrain, Ghana, Morocco, Philippines) following extensive consultations with tripartite constituents, and adding to the three previous pilot programmes in Denmark, Kazakhstan and Panama. The pilot programmes seek to demonstrate the value added of integrated policy formulation in different social, economic and political contexts as part of setting national priorities for decent work. Each has its own nationally defined focus: in Bangladesh, globalization and decent work; in Bahrain, fundamental social and economic policy reforms; in the Philippines, employment, productivity and poverty reduction; in Morocco, the restructuring of the textile sector; in Ghana, poverty reduction and the informal economy. In each case, integrated strategies involving extensive inter-sectoral technical support and concerted tripartite action are being defined and implemented over a period of three to four years. These experiences should provide substantive support for the formulation of integrated decent work action plans and decent work country programmes in a larger number of countries, as requested by ILO constituents at recent Regional Meetings in the Americas and Asia and in other contexts.

For 2002-03 there is a planned investment of US\$800,610 from the 2000-01 surplus for decent work initiatives, primarily improvements in services to constituents in the regions to better link the ILO's goal of decent work with national and international development agendas.

Gender equality

- 125.** As part of a strategy to further gender mainstreaming in the ILO, the Office piloted a participatory gender audit of a number of ILO programmes at headquarters and in the field. The findings of the audits helped define priorities and the strategy for 2002-03, particularly for the 15 work units involved.
- 126.** The audit, held from October 2001 to April 2002, mobilized 450 staff and constituents to evaluate their progress in promoting gender equality. The audit showed that the high-level political commitment and the strategic budgeting process have encouraged the promotion of gender equality in ILO policies and programmes. The audit helped to identify how gender equality can be formulated as a goal and then measured, monitored and reported on. The audit of work units revealed that where there is commitment to gender equality and gender competence on the part of the manager, there are clear results on gender mainstreaming at the level of workplans and implementation of activities. The audit identified an increasing number of positive practices and good products developed throughout the Office to promote gender equality since 1999. However, among staff and managers there was still confusion on basic gender equality concepts and differences between women-specific activities and the “gender and development” approach. The audit also found that the incorporation of gender concerns at the different stages of design, implementation, monitoring and evaluation – though improved – had not yet been institutionalized. There were wide variations in the quality of ILO products and services and persistent examples of gender-blind work reflecting substandard quality.
- 127.** The audit also identified a need for stronger ILO frameworks to better analyse and respond to the changing labour force participation patterns of men and women in the formal and informal economies. Acting on this need will allow the ILO to develop appropriate policy responses and provide assistance to constituents to better address national priority gender equality issues.
- 128.** Beyond the audit, the Office has been focusing on identifying member States' priority gender equality issues under the four strategic pillars of decent work. This will complement the review and updating of the Office's Action Plan on Gender Equality and Mainstreaming in the ILO. Advisory services are being provided to constituents on the establishment and implementation of national policies on equal opportunities for men and women, as well as developing equality components in existing policies. Furthermore, work is ongoing to develop strategies for improving the representation of women at decision-making levels. Finally, increased efforts are required by the Office and constituents to generate the data disaggregated by sex that is necessary to determine how best to integrate gender into specific actions, establish appropriate indicators, and track progress.

ILO leadership in gender mainstreaming

The United Nations Office of the Special Advisor on Gender Issues and Advancement of Women and the Director of the Division for the Advancement of Women expressed their appreciation and considerable interest in the gender audit, in particular the participatory methodology. The Working Party on Gender Equality of the OECD invited the ILO in October 2002 to its annual meeting to share information about the process. The Norwegian Government also invited the Gender Bureau in November 2002 to share the ILO experience of gender mainstreaming and the gender audit with the heads of gender units of international agencies and development banks.

For 2002-03 there is a planned investment of US\$600,000 from the 2000-01 surplus for gender equality initiatives, supporting increased gender-equality capacity among constituents.

Statistics

- 129.** The Advisory Group on Statistics, led by the Statistical Development and Analysis Group of the Policy Integration Department, serves as a forum to exchange information and examine a range of statistical issues relating to the measurement of decent work deficits. These include the development and testing of new indicators (using a portion of the 2000-01 surplus) and the promotion of methodological and technical consistency in the disparate data sets and databases maintained by the Office. In collaboration with the UN, the Bureau of Statistics has also contributed to the monitoring of two statistical MDG indicators (on youth unemployment and women's share of non-agricultural employment).

For 2002-03 there is a planned investment of US\$800,000 from the 2000-01 surplus for accelerated development of new statistical indicators, particularly concerning decent work.

International Institute for Labour Studies

- 130.** In 2002, the Institute's work was concentrated in three areas: the Research Programme; the Education and Outreach Programme; and major support to the World Commission on the Social Dimension of Globalization (WCSDG), with the Director of the Institute as well as senior professional and administrative staff being seconded to the Commission secretariat.
- 131.** The Research Programme focuses on establishing the conceptual and analytical foundations for decent work policies, particularly causal factors. In 2002, studies focused on the specific relations between decent work and economic growth and development. New indicators were used in statistical analyses relating fundamental rights at work to foreign direct investment (FDI) and comparative trade advantage. The study on FDI found clear evidence that FDI flows are positively influenced by higher levels of human capital and better labour standards. A statistical analysis of comparative trade advantage yielded similar results. A new area of research launched in 2002 concerns the role of civil society organizations and their relations with workers' and employers' organizations. This will help to address the current lack of systematic empirical knowledge on these actors.
- 132.** The Education and Outreach Programme has sought to develop the Institute's role as a centre for policy dialogue, learning and intellectual exchange between ILO constituents, academic experts and external policy-makers working on labour and social issues. Achievements of note in 2002 included:
- social policy forums and several public lectures, including the symposium on "The future of work, employment and social protection", in Lyons, France, in January 2002 and a Workshop on Research Methodologies for Decent Work, in Shanghai, China, in May;
 - the 37th international internship course (Geneva, 15 May-4 June) focused on "labour and social policies to promote decent work" and was held in Spanish for 25 participants from Latin America and other Spanish-speaking countries. A regional internship course for Arab countries was held in Beirut, Lebanon, in the autumn of 2002;

- academic partnerships continue to flourish, including links with the Central European University, Cambridge University and others. The second Phelan Fellowship was awarded to a Brazilian scholar completing her doctoral thesis at the Massachusetts Institute of Technology. A number of visiting scholars and students were received at the Institute, and study visits organized. The Institute contributed to the formulation of new research programmes of the Geneva International Academic Network (GIAN/RUIG).

International Training Centre of the ILO, Turin

- 133.** The Turin Centre is the training arm of the ILO. In 2002, as in all preceding years, the majority of its activities (estimated at 350) were related to the ILO's four strategic objectives. In order to sharpen its focus on these objectives and to ensure greater integration and coordination among all activities, the Centre's Training Department underwent a minor restructuring.
- 134.** The majority of the 9,000 estimated participants in the Centre's activities in Turin, in the field and at a distance (Internet-based learning), were representatives of the ILO constituents. ILO staff members formed a growing minority among Centre participants.
- 135.** The year 2002 was the second year of the Centre's third five-year development plan. It aims at strengthening the Centre's essential role in the ILO's capacity-building, learning and knowledge management strategy. As part of the implementation of this plan the Centre started directing special resources to:
- developing new training packages for (i) the Declaration on Fundamental Principles and Rights at Work and (ii) Social Dialogue;
 - increasing the participation of workers' and employers' representatives among the participants (17 per cent in 2001);
 - maintaining the 40:60 balance between women and men among the participants;
 - increasing the percentage of women among its senior professional and managerial staff;
 - expanding its evaluation system to include a systematic assessment of the impact of its activities;
 - upgrading the use of electronic tools for administration, promotion and delivery (distance learning); and
 - creating a viable network of former participants.

External relations and partnerships

- 136.** The main focus of efforts concerning relations with the international community has been to establish decent work as a major pillar of the global development agenda by developing broad partnerships on the basis of shared values. Proactive steps and targeted efforts have been made to establish and develop partnerships with the highest potential to promote decent work at the global, regional and national levels. The ILO played a strong role in relation to issues within its mandate in the work of the multilateral system, and in particular of the United Nations system (General Assembly, ECOSOC, Chief Executives Board – CEB, formerly the ACC), the Bretton Woods institutions, organizations with

strong trade and economic orientations, regional bodies, as well major meetings on social and labour issues of the OECD, G8, G7, G15, G77 and other groupings.

- 137.** The Director-General played a high-profile role in many of these events. The Office as a whole was mobilized to project an integrated substantive ILO contribution to major international forums and to influence their outcomes. The Governing Body was kept regularly informed and involved in shaping the ILO contributions to such events. The Governing Body, through its Working Party on the Social Dimension of Globalization, continued to provide a unique platform for policy dialogue with other international organizations on various issues of direct interest to the ILO, as well as on the capacity of the multilateral system for policy integration.
- 138.** In 2002, ILO efforts focused on the major global conferences, follow-up to the United Nations Millennium Summit – and in particular the Secretary-General’s Youth Employment Network for which the ILO is the lead agency – and poverty reduction strategies (PRSP process). The ILO made important contributions to the various United Nations conferences and summits held in 2002, taking an active part in the International Conference on Financing for Development, the Second World Assembly on Ageing, the Special Session of the United Nations General Assembly on Children and the World Summit for Sustainable Development, which was attended by a tripartite Governing Body delegation. ILO involvement had a significant impact on the outcomes of these events, ensuring better understanding by the international community of the relevance of decent work in achieving broad development goals. The series of conferences and summits organized in the course of the last 15 years culminating with the United Nations Millennium Summit (2000) and the global conferences held in 2001-02, has witnessed unprecedented agreement within the international community on a wide range of commitments and plans of action, contributing to a large extent to the shaping of a global development agenda. There is now a consensus within the international community on the need to move from commitments to action. Organizations in the multilateral system, including the ILO, are working together to assist countries in this endeavour through partnerships and alliances in a coordinated framework.
- 139.** Following the Millennium Summit, the set of eight Millennium Development Goals (MDGs) was identified as a general framework to advance global development objectives. A United Nations core strategy on the MDGs has subsequently been adopted by the agencies of the United Nations system with a view to assisting countries in achieving these goals by 2015. The MDGs provide a number of valid entry points to promote decent work, in particular youth employment and poverty reduction. The MDGs also create opportunities for highlighting the role of the ILO tripartite constituency in a broad development perspective. In this context, decent work is of crucial importance in assisting MDG-related efforts by compensating for the relatively low explicit priority accorded to labour and employment concerns in the MDGs.
- 140.** The ILO joined the United Nations Development Group in 2002. This grouping of United Nations programmes, funds and agencies, engaged in development assistance and related activities, provides a framework for greater coherence and cooperation in United Nations development operations. By joining it the Office intends to ensure that ILO concerns have greater impact on, and are increasingly included in, all United Nations activities, especially at the country level.
- 141.** In relation to the PRSP process, the ILO has expanded its partnerships with the Bretton Woods institutions and regional development banks in 2002, achieving closer working relations and coherence of action in the countries selected for the ILO pilot programme. In addition, relations with the African Development Bank and the Asian Development Bank have been consolidated in two cooperation agreements which aim to establish an

operational framework and practical modalities for cooperation on development issues and provide for consultation and participation in analysis and planning activities.

- 142.** The ILO has continued its efforts to promote decent work through the support and advocacy of its values and objectives from civil society organizations with which it has officially established relations. In particular, special efforts have been made to explore the potential of various organizations representing diverse humanistic, religious and spiritual traditions to promote commitment to the decent work strategy at the regional, subregional and country level on the basis of stated regional and country development objectives.
- 143.** Preparations are currently under way for further consolidation of the ILO institutional and policy framework for establishing and developing external partnership networks for promoting decent work, in particular at the regional, subregional and country levels.

Communications

- 144.** The importance of effective communications in advancing the Decent Work Agenda has led to increased attention to this issue. A comprehensive communications strategy was developed, with significant new investments to ensure that the ILO has the capacity and the information base to ensure that its messages are heard. Particular attention is being paid to enhancing the regional aspects of communication: ensuring that regional staff have the necessary materials and training to use communications tools effectively as part of their programmes and to ensure that field-based experiences and successes are widely known.

For 2002-03 there is a planned investment of US\$2,100,000 from the 2000-01 surplus for external communications and visibility initiatives, which include expanded regional capacity to design and lead media campaigns and better background resources to support constituents.

Governance, support and management

- 145.** The year 2002 has seen considerable attention paid to this area, ranging from the need to make significant investments to protect the safety and security of ILO staff, to launching new initiatives to modernize the Office's financial and human resource management systems. This is reflected in the investment of funds from the 2000-01 surplus.

For 2002-03 there is a planned investment of US\$8,407,500 from the 2000-01 surplus for management and support initiatives. These include:

- US\$3.4 million for security and safety of staff;
- US\$2.4 million to improve ILO staff capacity to manage staff and deliverables effectively;
- US\$900,000 in necessary improvements to buildings and accommodation;
- US\$1.6 million in improvements in information technology.

Support to the ILO's policy-making organs

- 146.** A reorganization of document production led to a significant improvement in distribution of Governing Body documents at the 283rd, 284th and 285th Sessions of the Governing Body in March, June and November 2002. The Office will continue its efforts to maintain the timely distribution of quality documents for all meetings and conferences whilst

working to improve the service further by addressing such matters as document length. Work towards a framework of service-level agreements between user and production units is ongoing.

Management services

Human resources development

147. Implementation of the human resources strategy approved by the Governing Body at its 276th Session in November 1999 continued and has been the subject of regular reports to the Programme, Financial and Administrative Committee. The results of an internal review of the impact of the strategy and its financial implications, together with the report of the management audit of the strategy undertaken by the External Auditor, will be presented to the Governing Body in March 2003 for its consideration and decision on “next steps”. As of 1 November 2002, the Human Resources Development Department was restructured with the objective of improving the overall efficiency and effectiveness of its operations.
148. An overall allocation of US\$6 million was made from the 2000-01 surplus to address management capacity issues. The Human Resources Development Department, along with the Bureau of Programming and Management and the Development Cooperation Department, is developing more detailed proposals for this important investment in the ILO’s own staff capacity.

Programming and management

149. Developments in the implementation of results-based management are noted earlier in this report. In 2002, an evaluation framework and the first programme evaluations were completed. They were discussed by the Governing Body in November 2002. The development of Programme and Budget proposals for 2004-05, based on the lessons learned from 2000-01 and the first year of 2002-03, was the main focus during the year.

Financial services

150. In June 2002 the Governing Body and the International Labour Conference were presented with an unqualified audit report, relating to the previous biennium, by the External Auditor. This is a primary objective of the Financial Services Department and results from the satisfactory discharge of this Department’s ongoing stewardship responsibilities.

Support services

151. The Bureau of Publications has broadened dissemination of ILO publications and reached wider audiences through CD-ROM and web-based services. The Publications Advisory Committee has undertaken a full review of publications policy.
152. The ILO’s document service has moved to on-demand printing. As part of this move a new policy on document stock management has been developed and realized significant reductions with considerable space savings being achieved. In 2002, the ILO implemented a new inventory management system.
153. The implementation of a new bibliographic management system during this biennium has significantly increased the accessibility of ILO publications and a wide array of other materials, both print and electronic. LABORDOC, the ILO Library’s database, is now

more easily searchable and from December 2002 is available on the Internet. In addition, the Bureau of Library and Information Services launched a “virtual library” facility that provides links to key web sites on social and labour issues. As part of a general content management and knowledge-sharing strategy, the Library is working with other units in headquarters and in the field to promote the use of common standards for recording text-based information, with the aim of improving access to ILO information throughout the Organization. The requirements and specifications of an ILO-wide content/document management system (CDMS) are being finalized and costed.

- 154.** The information technology infrastructure at headquarters was capably maintained providing satisfactory services to all users, and the networking infrastructure was upgraded to higher performance. The information technology strategy was updated to cover the period 2001-06.
- 155.** In 2002, there was significant progress in the area of security and property management. This included the partial renovation of the headquarters first-floor area, temporary premises at headquarters, involvement in the proposed master plan currently being drawn up by the local authorities, and the preparation of construction plans for the Lima Office.
- 156.** As a result of the security analyses which took place following the fire on the first floor of the headquarters building, additional security equipment is in the process of being installed. Training in safety and security procedures is also under development. The new telephone network has been extended and will complement the Intranet communications system.

Geneva, 3 February 2003.