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ILO technical cooperation in fragile States

Purpose of the document

This document examines past and current ILO action in fragile States. The Office seeks guidance from the Governing Body on how to further develop its technical cooperation (TC) programme in fragile States. It presents data and lessons learned from TC in fragile and other conflict- and disaster-affected countries. A way forward is suggested for the ILO's future programme in these countries. This paper provides input for the revision of the ILO-wide TC strategy (November 2014) as well as the post-2015 discussion.

The Governing Body may wish to request the Office to take action on the way forward (draft decision, paragraph 30).

Relevant strategic objective: All.

Policy implications: None.

Legal implications: None.

Financial implications: The further development of the programme will be subject to the mobilization of extra-budgetary resources.

Follow-up action required: Develop a strategy for the ILO's work in fragile States and incorporate it into the revised TC strategy subject to guidance from the Governing Body.

Author unit: Partnerships and Field Support Department (PARDEV), Fragile States and Disaster Response Group (FSDR, DEVINVEST, EMPLOYMENT).

Related documents: GB.306/TC/5, GB.310.TC/2.

I. Introduction

1. The ILO's experience to date attests to the critical role of employment and decent work in situations of fragility. Action with respect to these objectives can and must begin at the very early stages of efforts to move towards a sustainable development path. Through such action, the ILO is also able to put its values and knowledge at the service of some of the poorest and most vulnerable populations.

The notion of state fragility

2. Estimates indicate that 1.5 billion people live in conflict-affected and fragile States and that this number is still growing.¹ Although the root causes of fragility vary, inequality, lack of decent work opportunities and social exclusion are common characteristics of fragile situations. State fragility and the related instability may create “spill-over effects” and contribute to the destabilization of neighbouring States and regions.² Civil conflicts, violent social unrest and countries affected by crisis and fragility have become increasingly central to international humanitarian, development and security agendas and an emerging priority for the post-2015 discussion. However, there is no internationally agreed definition of the term “fragile State”. Moreover, fragility does not necessarily define a category of States; it can also refer to pockets of fragility within or across borders.³
3. In 2010, a group of fragile and conflict-affected countries meeting in Dili, Timor-Leste, established the “g7+” (listed in table 1) to share experiences and to advocate for reforms to the international community's engagement in conflict-affected States. According to the g7+: *“a state of fragility can be understood as a period of time during nationhood when sustainable socio-economic development requires greater emphasis on complementary peacebuilding and statebuilding activities such as building inclusive political settlements, security, justice, jobs, good management of resources, and accountable and fair service delivery”*.⁴ The g7+ and the policy document “New Deal for engagement in Fragile States” (the “New Deal”) have gained recognition in the United Nations (UN) and the wider international development community. This paper uses the g7+ definition and also refers to natural disasters which tend to exacerbate vulnerabilities. The nexus between natural disasters and conflicts is reflected in the ILO's approaches and responses in fragile settings.

¹ International Dialogue for Peacebuilding and Statebuilding (2011), “New Deal for engagement in fragile States”, <http://www.newdeal4peace.org/wp-content/uploads/2013/01/new-deal-for-engagement-in-fragile-states-en.pdf>.

² This is also reflected in the ILO Constitution (1919): “The failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries”.

³ African Development Bank (2014), “Ending conflict and building peace in Africa: A call to action”.

⁴ G7+ (2013), “The Fragility Spectrum”, <http://www.g7plus.org/s/06112013-English-Fragility-Spectrum-Note.pdf>.

Table 1. Members of g7+ (January 2013)

Africa	Americas	Asia and the Pacific
Burundi	Haiti	Afghanistan
Central African Republic		Papua New Guinea
Chad		Solomon Islands
Comoros		Timor-Leste
Democratic Rep. of the Congo		
Côte d'Ivoire		
Guinea		
Guinea-Bissau		
Liberia		
Sierra Leone		
Somalia		
South Sudan		
Togo		

II. The ILO's work in fragile States

Rationale

4. Since its foundation, the ILO has highlighted the role of socio-economic programmes and policies in peace building and recovery. The Employment (Transition from War to Peace) Recommendation, 1944 (No. 71) proposed a pioneering approach to promote peace and social justice in the aftermath of world war II through employment-based recovery and reconstruction. This approach continues to be highly pertinent in similar contexts although the majority of conflicts are now taking place within States.
5. Post-conflict, fragile and disaster-affected environments are characterized by instability, insecurity, poverty and inequality. Lack of employment opportunities and livelihoods, (youth) unemployment and underemployment, inequalities and lack of participation can be catalysts for conflict. Conflict, natural disasters and fragility aggravate poverty, unemployment and informality, creating a vicious circle leading to even greater fragility.
6. Decent work can be a critical factor in breaking this circle and can lay the foundations for the construction of stable communities. Consistent with the decent work approach, the ILO's action in situations of fragility addresses gender-specific security needs. Women are driving forces for post-conflict recovery and their inclusion in state-building activities provides the foundation for inclusive development strategies.

7. The ILO's Strategic Policy Framework (2010–15) identifies crisis response as a priority⁵ and Decent Work Country Programmes (DWCPs) exist for 15 out of the 18 g7+ fragile States.⁶
8. The international community recognizes the centrality of decent work for peace, security and social justice even in the most complex and fragile settings. The UN has acknowledged that employment creation is essential for political stability, reintegration, socio-economic progress and sustainable peace.⁷ Similarly, the g7+ Peacebuilding and Statebuilding Goals of the “New Deal” call for the establishment of “economic foundations” to generate employment and improve livelihoods, and for “revenues and services” to manage revenue and build capacity for accountable and fair service delivery.

The ILO's long-standing expertise

9. The ILO has long contributed to state building through social reform, by promoting democratic participation, social dialogue and fundamental rights. In more recent years, the ILO has adopted a specific focus on peace building and disaster response reconstruction. The crisis response and reconstruction programme has been succeeded by the Fragile States and Disaster Response Group located within the Employment Policy Department which aims to ensure Office-wide coordination of the ILO's engagement in post-conflict and post-disaster settings.
10. At present, the work of the ILO in fragile and complex situations focuses on:
 - Strengthening labour market governance through social dialogue by building the capacity of ILO constituents to play an enhanced role in preventing, mitigating, preparing, recovering and monitoring communities and countries affected by fragility and disasters.
 - Promoting employment opportunities and social protection for women and men under a coherent and comprehensive policy framework for socio-economic reintegration and poverty alleviation of households and communities. For instance, the ILO supported cooperative development as a vehicle for socio-economic integration, in the Democratic Republic of the Congo. In Afghanistan, the National Emergency Employment Programme created jobs as a concrete peace dividend through labour intensive and infrastructure investment.
 - Addressing youth in vulnerable employment conditions to contribute to stabilization and conflict resolution in countries such as Comoros, Guinea, Sierra Leone, Somalia and Togo.
11. The ILO has worked in partnership with its tripartite constituents and UN agencies in all 18 g7+ States with varying degrees of involvement, as well as in other countries affected by conflict and natural disasters.

⁵ GB.304/PFA/2(Rev.).

⁶ DWCP by country: Afghanistan, Burundi, Chad, Comoros, Côte d'Ivoire, Guinea-Bissau, Papua New Guinea, Sierra Leone, Solomon Islands, Timor-Leste, Togo (final versions); Central African Republic, Democratic Republic of the Congo, Guinea, Somalia (draft versions).

⁷ United Nations Policy for post-conflict employment creation, income generation and reintegration (2009).

ILO and the UN

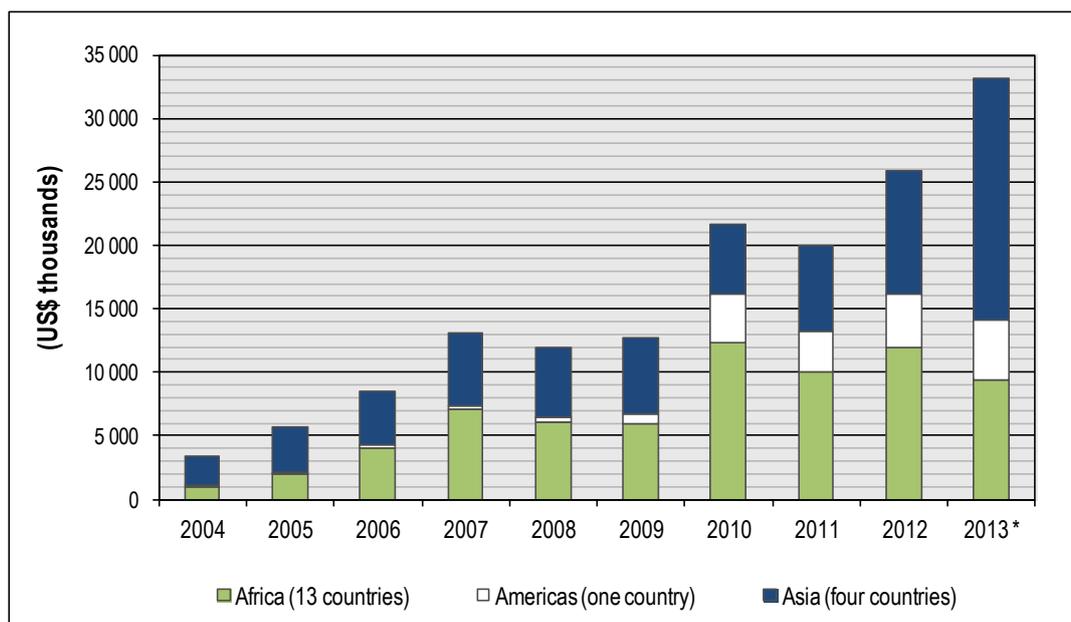
12. The ILO is an active partner in a variety of inter-agency initiatives and international forums related to peace building and reconstruction. For instance, in 2004 the ILO launched a new operational partnership with the United Nations High Commission for Refugees (UNHCR) to enhance the protection, reintegration and durable solutions for displaced people in host-communities and countries of origin. The two agencies have jointly executed over 17 operations, harnessing synergies through close inter-agency cooperation at both the headquarters and national level. In 2009 the ILO and the United Nations Development Programme (UNDP) jointly spearheaded the development of the *United Nations Policy for Post-Conflict Employment Creation, Income Generation and Reintegration* to maximize the impact, coherence and efficiency of employment and reintegration support for fragile States provided by UN agencies.
13. The ILO is also an active member of the Inter-Agency Standing Committee's (IASC) sub-working groups on disaster preparedness and consolidated appeal processes for humanitarian emergencies. The ILO is a full member of the global IASC Cluster Working Group on Early Recovery and its co-leader at country-level in post-emergency situations.
14. Section III provides more information on country-level operations, including those carried out with UN agencies.

III. ILO technical cooperation in fragile States

Analysis of the TC portfolio from 2004 to 2013

15. The ILO has implemented 159 projects in fragile States since 2004 and increased its Extra-budgetary Technical Cooperation (XBTC) expenditure nearly ten-fold in these countries since then (figure 1). More details on the ILO's TC portfolio in fragile States 2004–13 can be found in the appendix. During this period, the ILO's highest share of XBTC expenditure in fragile States has been in Asia, followed by Africa. The increase in XBTC expenditure in the Americas is due to support in the aftermath of the earthquake in Haiti.
16. Compared to the total amount of XBTC expenditure by region from 2004 to 2013, expenditure in Africa's fragile States accounts for 14 per cent whereas this share represents 13.1 per cent in Asia and 7.1 per cent in the Americas.

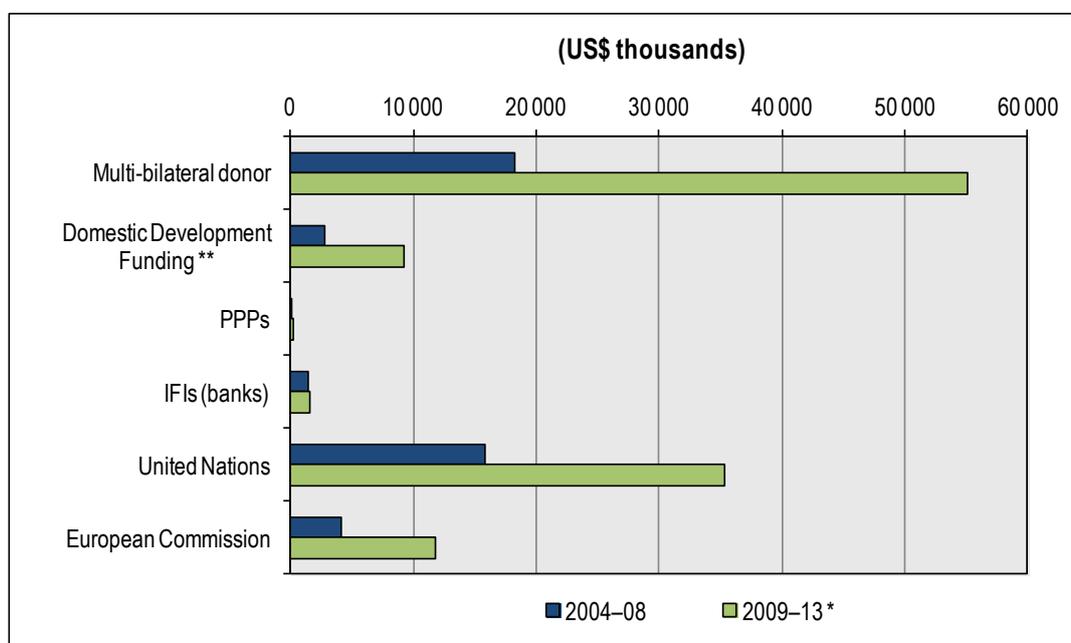
Figure 1. XBTC expenditure in fragile States by region, 2004–13 *



* Preliminary data as at 6 January 2014 (p.m.).

17. Multi-bilateral donors are the most important funding source, followed by the UN and the European Commission (see figure 2). This distribution has been fairly stable over the period and is also coherent with global ILO TC portfolio figures. Multi-bilateral donor expenditure almost tripled in the period 2009–13 compared to 2004–08, and UN funding also increased significantly.

Figure 2. XBTC expenditure in fragile States by funding source, 2004–13 *



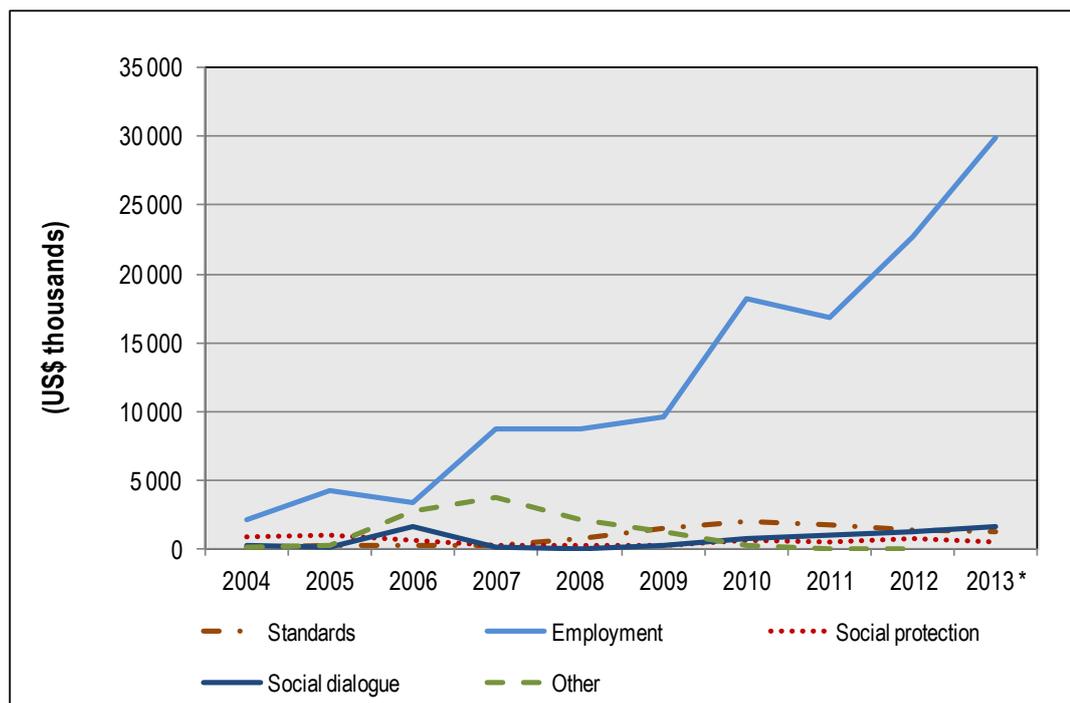
* Preliminary data as at 6 January 2014 (p.m.).

** Domestic development funding in fragile States is often financed through international financial institutions (IFIs).

18. The number of projects implemented with UN partner agencies by far surpasses that of standalone projects. The UNDP (39 projects) and the United Nations Children's Fund

(UNICEF) (31) have been the most important partners, followed by the United Nations Human Settlements Programme (UN-HABITAT) (17), the World Bank (11) and the Food and Agriculture Organization of the United Nations (FAO) (ten). Altogether, projects have been implemented with 20 different UN partner agencies in countries such as Afghanistan, Burundi, Haiti, Liberia, Sierra Leone, Somalia and South Sudan. This suggests that UN system-wide coherence seems to work well in fragile settings. Most projects in fragile States are decentralized. Nearly half of these country-level projects have a local development component, underlining the relevance of area-based approaches which are potentially more responsive to specific needs in pockets of fragility.

Figure 3. XBTC expenditure in fragile States by strategic objective, 2004–13 *



* Preliminary data as at 6 January 2014 (p.m.).

- 19.** Expenditure by strategic objective (figure 3) shows that 79.7 per cent of expenditure has been allocated to employment. The 154 projects analysed focused primarily on: employment and vocational training (81 projects), employment policies (58), and targeted support for vulnerable groups (57), local economic recovery (44), employment intensive investment (40) and small and medium enterprises (39).⁸ Ex-combatants are an important target group in countries such as Burundi, Comoros, Solomon Islands, South Sudan and Timor-Leste, whereas projects in Afghanistan, Democratic Republic of the Congo, Liberia and Somalia specifically targeted child soldiers. Overall, youth (59 projects), conflict-affected host communities (48) and women (45) are the main end-beneficiaries, whereas disabled persons have been less prominent end-beneficiaries.⁹

Country results and lessons learned

- 20.** Although the ILO has Country Offices in only two of the 18 g7+ States – namely, Côte d'Ivoire and Democratic Republic of the Congo it has implemented projects in all 18 g7+

⁸ Projects can have more than one technical activity.

⁹ End-beneficiaries are similarly determined as technical activities.

States over the past decade, through project offices and partnerships with UN agencies.¹⁰ Not having a residential presence has led to coordination difficulties, cumbersome administrative procedures and has hampered the Office's consistent participation in UN Country Team (UNCT) initiatives. This has a negative impact on mainstreaming decent work in country strategies and resource mobilization. Furthermore, security risks and constraints, as well as difficult access to remote areas, challenge TC operations and delivery.

21. At programming level, in the challenging institutional landscape of fragile States, project targets have often been over-optimistic and the capacity development of constituents inadequate. Insufficient inclusion of local knowledge and personnel diminishes local ownership. Proper needs assessments that take into account the local context are therefore indispensable in addressing the specificity of fragile situations.
22. Despite the challenges, the ILO has accumulated sound experience in these contexts. Project evaluations show that constituents and UN partners value the ILO's technical expertise and competencies in transferring knowledge to local counterparts, and in managing employment recovery programmes on the ground.
23. Important lessons learned from the TC portfolio analysis in fragile States, are:
 - (a) *Relevance*: the ILO's TC portfolio engages a wide spectrum of societal groups through its tripartite constituency. Vulnerable groups such as youth and women receive much needed attention to stabilize post-conflict settings, improve the security of communities and consolidate peace- and state-building activities. However, displaced and disabled people are not sufficiently targeted.
 - (b) *Effectiveness*: the ILO has a comprehensive range of technical expertise to address both basic needs at local level, as well as enhancing labour market governance at policy level. For example, the ILO supported employment intensive public works in Somalia, reinforced microfinance capacities in Afghanistan, Burundi and Central African Republic and contributed to improved labour market governance in the Democratic Republic of the Congo, Somalia and Timor-Leste, among others. However, the ILO faces difficulties in responding rapidly to sudden onset emergencies.
 - (c) *Efficiency*: the ILO, as a non-resident agency, frequently collaborates with UNCTs and has jointly implemented projects with 20 UN partner agencies in fragile States. However, further improvement is needed when it comes to interagency coordination.
 - (d) *Impact*: working with ILO constituents facilitates national ownership, as has been illustrated in Guinea and Timor-Leste, among others. However, what is expected from tripartite constituents in fragile countries can exceed their capacities. More in-depth and long-term capacity development and involvement of local expertise and knowledge is needed for a sustainable impact.
 - (e) *Sustainability*: the ILO's post-conflict interventions fostering, for instance, livelihood resilience and the reintegration of ex-combatants, serve as an entry point to develop coherent and integrated ILO programmes later on. This supports country transition from short-term projects and programming to longer-term policy-making.

¹⁰ The number of projects implemented jointly with UN partners is about five times higher than standalone projects.

Recent lessons learned from disaster responses and the link with fragility

24. Responses to natural disasters provide useful insights into, and demonstrate similarities with, approaches in fragile, post-conflict situations. The effects of natural disasters are especially damaging in fragile States with no or extremely low disaster preparedness and response capacity. Environmental degradation, slow onset (e.g. seasonal floods and droughts) and sudden onset (e.g. flash floods, earthquakes, etc.) disasters not only challenge livelihoods but may also contribute to (renewed) cycles of conflict. In fragile States, disasters are therefore likely to exacerbate already existing weaknesses and instability due to scarcity of human capital (lack of skills, protracted absence of services, lack of access, etc.) and the destruction of social capital (fragmented relationships and community structures, lack of trust and confidence in local institutions and formal authorities). As might be expected, a slower pace of recovery is also to be anticipated due to weakened institutions, disrupted social services, poor or malfunctioning economies and significant depletion of capacities at all levels.
25. Experience shows that employment-oriented and local economic recovery strategies contribute to stability and recovery from disasters. In partnership with other UN and multilateral agencies, the ILO has successfully broadened and maximized its impact in a variety of post-disaster settings. The response to the December 2004 Indian Ocean tsunami demonstrated the ILO's ability to contribute its technical knowledge and resources in humanitarian settings and to leverage its own programme funding requirements through the Consolidated Appeal Process (both for Sri Lanka and Indonesia). Following the 2004 tsunami, the ILO has expanded its disaster-responses in numerous countries, among them Pakistan (2010, droughts), Haiti (2010, earthquake) and the Philippines (2012 and 2013 typhoons), where it is currently co-leading the Early Recovery and Livelihood Cluster in response to typhoon Haiyan.
26. The most important lessons learned from disaster response are:
- (a) placing jobs for women and men at the centre of recovery efforts while paying attention to other dimensions;
 - (b) designing interventions to address short-, medium-, and long-term employment from the very start (from emergency employment, to early recovery and development);
 - (c) building on local human and economic resources, social partners and institutional networks, contributes to local economic recovery and sustainability;
 - (d) being sensitive to local context to address the specific needs of vulnerable groups; and
 - (e) including measures for "building back better" to improve disaster resilience as well as climate change adaptation.
27. The ILO's disaster-response interventions assist tripartite constituents in fragile countries in preparing for, responding to and monitoring the consequences of natural disasters from a decent work perspective.

IV. The way forward

28. To capitalize on this experience the Office could develop a strategy for its work in fragile States aimed at:

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- (a) enhancing the capacity of the ILO's tripartite constituents to develop swift national responses and support social dialogue as a means of consolidating peace;
 - (b) developing guidance for context-specific responses that tackle poverty, inequality and exclusion through the promotion of decent work by giving special consideration to women, youth and children, as well as to displaced and disabled persons; and
 - (c) bringing the ILO's approach, expertise and TC experience in fragile States to the post-2015 debate, as well as to the Global Partnership for Effective Development Co-operation.

29. To achieve these objectives the Office would:

- (a) Make the necessary organizational arrangements, including by strengthening the Office's capacity to respond to emergencies swiftly and in a multi-disciplinary way. One initiative envisaged is the creation of a task team with the involvement of the ILO's headquarters, field structures as well as the International Training Centre in Turin, and including employer and worker specialists, to raise awareness; develop a strategy; coordinate ILO operations as well as timely inputs into joint UN emergency responses; and support resource mobilization efforts.
- (b) Mobilize voluntary contributions (i.e. XBTC) to establish a fragile States fund in order to launch emergency response activities, participate in operations with UN system organizations and IFIs; and send staff on temporary secondment to countries where ILO capacity is limited.
- (c) Establish strategic partnerships to involve the social partners in promoting decent work in fragile States, with a wide range of organizations from the international development community including the g7+, knowledge institutions and the private sector, including through South–South and triangular cooperation.

Draft decision

30. *The Governing Body requests the Office to take action on the way forward, as suggested in paragraphs 28 and 29, points (a) to (c), and reflect this in the revised ILO TC strategy to be submitted to the Governing Body in November 2014, taking into account the guidance given in the discussion.*

Appendix

Extra-budgetary technical cooperation (XBTC) in fragile States, by region and country 2004–13 *

(in US\$ thousands; excluding administrative expenditure)

Region/country	Total expenditure 2004–13 *	Number of current projects **	Current funding **
Africa			
Burundi	1 286	4	1 197
Central African Republic	77	1	122
Chad	300	1	17
Comoros	1 075	3	1 610
Côte d'Ivoire	330	1	221
Democratic Republic of the Congo	12 218	3	4 803
Guinea	25	0	0
Guinea-Bissau	0	0	0
Liberia	11 046	2	5 019
Sierra Leone	4 789	2	4 039
Somalia	32 258	15	16 120
South Sudan	654	3	1 749
Togo	5 592	2	797
Subtotal Africa	69 650	37	35 693
Americas			
Haiti	18 075	10	12 277
Subtotal Americas	18 075	10	12 277
Asia			
Afghanistan	11 424	4	1 820
Papua New Guinea	1 623	1	884
Solomon Islands	239	2	619
Timor-Leste	54 982	7	56 723
Subtotal Asia	68 268	14	60 047
Total fragile States	155 992	61	108 017
Total XBTC	1 862 413	699	822 816
Percentage share	8.4	8.7	13.1

* Preliminary data as at 6 January 2014. ** Current funding and the number of current projects refer to the total budget of active projects in IRIS, as at 24 January 2014. The country information includes only the budget for national projects, not the budget for activities conducted in connection with subregional or regional projects.