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ILO Development Cooperation Strategy 2015–17: Report on progress

Purpose of the document

As requested by the Governing Body at its 325th Session (October 2015), this document reports on progress in the implementation of the Development Cooperation Strategy 2015–17. The Governing Body is invited to approve the Office's proposal for the continued implementation of the Development Cooperation Strategy 2015–17 until the end of 2018 (see the draft decision in paragraph 33).

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Efficient support services and effective use of ILO resources.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

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

Related documents: GB.325/POL/6, GB.323/POL/5, GB.322/POL/6.

I. Background

1. As requested by the Governing Body at its 325th Session (October 2015),¹ the Office hereby reports on progress in the implementation of the Development Cooperation Strategy 2015–17. This document provides updates on the four building blocks of the strategy: focus, effectiveness, capacity development and resource mobilization. For each of these building blocks, the Office established guiding principles and deliverables/targets.² As most of these are to be achieved by the end of 2017, the document reflects the status at the time of writing. Furthermore, the Office provides updates from the regions, as was requested by the Screening Group of the Governing Body at its meeting in November 2016. Detailed information on progress in the deliverables and targets can be found in Appendix I. Data and trends on voluntary contributions are provided in Appendix II. The Governing Body is invited to approve the Office's proposal for the continued implementation of the Development Cooperation Strategy until the end of 2018.

II. Implementation of the Development Cooperation Strategy 2015–17: Progress as at the end of 2016

A. Focus

2. With regard to the building block related to focus, the Office has made progress in the implementation of the principles, as well as the corresponding deliverables and targets (see table 1 in Appendix I). Projects continue to support ILO outcomes and Decent Work Country Programmes (DWCPs). This alignment is displayed in the Development Cooperation Dashboard.³ Development cooperation approaches and operations have been more integrated into the ILO Centenary Initiatives. As part of the Governance Initiative, the *Resolution on Advancing Social Justice through Decent Work* calls on the ILO to strengthen and streamline its development cooperation and expert advice to enhance Members' institutional capacity in making progress on a tripartite basis towards all strategic objectives.⁴ Development cooperation activities are increasingly being framed as part of the relevant Centenary Initiatives.
3. The ILO's involvement in United Nations (UN) joint programming at the country level has enhanced the integration of the Decent Work Agenda into UN Development Assistance Frameworks (UNDAFs) and national frameworks for the Sustainable Development Goals (SDGs). In 2016, a sample study on mainstreaming the Decent Work Agenda in UNDAFs and One UN programmes found that employment and social protection were the areas for which the ILO's expertise was most in demand. UNDAF guidelines reinforce the human rights-based approach to development interventions, which strengthens the position of international labour standards in country-level development cooperation. All 266 ILO

¹ See GB.325/POL/6.

² See GB.325/POL/6, GB.323/POL/5, GB.322/POL/6.

³ See www.ilo.org/DevelopmentCooperationDashboard/.

⁴ ILO: *Resolution on Advancing Social Justice through Decent Work*, International Labour Conference, 105th Session, Geneva, 2016, para. 15.4(c).

projects approved in 2016 have been aligned with the SDGs.⁵ Such country-level cooperation around the SDGs has been important in advancing the objectives of the End to Poverty Initiative, the vehicle for the ILO's contribution to the 2030 Agenda. Furthermore, the Decent Work Agenda and international labour standards in particular are at the core of multi-stakeholder platforms. Examples include the Alliance 8.7 to eradicate forced labour, modern slavery, human trafficking and child labour;⁶ the ILO Global Business Network for Social Protection Floors;⁷ and the Global Initiative on Decent Jobs for Youth.⁸

4. Efforts have been made to enhance resource integration. More programmes combine funding sources from diverse sources (see boxes 1, 2 and 3) and explore complementarities and synergies. The Office has allocated Regular Budget Supplementary Account (RBSA) resources to reinforce ongoing country-level work and to leverage other resources. While a more balanced distribution of voluntary resources across policy outcomes has not yet been achieved, the allocation process has become more country-driven.
5. At the national level, the Office is making progress in improving constituents' involvement in development cooperation through national tripartite decent work committees. Among the numerous countries that have such committees in place, 16 were identified to pilot a new development cooperation oversight function in their committees. In at least five of the 16 pilot countries (Cambodia, Jordan, Kenya, Tajikistan, Timor-Leste)⁹, the committee members have a good oversight of ongoing and planned development cooperation activities. In Cambodia and Tajikistan, efforts are under way to link or replace project steering committees with the decent work committee for greater coherence and coordination.
6. The Office has stepped up its engagement in international forums and country work in conflict-affected and fragile contexts, emphasizing the importance of decent work as a vital bridge between humanitarian and development solutions. In December 2015, the 13th African Regional Meeting debated the Framework Strategy for the ILO's Engagement in Promoting Decent Work in Fragile States in the Africa Region.¹⁰ In some countries, RBSA funds enabled early response and mobilization of other types of funding. For instance, the ILO has expanded its development cooperation programme in response to the Syrian refugee crisis in Jordan and Lebanon. RBSA funds helped Liberian constituents to engage in social dialogue on social protection mechanisms during the aftermath of the Ebola epidemic. In Colombia, the Office has tailored its development cooperation strategy in response to the transition from war to peace the country is facing. In Ukraine, the Office supported the national policy reform agenda while taking into account the employment and social protection needs of internally displaced people. In many cases, the ILO's strengthened collaboration with other UN agencies has proven fruitful in highlighting the decent work dimension of crisis response.

⁵ For details, see the Development Cooperation Dashboard.

⁶ See www.ilo.org/global/topics/sdg-2030/latest/WCMS_524957/lang--en/index.htm.

⁷ See www.social-protection.org/gimi/gess/ShowProject.action?id=3030.

⁸ See www.ilo.org/global/topics/youth-employment/databases-platforms/global-initiative-decent-jobs/lang--en/index.htm.

⁹ See table 1 in Appendix I.

¹⁰ See www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_425045.pdf.

Box 1**Transition from war to peace in Colombia**

Over a period of 50 years, the rural areas of Colombia experienced armed conflict between the military and various guerrilla, paramilitary and criminal groups. Some 68 per cent of people in these areas are living in poverty and extreme poverty, which exceeds poverty levels in urban areas. The need for rural development is emphasized in the November 2016 peace agreement for Colombia.

In June 2015, the Ministry of Labour, the Ministry of Agriculture and Rural Development, the Department of Social Prosperity, the Colombian National Training Service and the ILO signed a memorandum of understanding to cooperate on promoting decent work in rural areas. Nine areas of cooperation are included: formalization and promotion of rural employment; promotion of and respect for fundamental principles and labour rights; formalization and social protection; partnerships and entrepreneurship; rural youth employment and gender equality; tripartite social dialogue; enabling environment for sustainable enterprises; training for work; and local economic and social development. Today, the implementation of the memorandum is funded by domestic resources, RBSA and project funding from multi-bilateral partners, and shows achievements in many areas. For instance, together with the Ministry of Labour and the International Organization of Ibero-American States for Education, Science and Culture, the Office designed a programme to improve the employability of young victims of the conflict, which is funded by the Government of Colombia.

7. The Office has enhanced its programmatic approach to development cooperation as well as to resource integration by promoting larger programmes. The flagship programmes and other large-scale programmes, such as the programme to improve working conditions in the ready-made garment sector in Bangladesh, are examples of this pooled funding approach. In addition, global, regional and subregional projects complement country-level operations by fostering knowledge sharing among constituents. Strategically allocating RBSA to achieve results at the country level as well as strengthening the ILO's in-country presence and coordination, including within UN country teams, also contribute to enhanced synergies and programmatic approaches.

Box 2**Building social protection floors for all**

The ILO's Flagship Programme on Building Social Protection Floors For All contributes to the realization of Outcome 3 of the programme and budget; the implementation of the ILO Social Protection Floors Recommendation, 2012 (No. 202); and the achievement of Goals 1, 3, 5, 8 and 10 of the 2030 Agenda. The programme provides a coherent and coordinated umbrella under which country-level projects and thematic approaches complement each other. Establishing common strategies, tools and methods for the programme's 21 target countries and the 20 cross-country thematic approaches is instrumental to achieving coherency. For instance, the results and impact measurement tool will demonstrate the ILO's contribution to the achievement of target 1.3 of the 2030 Agenda: "implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable". Furthermore, the programme is establishing a global governance structure composed of a Global Tripartite Advisory Committee and a development partners' group. The programme integrates the ILO's regular and voluntary resources and promotes diverse partnerships involving multi-bilateral development partners, the United Nations, domestic funding, businesses and foundations.

B. Effectiveness

8. The quality of development cooperation programmes and projects starts with sound, result-focused design. Building on an outcome of the Business Process Review of the Partnerships and Field Support Department (PARDEV) in 2016, the Office has followed up on a recommendation from the 2014–15 annual evaluation report specifying that when conducting quality control for project documents, greater emphasis should be placed on "getting it right" during the project design phase. Consequently, PARDEV is piloting changes in the project appraisal with the objective of reinvesting freed-up-time in strategic

design support.¹¹ Furthermore, it is expected that the increased embedding of theory of change approaches in Office programming guidance will facilitate results-oriented design of development cooperation operations.

9. Achievements were made in sharing data on the ILO's operations in line with international transparency standards. The improved Development Cooperation Dashboard was launched in 2016. The ILO also shared data on RBSA and extra-budgetary development cooperation (XBTC) funding with the International Aid Transparency Initiative (IATI) and reported to the Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD-DAC) on figures for official development assistance (ODA) (see table 2 in Appendix I).
10. The Office has reinforced its decentralization policy as well as collaboration and networking between headquarters and the field through the global task teams. Global projects can decentralize their country components to field offices, and Decent Work Teams are increasingly taking on responsibility for technical backstopping. However, the overall share of projects that are fully managed by field offices has remained at around 70 per cent since 2013.¹² This is explained by the fact that for some global development cooperation programmes country subprojects are still under development with decentralization progressively expected as they mature. In other cases, field offices expressed their preference for central management of projects because of constraints on technical or financial administrative capacity. The continued roll-out of IRIS is expected to facilitate further decentralized project management.
11. Good practices of effective and cost-efficient synergies between projects at the country level through cost-sharing arrangements, including for common facilities, illustrate increased ILO staff awareness of value for money. Peer-to-peer exchanges among projects' stakeholders at regional or subregional levels, as well as between countries, also result in good value and savings compared to other forms of capacity development. When budgeting projects, real cost estimates (instead of flat percentage rates) of items such as field security, as well as results-based budgeting are progressively being practised. This facilitates cost-consciousness and value for money assessments.
12. In 2016, PARDEV, the International Training Centre of the ILO in Turin (ITC-ILO) and the Human Resources Development Department (HRD) jointly launched an innovative and cost-efficient staff development programme on development cooperation. Compared to previous standard residential courses in Turin, these "regional learning journeys" combine a series of online and face-to-face activities, are tailored to regional needs and bring the learning closer to more field colleagues.

C. Capacity development¹³

13. Many large development cooperation operations enhance constituents' capacity, including through bipartite and tripartite training programmes, especially in areas such as promoting and complying with international labour standards, labour relations, improving working conditions and policy-making. There is room for developing such programmes more systematically across other areas of decent work and in support of social partners' activities.

¹¹ See GB.328/PFA/5.

¹² See table 2 in Appendix I.

¹³ The Governing Body discussed constituents' capacity development during its 309th, 310th and 312th Sessions: see GB.309/TC/1, GB.310/TC/1 and GB.312/POL/9.

Furthermore, the Office has supported capacity development and knowledge sharing with constituents' involvement through South–South and triangular cooperation. Highlights in 2016 included the South–South and Triangular Cooperation Academy (Turin, July 2016), the ILO-China-ASEAN High-Level Seminar to achieve the SDGs on Universal Social Protection through South–South and Triangular Cooperation (Beijing, September 2016), the Global South–South Development Expo (Dubai, November 2016) and the Latin American exchange on youth employment under the South–South agreements of the ILO regional initiative Latin America and the Caribbean Free of Child Labour (San José, Costa Rica, December 2016).¹⁴

Box 3

Improving working conditions in the ready-made garment sector in Bangladesh

In response to the Rana Plaza tragedy of 2013, the ILO is operating the Ready-Made Garment Programme with pooled contributions from Canada, the Netherlands and the United Kingdom. Capacity development efforts in cooperation with the Government of Bangladesh and social partners are showing results. The Department of the Chief Inspector of Factories and Establishments (DCIFE) created 392 new positions for inspectors, bringing the total to 575, and its budget increased by 322 per cent in 2015–16 compared to 2013–14. Furthermore, the DCIFE developed and implemented a labour inspection reform roadmap and labour inspection plan to support other key government agencies, such as the fire service and Civil Defence Directorate, as well as workers' and employers' organizations, such as the Bangladesh Garment Manufacturers and Exporters Association and the Bangladesh Knitwear Manufacturers and Exporters Association, in carrying out their monitoring and oversight role. As part of its reform efforts, the DCIFE concluded a 40-day foundational training course helping 160 labour inspectors gain the skills needed to boost working conditions.

Concerning occupational safety and health (OSH) and workers' rights, the ITC–ILO and the Bangladesh Employers' Federation trained 114 master trainers, who consecutively trained 5,184 middle managers at the factory level. Also 62 trained trade union OSH focal points started echo training during 2016. A compensation scheme was established by a joint agreement between the Bangladesh Ministry of Labour, leading buyers, employers' and workers' organizations as well as non-governmental organizations in line with Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121), and has been fully funded, having received the required US\$30 million. More than 2,800 claims were processed relating to over 5,000 injured workers and dependants of the deceased.

- 14.** The ITC–ILO continued its dedicated capacity-development programmes for each constituent group. By the end of 2015, the increase in participation by ILO tripartite constituents had reached its highest level since 2011, representing almost 42 per cent of the total participants in the Centre's activities. The Centre provided capacity-building programmes to ministries of labour in a wide range of topics covering labour administration and labour inspection, social security, mediation of labour disputes, negotiation techniques, and occupational safety and health. One example is the feasibility study on the repositioning of the Zimbabwe-based African Regional Labour Administration Centre (ARLAC) in the regional market for labour administration training that ITC–ILO carried out at the request of the Regional Office in 2016. This initiative enabled the ARLAC Governing Council to make informed decisions about its future institutional set-up and operations.

¹⁴ See www.ilo.org/pardev/partnerships/south-south/lang--en/index.htm.

Box 4
Promoting workers' rights and competitiveness
in Egyptian export industries

To enhance constituents' capacities to develop sound bipartite relations in the food processing, textile and ready-made garment export industries, an ILO project carried out trainings on workers' legal rights and responsibilities, fundamental principles and rights at work and social dialogue, occupational safety and health requirements as well as firefighting systems for four exporting factories, which benefited 278 workers, worker representatives and factory managers. The project also provided a training of trainers on worker representation and organization. Another training activity, with 136 unionists and representatives of the General Union of Textile Workers, resulted in increased awareness of the social and medical insurance laws, and enhanced capacity to discuss the new draft labour law.

Furthermore, a tripartite conference on social dialogue and collective agreements with more than 190 participants led to a declaration on social dialogue that was signed by the Minister of Manpower and Immigration. A tripartite social dialogue advisory group was established to address challenges such as the absence of representative organizations for both workers and employers in Egyptian export industries.

- 15.** Besides organizing global learning events on campus, the Workers' and Employers' Activities Programmes delivered training both in the regions and online. All activities were in line with and supported the social partners' priorities. During 2015–16, these demand-driven learning activities involved 3,648 participants from workers' organizations and 2,200 participants from employers' organizations from the five regions. Participants valued these programmes, and many workers' organizations provided in-kind or financial support for the training. An independent evaluation of the Turin Centre's 2016 Employers' Activities Programme reported high levels of effectiveness, efficiency, quality and impact, and 70 per cent of participants indicated that they had personally used the acquired knowledge and achieved positive results in their employers' organizations while doing so. However, the report noted a high rate of turnover of staff within the organizations receiving training at the Centre. Knowledge acquired was not lost entirely, but was transferred and applied within another work context. The Centre is following up on the evaluation recommendations aiming to ensure a higher guarantee of knowledge retention within an organization in the case of staff turnover.¹⁵
- 16.** In order to enhance the quality of the capacity development activities of the Office and the Centre, the latter has stepped up its efforts to mainstream internationally accepted learning and facilitation standards. Eight trainers of the Centre obtained certification from the International Association of Facilitators. Furthermore, a training of trainers certification process run by the Centre and HRD for ILO staff started in 2016 and has resulted in 13 certified trainers so far.

D. Resource mobilization¹⁶

- 17.** Overall, the ILO's resource mobilization efforts are aligned with the call of the Addis Ababa Action Agenda for more and diverse development funding, including private sector finance, domestic funding, innovative sources and cooperation mechanisms.
- 18.** Despite a challenging environment, the ILO registered a modest increase in voluntary contributions in 2016 owing to a renewed commitment of traditional multi-bilateral funding from OECD-DAC members which continues to represent over three-quarters of the ILO's voluntary funding. This includes stable, fully un-earmarked voluntary core funding to the

¹⁵ See GB.328/INS/15.

¹⁶ To be read in conjunction with table 4 in Appendices I and II.

RBSA from eight resource partners and a marked increase in funding from the European Commission.

19. Funding from emerging partners shows growth, and there is potential for more and diversified funding from such partners. Contributions from the World Bank and regional development banks have not yet reached their potential, but a new framework agreement concluded between the ILO and the World Bank in November 2016 will facilitate the provision of ILO expertise to governments implementing projects with World Bank funding.
20. While international public finance, including ODA, can ensure substantial development cooperation operations, ultimately the commitment of ILO constituents and the allocation of domestic financial resources are key to achieving national decent work goals. This is especially the case for countries that have moved to middle-income status. Domestic funding to the ILO fluctuates and is not yet showing stable growth. However, perspectives are positive, also considering innovative examples of domestic funding, such as in Brazil where, for instance, the proceeds from fines resulting from penalties for violations of labour law are entrusted to the ILO for remedial action in areas such as domestic work and child labour.
21. ILO country offices systemically participate in UN joint programming sustained by joint resource mobilization. The ILO largely benefited from pooled funds from the UN Development Group and direct funding from other agencies. However, there is a general pressure on resources to the UN pooled funds for development and a shift to humanitarian and fragile contexts in the UN's work, where the ILO has fewer operations.
22. The private sector is showing increased interest in collaborating on systemic issues in its operations, such as in global supply chains. Knowledge, data and the ILO's convening power are at the core of such public-private partnerships. Moreover, companies and governmental agencies for international development cooperation are increasingly approaching partnership-building jointly. However, social partner organizations have not been in a position to contribute to the ILO's voluntary resource base since 2015.
23. Lastly, the ILO is reinforcing continued cooperation with partners in South-South and triangular cooperation, such as the Association of Southeast Asian Nations (ASEAN), the BRICS country group (Brazil, Russian Federation, India, China and South Africa), the Community of Portuguese Language Countries, the IBSA country group (India, Brazil and South Africa), the Common Market of the Southern Cone (MERCOSUR) and Brazil, China, Panama and Turkey.

III. Update on development cooperation in the regions

24. This section illustrates regional approaches to implementing development cooperation in the regions. In terms of the building block on focus, the five regions have established strategies to tailor development cooperation services to constituents in heterogeneous country settings with increasing social inequality within countries. Decent work agendas in the regions contribute to both UN country programming and the development agendas of regional organizations. The regions have invested in increasing the effectiveness of development cooperation and strengthened capacity-development operations with and for constituents. Resource mobilization strategies and action plans are in place and local resource mobilization has almost met its 2017 target of 50 per cent (see table 4 in Appendix I). Almost all regions receive domestic funding and benefit from South-South and triangular cooperation, but further expansion of non-traditional funding sources is needed. Data on regional extra-budgetary funding is presented in Appendix II.

25. The Regional Office for Africa has prepared development cooperation strategies for specific country categories. In addition to the Framework Strategy for the ILO's Engagement in Promoting Decent Work in Fragile States in the Africa Region, a Framework for ILO Engagement on Decent Work in Middle-Income Countries in Africa was validated by the tripartite representatives of 15 African middle-income countries in 2016¹⁷ and a study on South-South and triangular cooperation is in progress. A subregional resource mobilization strategy for nine countries in southern Africa focuses on country planning, enhancing the ILO's capacity, diversifying partnerships, leveraging internal ILO resources, and formulating regional and subregional projects. Currently, six countries fund ILO development cooperation in employment, social protection and enterprise development with domestic budgets: Cameroon, Egypt, Ghana, Mali, Mozambique and South Africa. Algeria funds South-South cooperation among certain African countries on social dialogue and social protection. The region promotes the effectiveness of development cooperation through training and knowledge-sharing activities for staff and tripartite constituents combined with regular assessments of projects' implementation.
26. The Regional Office for the Arab States has established three development cooperation approaches reflecting the needs of: countries and areas that are experiencing crises, conflicts and fragility (Iraq, the Occupied Palestinian Territory, the Syrian Arab Republic and Yemen); countries that are impacted by crises and their spillover effects, including by hosting large numbers of refugees (Lebanon and Jordan); and the Gulf countries that have been suffering in varying degrees from the consequences of reduced oil revenues on economic growth and employment generation. For example, with the support of Germany, two substantial country projects will support constituents in Jordan and Lebanon in creating decent work opportunities for Syrian refugees and host communities through employment-intensive infrastructure improvement. To further the decent work dimension of crisis response, the Regional Office, in collaboration with the ITC-ILO, organized the first global academy to promote decent jobs in fragile and conflict-affected settings (Beirut, December 2016), which was attended by constituents, ILO staff and other actors from eight countries.
27. The Asia and the Pacific region is also challenged by widened social inequality within countries in spite of economic growth, as was highlighted during the 16th Asia and the Pacific Regional Meeting (Bali, December 2016). The Report of the Director-General to the meeting outlined ways in which the development cooperation strategy had been implemented. On cooperation with middle-income countries, the Report states the need "to place greater emphasis on domestic funding (in cash or in kind, including cost-sharing arrangements) and on advisory services concerned with more efficient use of national resources, and to include as an option (or priority area) the role of the country as a provider of development assistance".¹⁸ The region aims to support the tailoring of development cooperation services to country needs by bringing technical specialists closer to constituents. One example of addressing inclusive growth through development cooperation can be found in Bangladesh, where the ILO has renewed, until 2020, its partnership with the European Commission to promote inclusive approaches to economic growth through skills and employability enhancement, especially for young women and men, persons with disabilities, returning migrants and ethnic minorities. This significant programme builds on past and ongoing development cooperation operations in skills development, and demonstrates a programmatic and focused approach supported by various development partners as part of a broader national driven effort to enhance the country's skills development system.

¹⁷ See www.ilo.org/wcmsp5/groups/public/---africa/---ro-addis_ababa/documents/publication/wcms_533498.pdf.

¹⁸ See www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_531409.pdf, p. 82.

Furthermore, the region engages in development cooperation with emerging partners. Today, three countries, Bangladesh, Brunei Darussalam and Malaysia, make national budgets available to ILO development cooperation in areas such as labour law compliance, labour market statistics and social protection. China funds South–South cooperation on social protection in the region, including in collaboration with ASEAN.

28. In Europe and Central Asia, development cooperation approaches range from country-level project operations to policy dialogue and dissemination of good practices and peer review of employment and labour market policies at the subregional level. For instance, in Central and Eastern Europe, the ILO focuses on policy dialogue and cooperation with the European Commission with the aim of promoting coherence between ILO work and the European integration strategies. In countries and territories that face political challenges, the ILO maintains its operational presence at the local level, working with local constituent representatives. Development cooperation modalities in the region also involve emerging partners and interregional exchange. One example is the renewed partnership (2016–19) with the Russian Federation for the application of the G20 Training Strategy in five of its regions, as well as in Armenia, Jordan, Kyrgyzstan, Tajikistan and Viet Nam. The region is making efforts to increase the effectiveness of its development cooperation programmes by facilitating collaboration among project managers as well as with other ILO staff, regularly monitoring delivery and ensuring adequate resources for technical backstopping.
29. The Regional Office for Latin America and the Caribbean, taking into account the heterogeneity between and within countries, has developed subnational development cooperation programmes to promote decent work in provinces, states or regions. The region has established a network of local decent work agendas, following successful experiences in several states of Brazil. In the Caribbean subregion, the office has developed a two-tier model of development cooperation with a strong subregional strategy to support and complement country-level actions, in follow-up to the recommendation of the high-level *Independent Evaluation of the ILO's Decent Work Country Programmes, strategies and actions in the Caribbean (2010–15)*.¹⁹ The region has established three major priorities for 2016–19: (i) productive development policies for inclusive development with more and better jobs; (ii) formalization of the informal economy; and (iii) promotion and application of international labour standards. They form the basis for development cooperation plans and programmes. One example, in relation to the second priority, is the Programme for the Promotion of Formalization in Latin America and the Caribbean which supports constituents in their efforts to facilitate the transition to the formal economy, in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204). That programme is an umbrella for specific, country-level interventions, funded mostly with RBSA, but also with XBTC and regular budget technical cooperation (RBTC) resources, providing strategic guidance and a platform for knowledge generation and experience sharing. Brazil, Chile, Colombia, Mexico, Paraguay, Saint Lucia and Uruguay currently provide domestic funding to work with the ILO in their respective countries on unacceptable forms of work, sustainable enterprises, social protection, workplace compliance and employment policies. To support effective and resourceful development cooperation, the Regional Office has established a regional task force on resource mobilization and invests in staff development on development cooperation.

¹⁹ See www.ilo.org/global/docs/WCMS_419437/lang--en/index.htm.

IV. The way forward

30. Overall, the implementation of the ILO Development Cooperation Strategy 2015–17 is on track. Points for attention in its continued implementation include:

- (a) **Focus:** There is a need for continued promotion of the integrated Decent Work Agenda, particularly international labour standards, in development cooperation operations and partnerships, including multi-stakeholder partnerships at the global, national and local levels. In particular, this requires ILO support to step up constituents' engagement and capacity in the design and implementation of national plans for the SDGs as well as in forging partnerships.²⁰
- (b) **Effectiveness:** The use of theory of change, results orientation and sustainability needs to be increased in the design of development cooperation operations, with closer involvement of constituents. Continued efforts to follow up on evaluation recommendations related to development cooperation are required.
- (c) **Capacity development:** Dedicated capacity-development programmes for social partners can be incorporated more systematically in large development programmes and flagship programmes across other areas of decent work. Capacity building is also a key action in the ILO Implementation Plan for the 2030 Agenda.²¹ The efforts of the Office and the ITC–ILO to provide more strategic, qualitative and sustainable capacity development need to be expanded.
- (d) **Resource mobilization:** The Addis Ababa Action Agenda on finance for development has made converging resource mobilization efforts between the Office and constituents even more important in order to secure sufficient resources for decent work outcomes. Joint endeavours between the Office and constituents can be instrumental in mobilizing domestic funding as well as contributions from programming related to decent work in the large-scale lending and grant programmes of international financial institutions. Public–private partnerships offer potential for growth, but further work is needed on honing the Office's approach and procedures concerning engagement with the private sector. Moreover, further attention should also be paid to mobilizing innovative sources of finance.

31. Ongoing and upcoming developments and events will affect the ILO's development cooperation strategy and operations. They include: the Business Process Review on donor/partner relationship management; evaluations and assessments, such as the review of the Multilateral Organisation Performance Assessment Network; the Programme and Budget for 2018–19; and, above all, the general discussion at the 107th Session (2018) of the International Labour Conference on Effective development cooperation in support of the Sustainable Development Goals.

32. In the light of these developments, it appears premature to formulate a new development cooperation strategy in 2017. Therefore, the Office considers it useful to extend the duration of the Development Cooperation Strategy 2015–17 until the end of 2018, while closely monitoring the developments and delivery against the programme and budget and the workplans related to resource mobilization and development cooperation.

²⁰ See GB.329/INS/7.

²¹ *ibid.*

V. Draft decision**33. *The Governing Body:***

- (a) requests the Office to take into account its guidance in its continued implementation of the Development Cooperation Strategy 2015–17; and*
- (b) approves the extension of the Development Cooperation Strategy 2015–17 until the end of 2018.*

Appendix I – ILO Development Cooperation Strategy 2015–17: Tables ¹

Table 1. Development cooperation focus for 2015–17

Operating principles	Deliverables and/or targets	Status
<p>i. Alignment with global goals and ILO priorities, including international labour standards. Development cooperation supports the programme and budget outcome areas as ILO's contribution to the post-2015 SDGs, and development cooperation programmes and projects contribute to the achievement of DWCPs and country outcomes that are aligned with national policy frameworks, including the United Nations Development Assistance Framework.</p>	<ul style="list-style-type: none"> ■ By the end of 2017, existing decent work committees in at least 15 ILO member States with substantial development cooperation portfolios (in terms of number of projects and total budget) will encompass the oversight of ILO projects in that country. * 	<p>On track. In the 16 countries that have been identified for the pilot (Bangladesh, Cambodia, Cameroon, Colombia, Ethiopia, Haiti, Honduras, Jordan, Kenya, Nepal, Pakistan, South Africa, Tajikistan, Timor-Leste, Tunisia and Zambia), consultations with constituents on the terms of reference for this oversight function are ongoing or planned. In at least five countries (Cambodia, Jordan, Kenya, Tajikistan, Timor-Leste) the tripartite committee members have a clear oversight of ongoing and planned development cooperation.</p>
<p>ii. Integrated resource management is further enhanced, combined with the above principle (i), through a better oversight of allocation decisions of regular and voluntary resources, while ensuring a balanced distribution across the ILO's programme and budget outcomes.</p>	<ul style="list-style-type: none"> ■ A fund for kick-starting and coordinating responses to fragility and special situations, as well as a global team will have been set up by the end of 2015. ** 	<p>Not implemented. A dedicated kick-start fund has not been established. It is considered that the Office can allocate funds swiftly in an ad hoc way. Off track. Consultations on the terms of reference of the global team are ongoing.</p>
<p>iii. Preparedness and flexibility are required to make development cooperation responsive to needs in countries facing fragility and special situations. See box 2 in document GB.322/POL/6.</p>	<ul style="list-style-type: none"> ■ A maximum of five global flagship programmes will have been designed by the end of 2015, responding to the criteria provided in box 3 in document GB.322/POL/6. 	<p>On track. The design of four flagship programmes is at an advanced stage and should be finalized by March 2017, including the terms of reference for their global tripartite advisory committees. The design of the Flagship Programme on Social Protection Floors for All has been finalized. All flagship programmes have successfully established partnerships and mobilized resources.</p>
<p>iv. Larger programmes enhance the programmatic approach to development cooperation as well as resource integration. At the country level, they facilitate better synergies between projects. See box 3 in document GB.322/POL/6.</p>		

* GB.317/POL/6, para. 16(b), and GB.317/PV, paras 112, 116 and 121.

** GB.320/POL/9.

¹ Data for 2016 is preliminary.

Table 2. Development cooperation effectiveness 2015–17

Operating principles	Deliverables and/or targets *	Status
<p>v. High quality and results: All development cooperation activities are built on a theory of change to ensure the focus is on attaining results and on providing a relevant, high-quality service mix, including research, knowledge, networks, policy, capacity building and direct support.</p>	<ul style="list-style-type: none"> ■ A system improving knowledge sharing and workflows will be launched and implemented for project-cycle management, including an improved version of the ILO Development Cooperation (DC) Dashboard, in line with IATI transparency standards, by the end of 2015. 	<p>On track. As a result of the Business Process Review, the initial pilot is being enhanced and expanded. The full end-to end project cycle management should be operational by mid-2017. The improved Development Cooperation Dashboard (www.ilo.org/dashboard) was launched in March 2016. In 2016, the ILO shared RBSA and XBTC data with the IATI (www.iatiregistry.org/publisher/ilo) and reported to the OECD-DAC on ODA figures for 2012–13 and 2014–15. *</p>
<p>vi. The Office takes action on challenges in its performance as outlined by evaluations and reviews of development partners.</p>	<ul style="list-style-type: none"> ■ The share of projects managed by field offices will reach 80 per cent by the end of 2017 (69 per cent in 2013, based on expenditure). 	<p>Off track. In spite of a slight increase to 72 per cent in 2014, subsequent years showed a small decrease, at 70 per cent in 2015 and 69.2 per cent in 2016.</p>
<p>vii. Decentralization: Enforce the rule that projects must be managed where activities take place, that is, in the field, with the DWCPs as service delivery mechanisms.</p>	<ul style="list-style-type: none"> ■ From 2015 to 2017, the Office-wide delivery rate will not descend below 80 per cent (81.2 per cent in 2013). 	<p>On track. In 2014, 2015 and 2016, the Office-wide delivery rate fluctuated around 80 per cent (79.8 per cent in 2014, 80.4 per cent in 2015 and 79.7 per cent in 2016).</p>
<p>viii. Value for money: The Office delivers development cooperation in an effective and cost-efficient way.</p>	<ul style="list-style-type: none"> ■ A comprehensive development cooperation training programme for up to 75 ILO staff in the field and at headquarters to be piloted and evaluated in 2015. 	<p>Completed. The ILO's Development Cooperation Academy, involving 68 ILO participants, was completed in April 2015. Its impact assessment rated the achievement of its objectives slightly above four on a five-point scale. Four development cooperation clinics with about 60 staff in the regions were carried out during Oct–Dec 2015. The South–South and Triangular Cooperation Academy (July 2016) involved over 120 ILO staff members, constituents and other participants. For 2016–17, the Office has developed regional learning journeys for ILO staff in collaboration with the ITC–ILO.</p>
<p>ix. Improve efficiency and impact gains of staff development on development cooperation.</p>		

* OECD stats, CRS microdata for 2012, 2013, 2014 and 2015.

Table 3. Capacity development of constituents 2015–17

Operating principles	Deliverables and/or targets	Status
<p>x. Compliance with the capacity-development approach of constituents: demand-driven, in line with the DWCPs, and covering technical, organizational and institutional content. *</p>	<ul style="list-style-type: none"> ■ Specific programmes on capacity development for each constituent are developed. 	<p>On track. Learning events organized by the Workers' and Employers' Activities Programmes in the ITC–ILO supported the building of representative, strong and independent organizations, with a stronger regional focus.</p>
<p>xi. Increased and consistent quality of the Organization and the ITC–ILO's capacity-development activities with constituents, enhancing the impact and sustainability of development cooperation operations.</p>	<ul style="list-style-type: none"> ■ Bipartite and tripartite capacity-building programmes are included in large development cooperation operations. ■ Learning-related standards defined and applied by the end of 2017. 	<p>On track. Many large development cooperation projects include bipartite and tripartite capacity.</p> <p>On track. The ITC–ILO has stepped up its efforts in mainstreaming internationally accepted learning and facilitation standards in their learning efforts. For instance, eight ITC–ILO trainers obtained certification from the International Association of Facilitators. Moreover, the Centre successfully piloted a Training of Trainers Certification Programme for ILO staff in 2016 to improve the quality of capacity-building cycles and learning methods in ILO interventions with constituents.</p>

* GB.317/POL/6.

Table 4. Resource mobilization 2015–17

Operating principles	Deliverables and/or targets *	Status																																																																																									
<p>xii. Consolidation and diversification: Consolidate partnerships with the top 20 contributors (see Appendix I in document GB.322/POL/6) while developing alternative funding sources such as domestic trust funds, international finance institutions, the private sector and partners from emerging economies.</p> <p>xiii. Greater predictability: The Office seeks to conclude a greater number of multi-annual partnerships with core funding partners, as well as with emerging and private partners.</p> <p>xiv. Flexibility: The Office continues its efforts to increase the number of partners willing to provide RBSA funding and will follow up on the RBSA review recommendations. In addition, lightly earmarked funding enables the Office to flexibly allocate resources to country and global priorities associated with programme and budget outcomes, and to report on results in the programme implementation report.</p> <p>xv. Local resource mobilization is pursued including through DWCP resource mobilization plans.</p> <p>xvi. Converging efforts: The Organization has the potential to reinforce resource mobilization by the Office. Constituents can support the case for decent work funding with development partners at national, regional and global levels.</p> <p>xvii. Visibility: The Office pursues and extends communication on results and human impact.</p>	<ul style="list-style-type: none"> ■ Extra-budgetary resources (XBTC and RBSA) available to the Office will have increased up to US\$288,500,000 by the end of 2017 (baseline US\$267,376,000 annual average XBTC and RBSA contribution 2012–14). ■ Consolidation and diversification: <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Annual average XBTC and RBSA (2012–14)</th> <th colspan="2">2015 XBTC and RBSA contributions</th> <th colspan="2">2016 XBTC and RBSA contributions ¹</th> <th colspan="2">Targets for 2017</th> </tr> <tr> <th>US\$ thousands</th> <th>% share</th> <th>US\$ thousands</th> <th>% share</th> <th>US\$ thousands</th> <th>% share</th> <th>US\$ thousands</th> <th>% share</th> </tr> </thead> <tbody> <tr> <td>OECD–DAC members</td> <td>204 016</td> <td>76.3</td> <td>158 659</td> <td>67.6</td> <td>209 443</td> <td>80.2</td> <td>205 000</td> <td>71.1</td> </tr> <tr> <td>Non OECD–DAC members</td> <td>5 200</td> <td>1.9</td> <td>9 043</td> <td>3.9</td> <td>13 766</td> <td>5.3</td> <td>10 000</td> <td>3.5</td> </tr> <tr> <td>International financial institutions</td> <td>10 710</td> <td>4.0</td> <td>9 568</td> <td>4.1</td> <td>6 158</td> <td>2.4</td> <td>14 000</td> <td>4.9</td> </tr> <tr> <td>Domestic development funding</td> <td>12 445</td> <td>4.7</td> <td>4 345</td> <td>1.9</td> <td>10 712</td> <td>4.1</td> <td>14 000</td> <td>4.9</td> </tr> <tr> <td>UN organizations and agencies/other intergovernmental organizations</td> <td>25 015</td> <td>9.4</td> <td>36 481</td> <td>15.6</td> <td>13 741</td> <td>5.3</td> <td>25 000</td> <td>8.7</td> </tr> <tr> <td>Public–private partnerships</td> <td>9 823</td> <td>3.7</td> <td>16 453</td> <td>7.0</td> <td>7 190</td> <td>2.8</td> <td>20 000</td> <td>6.9</td> </tr> <tr> <td>Social partners</td> <td>167</td> <td>0.1</td> <td>0</td> <td>0.0</td> <td>0</td> <td>0.0</td> <td>500</td> <td>0.2</td> </tr> <tr> <td>Total</td> <td>267 376</td> <td>100.0</td> <td>234 550</td> <td>100.0</td> <td>261 010</td> <td>100.0</td> <td>288 500</td> <td>100.0</td> </tr> </tbody> </table> <p>¹ Preliminary 2016 data.</p>		Annual average XBTC and RBSA (2012–14)		2015 XBTC and RBSA contributions		2016 XBTC and RBSA contributions ¹		Targets for 2017		US\$ thousands	% share	US\$ thousands	% share	US\$ thousands	% share	US\$ thousands	% share	OECD–DAC members	204 016	76.3	158 659	67.6	209 443	80.2	205 000	71.1	Non OECD–DAC members	5 200	1.9	9 043	3.9	13 766	5.3	10 000	3.5	International financial institutions	10 710	4.0	9 568	4.1	6 158	2.4	14 000	4.9	Domestic development funding	12 445	4.7	4 345	1.9	10 712	4.1	14 000	4.9	UN organizations and agencies/other intergovernmental organizations	25 015	9.4	36 481	15.6	13 741	5.3	25 000	8.7	Public–private partnerships	9 823	3.7	16 453	7.0	7 190	2.8	20 000	6.9	Social partners	167	0.1	0	0.0	0	0.0	500	0.2	Total	267 376	100.0	234 550	100.0	261 010	100.0	288 500	100.0	<p>On track. Despite a modest increase in approvals in 2016, the target for 2017 is challenging given the current climate in ODA financing to the UN.</p> <p>On track. Consolidation of the resource base is on track, while further diversification is needed.</p>
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	<ul style="list-style-type: none"> ■ The share of un-earmarked and lightly earmarked resources as a percentage of total voluntary contributions have increased to 15 per cent by the end of 2017 (in 2012–13, 10 per cent). 	<p>On track. The share of RBSA and lightly earmarked funding increased to 12 per cent in 2014–15. In 2016, RBSA levels remained stable but lightly earmarked funding decreased. More development partners would need to join the RBSA funding in order to reach the target for 2017.</p>																																																																																									

Operating principles	Deliverables and/or targets *	Status
	<ul style="list-style-type: none"> <li data-bbox="775 225 1469 304">■ Regional Offices have developed and/or updated a regional resource mobilization strategy in line with the current Office-wide strategy and the regional specifics by the end of 2015. <li data-bbox="775 336 1469 392">■ The share of resources mobilized locally has increased to 50 per cent by 2017 (46 per cent in 2013). <li data-bbox="775 440 1469 520">■ Communication material (web-based, audio-visual or printed) on results and development partners and global and regional results reports published at least each biennium. 	<p data-bbox="1491 225 2040 312">Completed. Most regional and field offices have recent resource mobilization strategies and action plans in place, covering regions, subregions or countries.</p> <p data-bbox="1491 336 2040 424">On track (2016, 48.4 per cent). Joint efforts across headquarters and the field are required for resource mobilization, which is not reflected in this indicator.</p> <p data-bbox="1491 440 2040 555">Completed. The Office has stepped up its efforts in communicating on results and human impact. Examples include: The ILO at work: results 2014–15 ** and enhanced country web pages.</p>

* Baseline figures may need to be updated.

** <http://www.ilo.org/global/about-the-ilo/how-the-ilo-works/results-based-management/reporting/2014-2015/lang--en/index.htm>.

Appendix II

Data and trends concerning the ILO's development cooperation programme, 2007–16¹

Figure 1. Extra-budgetary development cooperation expenditure and approvals, 2007–16

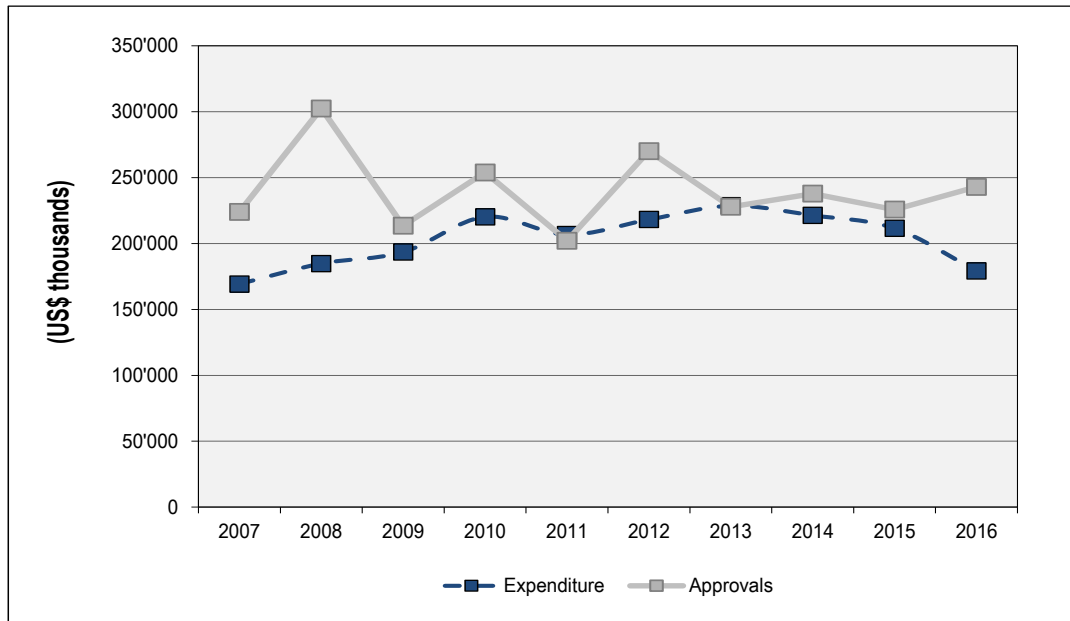
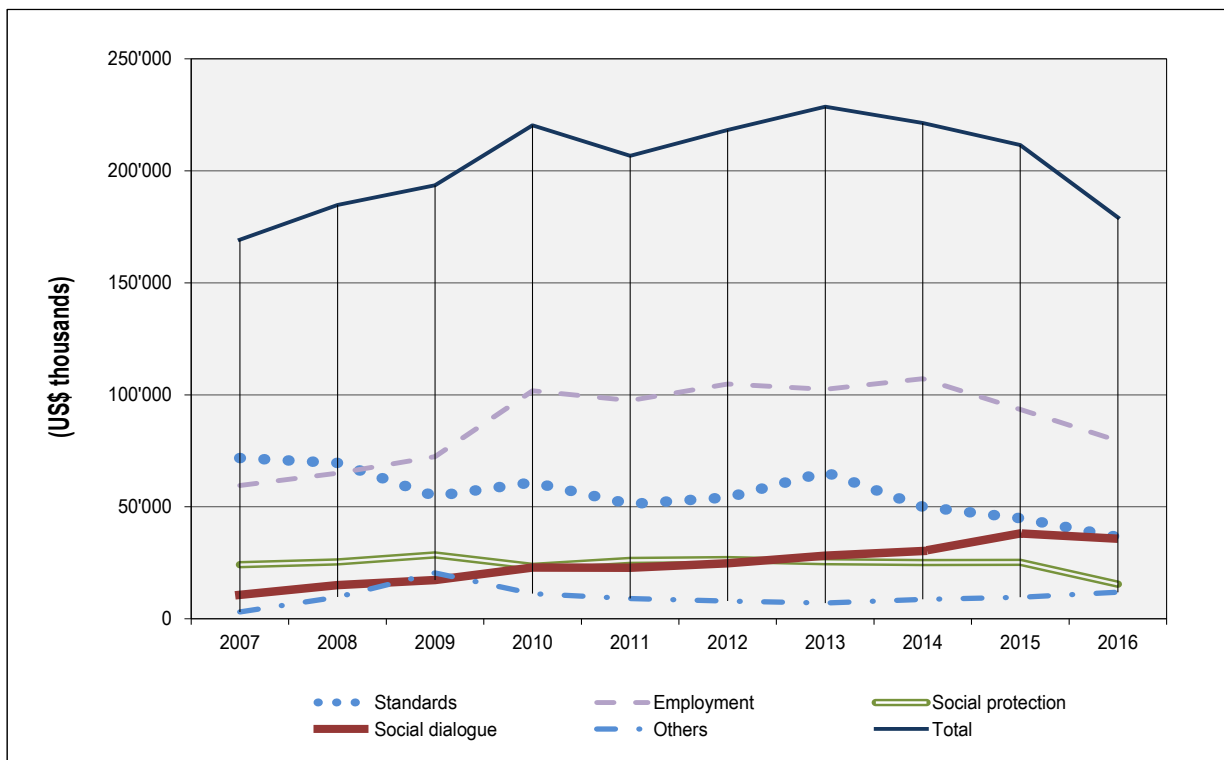


Figure 2. Extra-budgetary development cooperation expenditure by policy area, 2007–16



¹ Preliminary data for 2016.

Figure 3. Extra-budgetary development cooperation expenditure by region, 2007–16

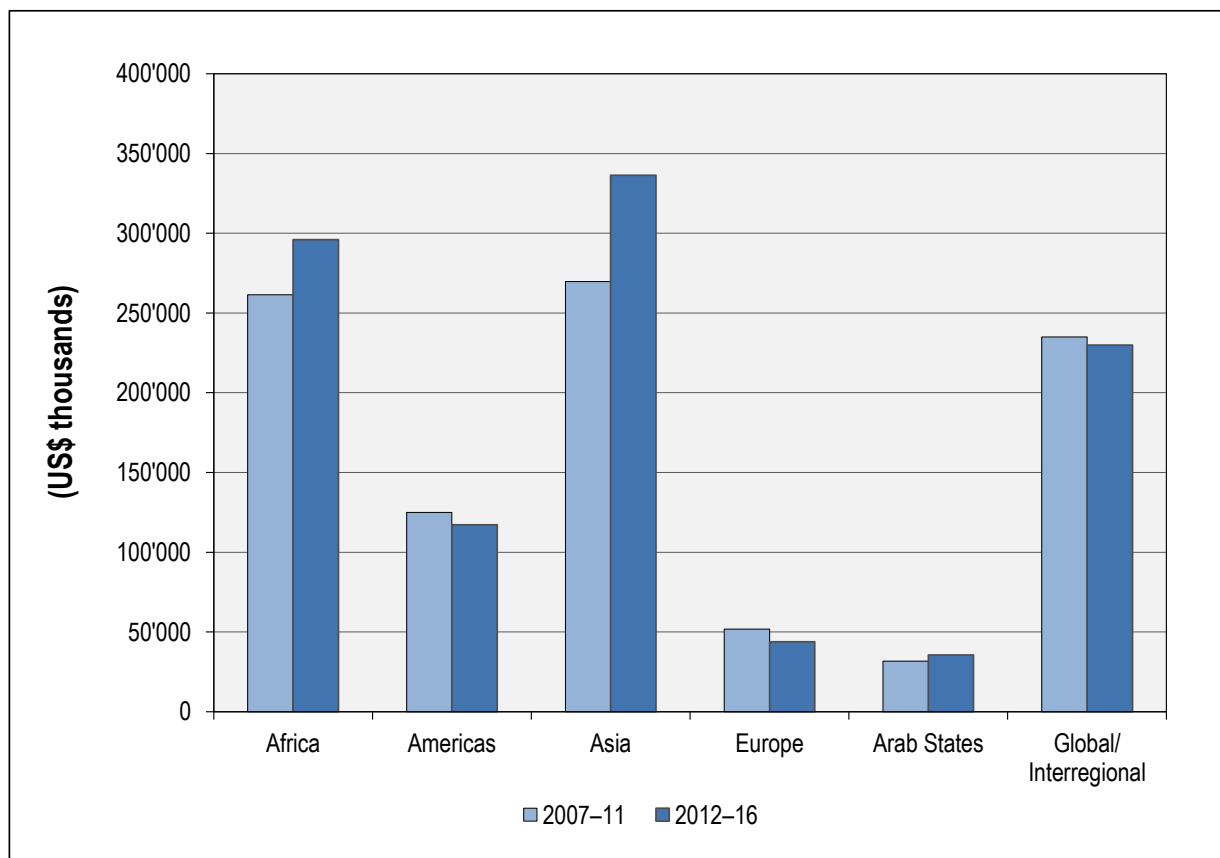


Figure 4. Percentage share of extra-budgetary development cooperation expenditure by administrative responsibility, 2007–16

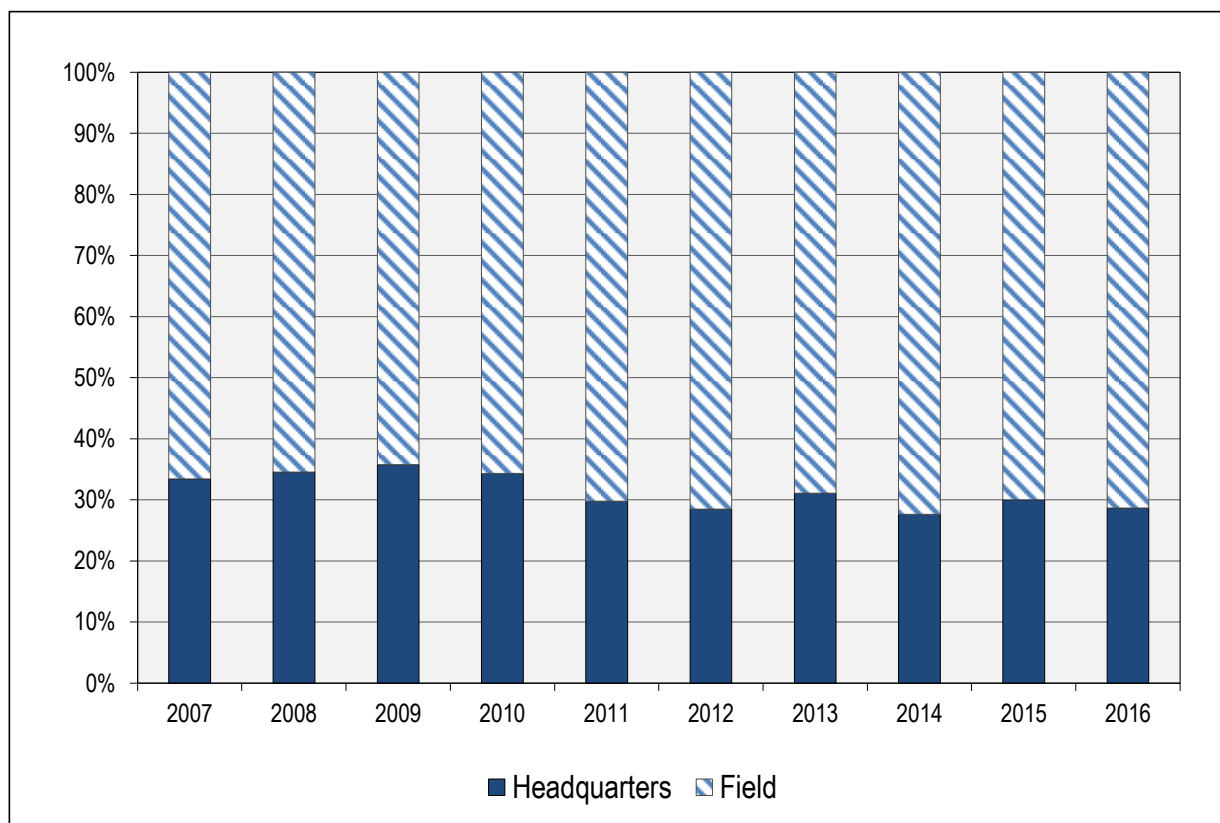


Figure 5. Headquarters, field and total Office extra-budgetary development cooperation delivery rate percentage, 2007–16

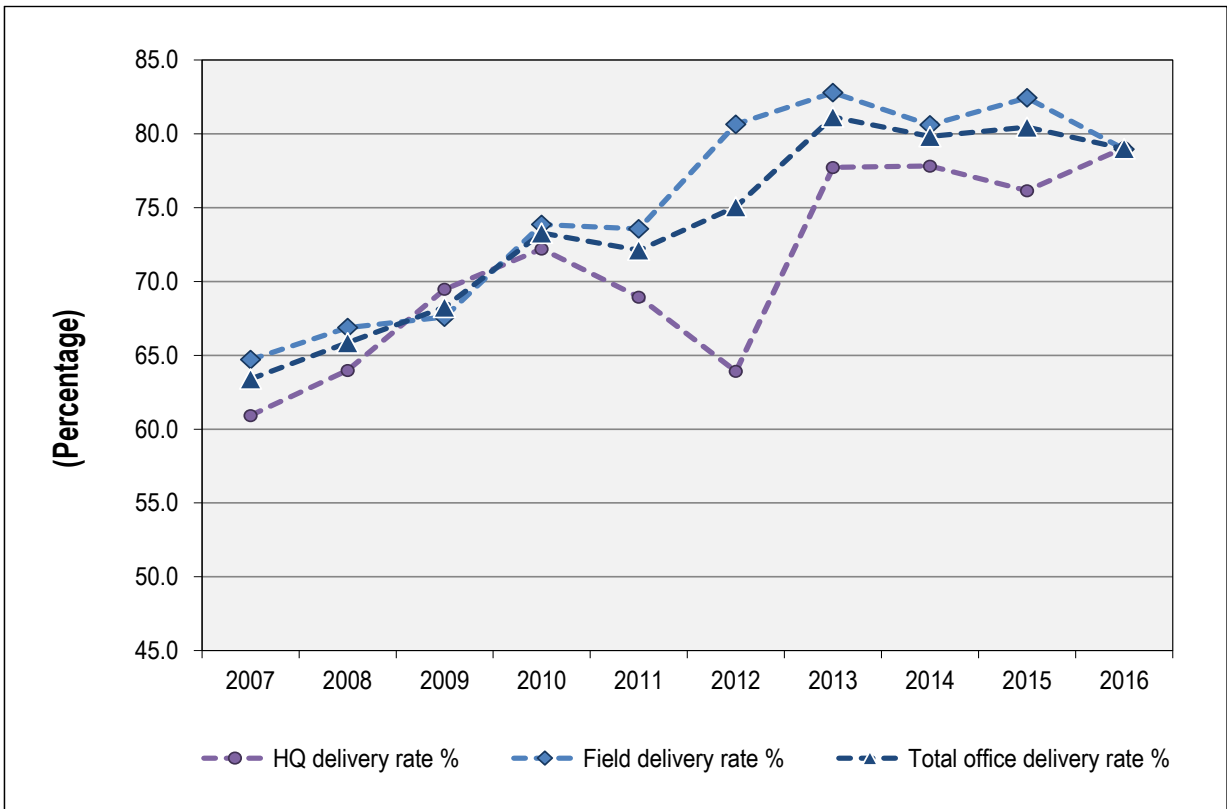
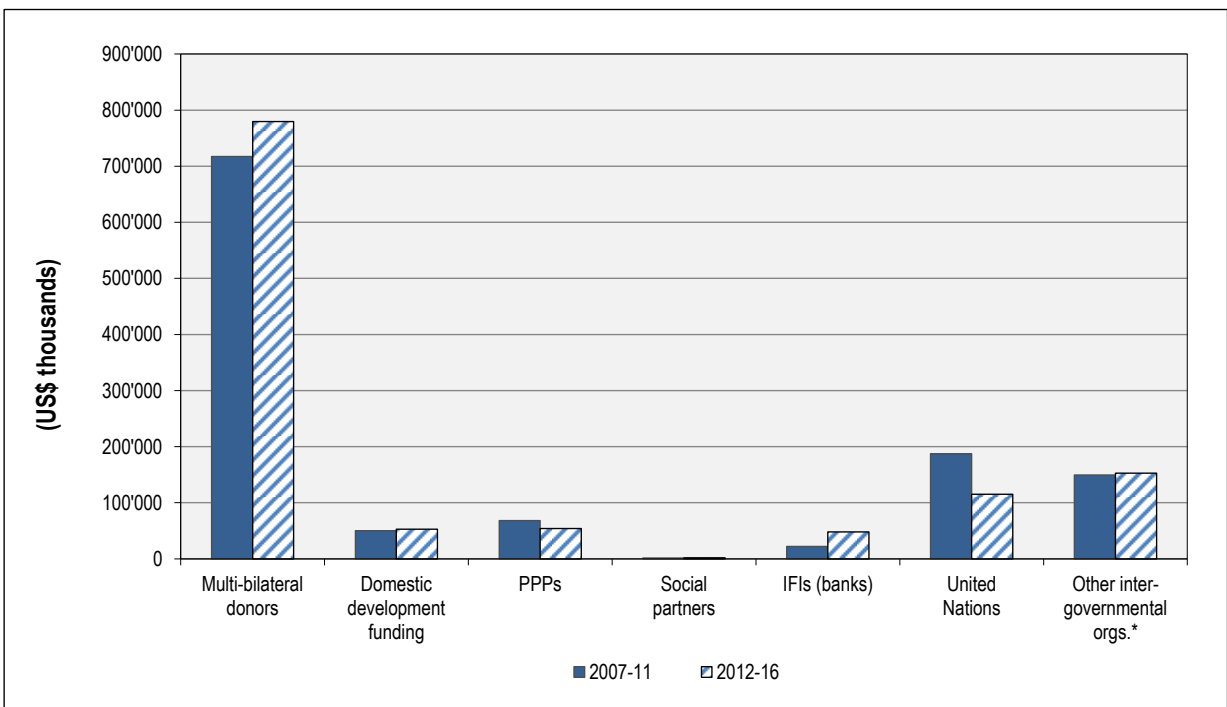
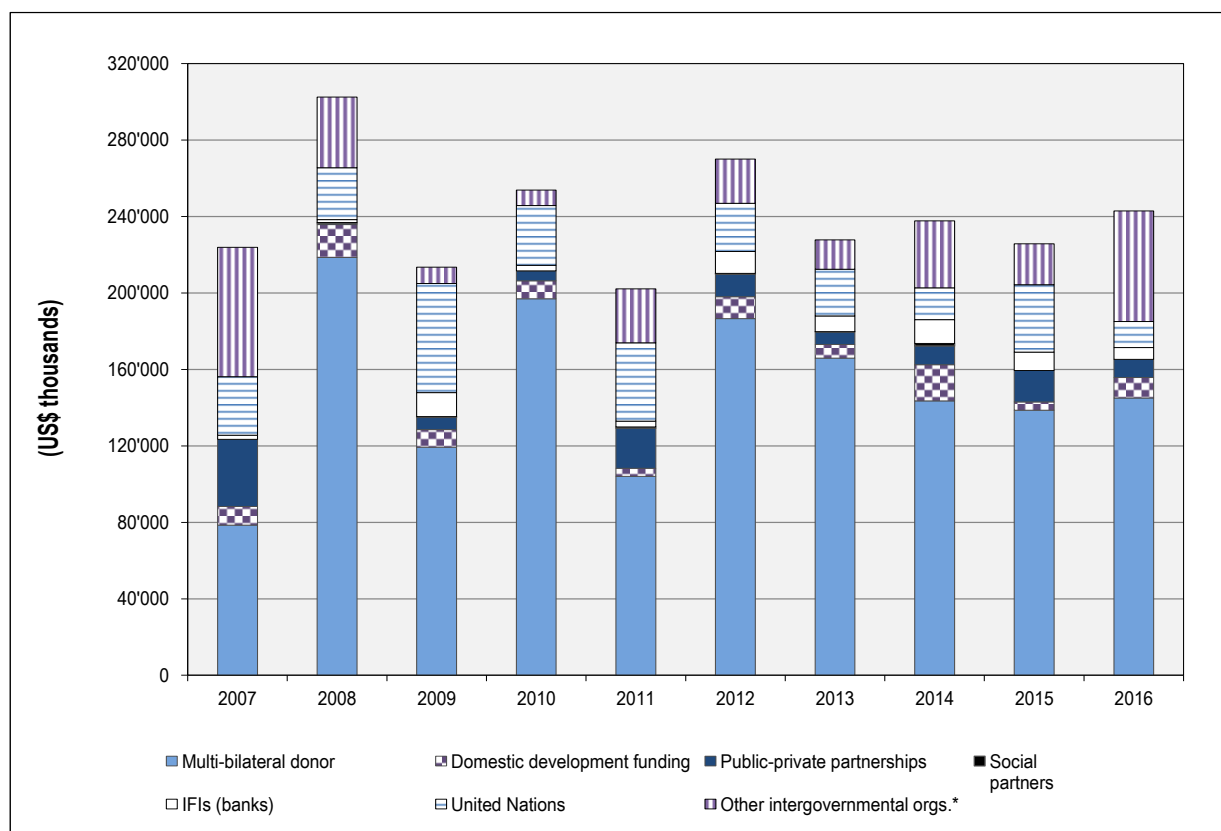


Figure 6. Extra-budgetary development cooperation approvals by funding source, 2007–16



* Including the European Commission.

Figure 7. Extra-budgetary development cooperation approvals by funding source, 2007–16

* Including the European Commission.

Table 1. Development cooperation portfolio 2000–16, number of projects and development partners

	2000	2010	2014	2015	2016
Annual development cooperation expenditure in US\$ millions	82.5	220.3	221.4	211.5	179.1
Number of projects	1 319	754	720	600	558
Number of development partners	84	116	120	125	116

Table 2. Top 20 contributors to the ILO's extra-budgetary funding (XBTC and RBSA) in 2012–16

Contributor	US\$ thousands
United States	163 723
European Commission	142 955
United Nations	115 191
Australia	78 122
Norway	75 961
Netherlands	69 401
Denmark	59 307
Sweden	57 032
Public-private partnerships	54 103
Domestic development funding	52 393

Contributor	US\$ thousands
International financial institutions (banks)	47 856
Germany	47 341
Switzerland	45 685
Canada	45 472
Belgium *	36 841
United Kingdom	31 161
Japan	27 547
Russian Federation	20 000
France	17 767
Finland	17 261
Total	1 205 119

* Including contributions from Flanders.

Table 3. Top 20 recipient countries of current XBTC funding *

Recipient country	US\$ thousands
Bangladesh	57 485
Timor-Leste	39 438
South Africa	31 290
Viet Nam	28 708
Egypt	21 715
Zambia	20 473
Myanmar	18 197
Indonesia	17 995
Tunisia	16 054
Haiti	13 233
Jordan	13 188
Pakistan	12 012
Nepal	11 782
Colombia	11 737
United Republic of Tanzania	10 328
Cambodia	10 325
Ethiopia	9 334
Somalia	8 970
Uzbekistan	8 554
Turkey	7 681
Total	368 497

* Current funding refers to the total budget of all active projects in IRIS, as at 17 January 2017. It includes stand-alone country projects and some country components of global, regional and interregional projects according to the country programme outcome.