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Policy Development Section

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Development Cooperation Segment

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## ILO Development Cooperation Strategy 2020–25

### Purpose of the document

This document presents the ILO's Development Cooperation Strategy for 2020–25. It follows up on the resolution, adopted at the 107th Session (2018) of the International Labour Conference, concerning effective ILO development cooperation in support of the Sustainable Development Goals, and the subsequent discussion by the Governing Body at its 334th Session (October–November 2018) of a plan of action for the preparation of an ILO Development Cooperation Strategy for 2020–25.

This Strategy takes account of some key issues that have emerged in the development cooperation landscape, including the impact of the COVID-19 pandemic on the world of work and the implementation of the UN reform. It operationalizes the principles and road map contained in the 2018 resolution on the basis of the four focus areas identified by the Governing Body.

The Strategy contributes to realizing programme and budget outcomes and consequently to the implementation of the ILO Centenary Declaration.

The Governing Body is invited to endorse the proposed strategy and to request the Director-General to take into account its guidance in the implementation of the Strategy (see the draft decision in paragraph 52).

**Relevant strategic objective:** All.

**Main relevant outcome:** Enabling outcome C for 2020–21: Efficient support services and effective use of ILO resources. Enabling outcome A for 2022–23: Improved knowledge and influence for promoting decent work.

**Policy implications:** Yes.

**Legal implications:** None.

**Financial implications:** No.

**Follow-up action required:** Yes.

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

**Related documents:** [GB.334/INS/3/1](#), [GB.335/INS/9](#), [GB.340/INS/6](#), [GB.340/PFA/1](#), [GB340/PFA/2](#), [GB.340/INS/18/6](#), [GB.340/HL/2](#).

## ▶ I. Background

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1. This document presents the ILO Development Cooperation Strategy for 2020–25 (“the Strategy”). At its 107th Session (2018), the International Labour Conference adopted a [resolution and conclusions concerning effective ILO development cooperation in support of the Sustainable Development Goals \(SDGs\)](#), which set out guiding principles and a road map for ILO development cooperation. The report submitted to the Conference took account of the lessons learned from past experience of development cooperation. <sup>1</sup> To give effect to the guiding principles and road map, four areas of focus identified by the Governing Body at its 334th Session (October–November 2018) constitute the foundation of the Strategy. <sup>2</sup>
2. The Strategy is oriented by the ILO’s Strategic Plan and plays an integral part in helping the associated programmes and budgets to realize their objectives. In so doing, it contributes to the implementation of the ILO Centenary Declaration for the Future of Work, which highlights the critical role of development cooperation in supporting the efforts of Member States to shape a human-centred future of work. It complements and should be read in conjunction with the following documents submitted to the current session of the Governing Body: the Strategic Plan for 2022–25, <sup>3</sup> the preview of the Programme and Budget Proposals 2022–23, <sup>4</sup> and the documents presenting the ILO responses to the COVID-19 pandemic and forward-looking role in the recovery. <sup>5</sup>
3. The Strategy will also be implemented in the context of the reform of the UN development system and will seek to capitalize on the opportunities the reform presents. Details of the UN reform can be found in the update submitted to the current session of the Governing Body. <sup>6</sup>
4. In preparing this Strategy, previous decisions of the Governing Body and its guidance on relevant issues have been taken into account, notably on partnerships and policy coherence, <sup>7</sup> the ILO-wide strategy for institutional capacity development <sup>8</sup> and decisions on innovative financing. <sup>9</sup> It also takes into account relevant recommendations of evaluations, including the high-level evaluation of public–private partnerships. <sup>10</sup>

## ▶ II. The role of ILO development cooperation

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5. Through development cooperation, the ILO provides a wide range of services to advance its mandate, by applying its technical expertise, knowledge and experience to support

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<sup>1</sup> ILC.107/IV.

<sup>2</sup> GB.334/INS/3/1.

<sup>3</sup> GB.340/PFA/1.

<sup>4</sup> GB.340/PFA/2.

<sup>5</sup> GB.340/INS/18/6 and GB.340/HL/2.

<sup>6</sup> GB.340/INS/6.

<sup>7</sup> GB.331/INS/9.

<sup>8</sup> GB.335/INS/9.

<sup>9</sup> GB.335/POL/4.

<sup>10</sup> ILO, *Independent Evaluation of ILO’s Public-Private Partnerships, 2008–2018, Final Report*, September 2019.

the efforts of ILO Member States to achieve national decent work outcomes and realize the SDGs. Development cooperation is founded on tripartism, social dialogue and normative action, and the Strategy seeks to ensure that these principles are realized in practice. The Strategy also aims to ensure that ILO services are relevant to constituents' needs, are nationally owned and driven, and are efficient and effective, producing results that are sustainable and impactful.

6. ILO development cooperation plays an important role in responding to constituents' needs in pursuit of decent work objectives. Effective development cooperation helps to attract funding and to build a critical mass of activity to produce significant results and exercise greater influence in policymaking. Development cooperation is also a catalyst for building other partnerships that contribute to the realization of decent work and the SDGs.

### ▶ III. Changes in the development cooperation landscape and their implications for the ILO

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7. Since the adoption of the Conference resolution in 2018, three major interrelated drivers of change have marked the international development cooperation landscape: the Decade of Action for the implementation of the 2030 Agenda; the UN reform; and the COVID-19 pandemic. They will have important implications for the ILO's development cooperation strategy in the next five years.

#### III.1 Delivering the 2030 Agenda

8. In view of the limited time remaining for the achievement of the SDGs, the UN Secretary-General has called on UN Member States to accelerate delivery of the SDGs, according to their national priorities, in the Decade of Action.
9. In its recurrent discussions on the financing of sustainable development, especially since the adoption of the Addis Ababa Action Agenda,<sup>11</sup> the international community has shifted its focus from funding of specific development cooperation programmes to financing the SDGs from a blend of public, private, domestic and international sources. Official development assistance (ODA) remains important nonetheless. This approach requires solidarity, coherence and coordination both within countries, and between them and development partners, to achieve synergies and complementarities as well as a critical mass of financing and expertise targeting the desired results. Speeding up action on the SDGs makes the achievement of such coherence and coordination all the more imperative, and requires action to reinforce country ownership, sustainable results, inclusive partnerships, and transparency and accountability.<sup>12</sup>
10. In the context of accelerated action on the SDGs, the implementation of reform of the United Nations development system in 2019, which was designed to ensure that the system is fit for purpose, also has major implications for the ILO's development cooperation strategy.

<sup>11</sup> Addis Ababa Action Agenda of the Third International Conference on Financing for Development, 2015

<sup>12</sup> Effectiveness principles as agreed by the Global Partnership for Effective Development Cooperation in 2011.

11. In 2020, the COVID-19 pandemic has increased the urgency of having a common vision on the delivery of the SDGs, taking due account of the greater need for adequate financing and the capacities to achieve the Goals, along with the appropriate policy approaches.

## III.2 UN reform

12. The UN reform is transforming both country-level engagement within the UN development system and the partnerships and funding of the work of the entities of the UN Sustainable Development Group (UNSDG). The implementation of Common Country Assessments and the UN Sustainable Development Cooperation Frameworks increases UN engagement with a wide range of stakeholders and partners. Under the strengthened resident coordinator system, the resident coordinator now has general oversight of UN country-level work, as well as of UN engagement with the government and development and funding partners. Resident coordinators are expected to engage in dialogue with employers' and workers' organizations when assessing development challenges and setting priorities for UN partnerships. Common Country Assessments should reflect the decent work situation, and the UN Cooperation Frameworks derived from those assessments should be based on the national priorities.
13. The resolution, currently under negotiation, on the Quadrennial Comprehensive Policy Review (QCPR), will likely include areas of particular relevance to development cooperation: integrating COVID-19 recovery efforts into the accelerated delivery of the SDGs, and strengthening and forging inclusive partnerships, including with the private sector, and in South-South cooperation and South-South and triangular cooperation. Improving collaboration and encouraging funding streams with fewer silos to span the health, humanitarian and development areas is essential to better address specific vulnerabilities of different groups of countries.
14. The UN Funding Compact, mandated by the QCPR, stipulates that entities' funding needs should be presented in a clear, compelling and coherent manner to inform structured dialogues with funding partners with a view to increasing the predictability of voluntary funding, including through the expansion of core voluntary contributions. The UNSDG entities have committed to improving reporting, impact measurement, system-wide evaluations and transparency, including on the costing of services.
15. Through the ongoing development of national socio-economic response plans to the COVID-19 pandemic, the UN is seeking to respond with agility to urgent country demands. In the short term, the socio-economic response plans will influence UN programmes, partnerships and funding and will most likely become the vehicle for addressing national priorities; they will include an assessment of funding needs.

## III.3 The COVID-19 pandemic

16. The COVID-19 pandemic has had a devastating impact on the world of work, and especially on the most vulnerable.<sup>13</sup> It has compounded health, humanitarian and socio-economic development needs. The threat to livelihoods of many living without social protection or without adequate protection carries a risk of provoking a humanitarian crisis. Accelerated action to deliver the SDGs – including SDG 8 (decent work and economic growth), SDG 1 (no poverty) and, given the impact of COVID-19 on women,

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<sup>13</sup> GB.340/HL/2.

SDG 5 (gender equality) – must now incorporate the COVID-19 response. Such action will help to shape a world of work that is more resilient, and better prepared to deal with future crises.

17. In the challenging conditions of COVID-19, development cooperation must also help to realize the ILO Centenary Declaration's objectives of strengthening the capacities of all people, strengthening the institutions of work and promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. The quest for innovative and effective solutions makes it necessary to work more widely and more effectively with local implementation partners and to make greater use of e-technology, taking into account disparities in access to technology. Moreover, the lockdowns and distancing measures required to overcome the COVID-19 pandemic, which are likely to persist in various areas around the world for some time, make it essential to develop new models of delivering technical assistance and capacity development.
18. Finally, the financing of the SDGs may be negatively impacted by shrinking national resources, restricted fiscal spaces and changes in foreign direct investment and remittance flows; the availability of ODA may also be adversely affected. Anticipating the financing challenge, in May 2020 the UN, together with international financial institutions (IFIs) and governments, launched an Initiative on Financing for Development in the Era of COVID-19 and Beyond. The initiative promotes financial instruments in the areas of liquidity; debt vulnerability; action by private creditors; external finance; ending illicit financial flows; and rebuilding differently and better, with the aim of facilitating enhanced targeting and convergence on the financing of the SDGs.<sup>14</sup>

### III.4 Implications for ILO development cooperation

19. These major changes have significant implications for development cooperation:
  - (a) The COVID-19 crisis has resulted in additional requests from constituents, including for the sharing of knowledge and experience and the provision of technical expertise on short-term priorities that COVID-19 has brought to the fore in areas such as: a safe return to the workplace and safety at work; social protection; livelihood and income support; business continuity; and jobs.<sup>15</sup> Constituents have also sought real-time information on the experience of other Member States in dealing with the crisis. The ILO will be expected to contribute to recovery and sustainable development, including by providing reliable labour market and sectoral data. It will respond to the ILO Centenary Declaration's call to the Organization to "direct its efforts to ... intensifying engagement and cooperation within the multilateral system with a view to strengthening policy coherence, in line with the recognition that decent work is key to sustainable development, addressing income inequality and ending poverty, paying special attention to areas affected by conflict, disaster and other humanitarian emergencies".<sup>16</sup> It will be necessary to reinforce the foundation of ILO development cooperation of tripartism, normative action and social dialogue, and demonstrate the comparative advantage that these elements yield in building back better, inclusively and sustainably.

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<sup>14</sup> For more information, see: <http://www.un.org/en/coronavirus/financing-development>.

<sup>15</sup> GB.340/INS/6.

<sup>16</sup> GB.340/HL/2; ILO Centenary Declaration, Section II(xvii).

- (b) The challenge of accelerating action to achieve the SDGs, addressing the short-term needs of the COVID-19 crisis and supporting recovery means that coherent policies, coordination, partnerships and targeted action around agreed priorities will be all the more critical, as will convergence between substantive and financing priorities at the country, regional and international levels.
- (c) The ILO will have to operate on several fronts: forging partnerships that advance policy objectives and coherence; engaging with IFIs to influence policy and financing decisions in support of decent work objectives; and securing funding for ILO programmes, projects and other activities from traditional and new funding partners.
- (d) These developments combined produce an even more complex environment in which the UN will extend its outreach to include a broad range of actions, and the ILO and its constituents will need to be able to navigate and participate effectively in the related processes.
- (e) Intensified efforts to support constituents' engagement in these processes and in the related policy dialogues and the implementation of related strategies will be required. It will be crucial for the ILO to reinforce capacity development – already defined as a key component of effective development cooperation in the road map and in the ILO Centenary Declaration – in all areas of its technical work, complemented by appropriate internal processes.
- (f) The ILO will likely be required to increase its engagement in additional impact assessments of decent work policies, including in its role as custodian of designated SDG indicators, and to offer evidence-based policies and services that demonstrate the value of investing in decent work.
- (g) In a competitive and uncertain environment, it is all the more critical for the ILO to be able to demonstrate that it can provide relevant and timely services that deliver impact and value for money.

## ► IV. The ILO Development Cooperation Strategy 2020–25: Four areas of focus

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- 20. To achieve the objectives of the Strategy, action will be centred on the four focus areas identified by the Governing Body: services to constituents; partnerships for policy coherence; partnerships for funding; and efficiency, decent work results and transparency. Action in these areas operationalizes the principles and follows the road map of the 2018 Conference resolution.

### IV.1 Services to constituents

#### Objective and key principles

- 21. Services to constituents are both an objective and a foundation of the Strategy. Through development cooperation, the ILO responds to Member States' decent work needs, demands and circumstances, determined on the basis of social dialogue, as set out in the 2018 Conference resolution. This is the foundation of success with respect to ensuring country ownership, relevance, focus, sustainability and impact. These

outcomes are in turn predicated on the effective organizational, technical and institutional capacity of constituents.

## Opportunities and challenges

22. The UN Common Country Assessments and Cooperation Frameworks, including socio-economic response plans, open up new prospects – and responsibilities – for advancing decent work objectives and promoting the normative and tripartite added value of the ILO. Constituents will have the opportunity to engage more effectively in the new landscape of UN reform, bringing their perspectives and experience to bear on its associated processes, dialogues and consultations. Adequate capacity of the tripartite constituents to engage effectively in these processes and dialogues will be essential.

## How ILO development cooperation will support service delivery to constituents

23. *Integrate development cooperation more effectively into the programme and budget:* Development cooperation plays a key role in realizing the Organization's global priorities and policies, and the Decent Work Country Programmes (DWCPs) are the primary vehicle for translating them into nationally driven priorities, programmes and strategies. Better integration of development cooperation into the programme and budget processes will increase the coherence of ILO action in service delivery and will enable better identification of funding gaps. Further action will be taken to improve the effectiveness of the DWCPs as mechanisms for constituent engagement and as frameworks for ILO delivery at the country level. This will be important as countries reassess their priorities, policies and strategies in response to the impact of COVID-19.
24. *Centre services on organizational and institutional capacity development by implementing the ILO-wide strategy for institutional capacity development:*<sup>17</sup> The ILO will further support the implementation of constituents' national capacity development plans, responding also to their own diagnoses of needs. The Office will continue reviewing existing tools and methods and producing ILO guidance on capacity development, including on measuring capacity development results. It will continue to develop innovative approaches to support capacity development, including with the support of the ILO's International Training Centre (Turin Centre).
25. *Provide data and evidence-based services and examples of what works:* The Office will continue to invest in the generation, management and brokering of relevant, reliable and timely research, statistics and impact assessments to support constituents in measuring progress on the SDGs related to decent work, and in adapting proven approaches to their own circumstances and priorities. Particular attention will be paid to sectors most affected by the COVID-19 pandemic. With such information, constituents and the Office will be better placed to advocate for national decent work priorities and to influence policies and their financing.
26. *Develop and offer services to constituents on the financing for decent work:* A country's sustainable development strategy sets out *what* needs to be financed, while integrated national financing frameworks set out *how* the national strategy will be financed and implemented.<sup>18</sup> Where relevant, the ILO will provide support in the development of these frameworks. In the area of social protection, for example, the ILO already provides

<sup>17</sup> GB.335/INS/9.

<sup>18</sup> United Nations, Inter-agency Task Force on Financing for Development, *Financing for Sustainable Development Report 2019*.



technical assistance on fiscal space analysis and in discussions on financing a country's broader development objectives. With accelerated action to realize the SDGs and within the constraints of the COVID-19 environment, there is likely to be heightened demand for such services, including through UN country teams.

- 27.** *Promote South–South cooperation and South–South and triangular cooperation:* The Office will expand South–South and triangular cooperation, as well as multi-stakeholder partnerships with trade unions, and employer and business membership organizations, which are important modalities for capacity development, peer-to-peer exchanges between constituents and soliciting local expertise. As a follow-up to the outcome of the Second High-level United Nations Conference on South–South Cooperation (BAPA+40)<sup>19</sup> and as part of the United Nations system-wide South–South cooperation strategy, the Office will enhance the normative and tripartite grounding of South–South and triangular cooperation and the use of social dialogue practices. It will also reinforce results-focused programming, monitoring and impact, while making best use of the various forms of South–South and triangular cooperation, such as city-to-city cooperation, fragile-to-fragile cooperation, and subregional and interregional cooperation.

## IV.2 Partnerships for policy coherence

### Objective and key principles

- 28.** SDG 17 (partnerships for the Goals) calls for strong international cooperation, which is needed now more than ever in responding to the global pandemic, building back better and accelerating action to achieve the SDGs.<sup>20</sup> The objective of partnerships for policy coherence is to promote decent work through closer convergence of policy action, underpinned by adequate capacities and financing. Effective development cooperation requires continued efforts to promote policy, programmatic and budgetary coherence within the ILO, with and between the constituents, within the UN development system and among a broader spectrum of stakeholders, including IFIs, enterprises, development partners and other government ministries involved in the implementation of decent work policies and the SDGs.<sup>21</sup>

### Opportunities and challenges

- 29.** As the activities of many public and private actors have an impact on decent work outcomes, SDG 8 provides opportunities for ILO development cooperation and partnerships. Engaging with other key players can promote awareness of the need for, and agreement on, shared decent work objectives and priorities and can promote policies and action in support of these objectives. Such coherence will increase the effectiveness of development cooperation. However, action needs to be backed by adequate and sustained financing, therefore public, private, domestic and international finance flows are needed to support decent work objectives.

<sup>19</sup> Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation, A/RES/73/291.

<sup>20</sup> GB.340/HL/2.

<sup>21</sup> Resolution concerning effective ILO development cooperation in support of the Sustainable Development Goals; GB.331/INS/9; and the forthcoming Governing Body discussion in March 2021 on proposals aimed at greater coherence within the multilateral system.

## How ILO development cooperation will support policy coherence

30. *Support national priority-setting on decent work:* The tripartite partners are already adding significant value to national policymaking processes by engaging in Common Country Assessments and UN Cooperation Frameworks and integrating priorities in DWCPs. In particular, the social partners provide insight into the real economy. Development cooperation will support these processes and facilitate substantive collaboration between ILO constituents and the line ministries, including as part of UN Cooperation Frameworks, and thus foster policy coherence and financing strategies.
31. *Facilitate policy coherence among development partners:* The ILO will engage with development partners at the country, regional and global levels to encourage and facilitate the joint development and implementation of national and regional policies and priorities. To that end, the Office will convene and engage in policy dialogues at the national, regional and international levels, promoting its normative, tripartite and social dialogue mandate within the UN country teams and with IFIs and multi-bilateral partners, on such decent work objectives.
32. *Leverage financing through policy coherence:* Policy coherence centred around SDG 8 in particular will enable governments to mobilize international, national, public and private financing flows for their decent work priorities. Promoting, in particular, the normative and tripartite foundation for sustainable development, the ILO will continue its policy dialogues with IFIs on decent work themes and on sustainable financing strategies, including as part of broader UN engagement with the IFIs. A wide variety of financing instruments, including innovative financing, could be part of integrated national financing strategies. The ILO will also continue to assess the risks and opportunities presented by such finance mechanisms and promote the integration of international labour standards, social dialogue, and appropriate safeguards related to public service provision and the protection of beneficiaries in these mechanisms. This will be done at the country level, including through the UN country teams and through the SDG Fund, at the regional level and in international forums such as the UN Inter-Agency Task Force on Financing for Development. The ILO will also maintain its efforts to strengthen development of constituents' and staff members' capacities in this area.<sup>22</sup>
33. *Multi-stakeholder partnerships for policy coherence:* Multi-stakeholder partnerships have proven effective in promoting awareness, driving policy coherence and leveraging the ILO's convening role, as the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP2030)<sup>23</sup> and Alliance 8.7<sup>24</sup> demonstrate. The ILO will continue to perform this role, convening such partnerships on decent work issues at the national, regional and global levels, including with the entities of the UN development system, IFIs, development and funding partners, the private sector and civil society.
34. *Engaging with the private sector for policy coherence:* Recognizing the role of the private sector in driving growth and investment and in generating decent and productive employment, the ILO will further its engagement with companies in order to achieve the Organization's agreed policy objectives. The ILO, guided by its constituents, will leverage the potential of joint and network approaches involving multiple companies on a given issue or sector, to share good practices and leverage the collaboration to increase the

<sup>22</sup> GB.335/POL/4.

<sup>23</sup> More information is available on the USP2030 website: <http://www.usp2030.org/gimi/USP2030.action>.

<sup>24</sup> More information is available on the Alliance 8.7 website: <http://www.alliance87.org/>.

impact of all parties' respective activities in areas where policy objectives intersect. The ILO will increase its engagement and partnerships with enterprises in areas of common interest, with adequate safeguards, taking into account the UN Common Approach to Due Diligence.<sup>25</sup>

### IV.3 Partnerships for funding

#### Objective and key principles

- 35.** Voluntary funding provides the Office with valuable means to respond to constituents' needs and to do so strategically and with agility. The Office will seek to deepen, expand and diversify its funding partnerships and to secure longer-term, more predictable funding, including through lightly earmarked and unearmarked voluntary contributions. The expected results of the programme and budget policy outcomes will be taken as a starting point to assess the needs for funding and partnerships.

#### Opportunities and challenges

- 36.** In the UN context, the UN Funding Compact has recognized the need for predictable and adequate funding to facilitate neutral and independent action. It has therefore established indicators for voluntary funding, including for unearmarked, predictable, multi-annual and joint UN funding. This presents opportunities for the ILO to engage with funding partners and collaborate more closely with the UN in joint programmes. In the response to COVID-19, the ILO has been able to show how adopting a normative and tripartite approach can build resilience to crises. In doing so, the ILO offers immediate and short-term responses, on which a more just, more resilient, human-centred future can be built, demonstrating the importance of decent work for sustainable development. Beyond the UN, the ILO will need to tap wider sources of funding in seeking to improve the prospects for achieving the desired results across all outcomes.

#### How the ILO will build funding partnerships

- 37.** *Mobilize adequate resources for the ILO's programme of work:* Drawing on significant progress made in its results-based management practices, the Office will apply its strategic budgeting approach more systematically to coherent and holistic assessments of funding and partnership needs for its programme of work and use these forecasts in engaging proactively with its funding partners. Four new and innovative practices will be implemented on a rolling basis and in alignment with ILO programming processes:
- (a) At the global level, policy outcomes will drive the ILO's resource mobilization efforts. The Office will identify the partnerships and resources required to achieve each ILO policy outcome, taking into account existing assessed and voluntary funding for those outcomes. This will form the basis of forward-looking partnership and funding strategies for each policy outcome.
  - (b) Drawing on the potential of the increasing involvement of the ILO's tripartite constituency in UN programming processes at the country level,<sup>26</sup> the ILO will seek to work closely with resident coordinators in efforts to bridge the funding gaps in the UN Cooperation Framework with country-level funding partners. Increasing the ILO's leveraging potential in this way will also increase the chances of funding the

<sup>25</sup> UNSDG, *UNSDG Common Approach to Prospect Research and Due Diligence for Business Sector Partnerships*.

<sup>26</sup> GB.340/INS/6.

decent work priorities of the UN Cooperation Framework and the DWCPs. This country-level action will complement and support the ILO's policy dialogues with funding partners at their respective headquarters.

- (c) The Office will also convene structured funding dialogues at the global or regional level, as recommended by the UN Funding Compact, and create a forum where diverse partners are invited to pledge funding and other resources to the programme and budget or to a particular ILO policy outcome or decent work theme.
  - (d) The Office will run thematic campaigns to showcase the ILO's expertise founded on its comparative advantage of normative action, tripartism and social dialogue and its contributions to SDG priorities in selected policy areas. Such campaigns will be implemented both to maintain existing partnerships and to attract new ones.
- 38.** *Encourage unearmarked contributions:* Voluntary contributions can be made either as unearmarked core support, which goes into the regular budget supplementary account (RBSA); as lightly earmarked and often pooled funding, for example for a thematic or geographic priority; or as earmarked funding for specific projects. Unearmarked contributions allow the Office more agility and flexibility in allocating resources to areas where timely interventions would have the highest impact. The ILO will seek to expand this modality beyond the nine existing RBSA donors.
- 39.** *Align earmarked contributions to ILO outcomes:* The Office will further facilitate lightly earmarked and pooled contributions to ILO policy outcomes, thematic priorities and DWCPs. While tightly earmarked contributions to specific projects will remain a significant funding modality, the ILO will be more proactive when articulating the needs of DWCPs and UN Cooperation Frameworks through the above-mentioned innovative practices, in order to strengthen alignment between the projects and the country frameworks. To increase impact and generate economies of scale, the ILO will develop larger, integrated programmes that pool a range of funding contributions, using joint reporting modalities, and clustering evaluations. Such approaches have proved successful in, for example, Bangladesh, Ethiopia and Viet Nam.
- 40.** *Expand funding partners and sources:* ILO services to constituents are primarily funded by voluntary contributions, which currently represent more than 40 per cent of the overall financial resources available to the ILO. Contributions come from the following main types of partners and funding sources, each with specific requirements and expectations: (a) domestic public funding for ILO technical assistance; (b) ODA from Member States to the ILO; (c) funding from UN partners; (d) private sector and non-State actor funding; and (e) funding from IFIs and other development finance institutions.
- (a) *Strengthen domestic funding partnerships:* The governments of Member States can fund ILO technical assistance on decent work issues from their domestic budgets. Particularly in middle- and upper-middle-income countries that benefit less from ODA, this modality can ensure a tailored and targeted support. The ILO will work with government ministries to identify and expand such opportunities, which often necessitate working with the national ministry of finance, and/or with other ministries responsible for finance and development planning.
  - (b) *Sustain existing bilateral partnerships and develop new ones:* The ILO already benefits from major ODA funding from the governments of several Member States. The Office will seek to consolidate the partnership and framework agreements in place with long-standing bilateral partners. In line with the call in the BAPA+40 Declaration, the Office will also build on and expand partnerships with emerging

economies such as Brazil, the Russian Federation, India, China and South Africa (BRICS countries) that may provide funding, including in the context of broader objectives of South–South and triangular cooperation.

- (c) *Strengthen participation in UN funding:* The Office will aim to increase its share of funding from UN channels by engaging more effectively in UN pooled funds, such as the SDG Fund, the Peacebuilding Fund and the COVID-19 Response and Recovery Fund. It will set strategic priorities on where it should join or lead UN joint programmes. To be successful, the ILO and constituents will need to be able to show resident coordinators the value of labour standards, tripartism, social dialogue and ILO technical expertise. The ILO must demonstrate its capacity to deliver its services effectively, including in countries where it is not a resident agency.
- (d) *Increase private sector contributions:* The Office will also seek to increase funding from the private sector – particularly private foundations and other non-State actors – in line with broader UN efforts and applying relevant due diligence. In partnership with employers, the ILO will continue to review its existing thematic business networks to examine where additional business networks would add value. Building on the example of the business networks and the ILO Better Work programme, the ILO will explore the possibility of pooled contributions from companies seeking to address the same issue or operating in the same sector, in order to achieve agreed ILO policy objectives. When engaging with enterprises and other non-State actors through public–private partnerships, the Office will be oriented by the guiding principles adopted by the Governing Body at its 301st Session (March 2008) <sup>27</sup> and, where relevant to the ILO, the UN Common Approach to Due Diligence.
- (e) *Build on relationships with IFIs and other development finance institutions:* The ILO will seek to increase funding from IFIs, whose programming increasingly covers decent work-related fields, and will bring to bear its relevant technical expertise in the design and implementation of the IFIs' loan and grant programmes. Where requested, the ILO can also support governments concerning mandatory social safeguards in relation to IFI assistance. ILO Member States can support the technical and financial partnerships of the ILO with IFIs, given that they are represented on the boards of these institutions. They may also encourage collaboration between the ILO and their own national development finance institutions.

## IV.4 Efficiency, decent work results and transparency

### Objective and key principles

- 41.** The ILO will aim to improve quality in its development cooperation in terms of its results focus, efficiency, visibility and transparency, as a fundamental element of its success. For the ILO to become more influential in the policy arena and attractive to constituents and partners alike, it must demonstrate its impact and communicate on decent work results for learning and knowledge-sharing purposes. Greater transparency in ILO resources and results will also demonstrate the Organization's value for money.

<sup>27</sup> GB.301/TC/1, para. 15.

## Opportunities and challenges

42. Further to the implementation of the reform agenda, launched in 2012, the ILO has pursued continuous improvement. Beyond its own efforts, the ILO will draw on feedback from partners and also the UN common approaches to transparency, social and environmental safeguards and due diligence, as relevant. In addition, the “build back better” framework for post-COVID-19 improvements in the world of work provides opportunities for the ILO to promote the normative and tripartite approach for building resilience and sustainable development, and to demonstrate its relevance and flexibility in rapidly addressing emerging needs.

## How the ILO will enhance its development impact, efficiency and the transparency of decent work results

43. *Continue to improve results-based management:* The Office will continue to improve its results-based management practices and enhance the quality of the design, implementation and evaluation of programmes and projects. Longer-term, large-scale and integrated programmes offer greater opportunities for achieving sustainable impact. Continuous monitoring and agility leads to timely adjustments and the efficient use of resources, as has been demonstrated during the COVID-19 pandemic. The ILO will make better use of data, including through impact evaluations, to demonstrate what works and to support the scaling up of interventions.
44. *Improve service provision at the country level:* As a member of the UN country team, the ILO will pilot more integrated and agile delivery models, involving headquarters, field structures and the Turin Centre. These new service models will also respond to the operational constraints imposed by the COVID-19 crisis.
45. *Learn from past experience:* The ILO will improve its organizational performance by consistently implementing the recommendations stemming from evaluations, including from the reviews of partners such as the Multilateral Organisation Performance Assessment Network (MOPAN). Continuous improvements will be sought in areas such as results and performance reporting; quality, synthesis and use of evaluations; monitoring and evaluation systems and data; coherence and coordination of partnerships; project implementation; and mainstreaming of gender and environmental sustainability.
46. *Meet accountability standards:* The ILO applies both the UN's and its own strategies and accountability frameworks for gender equality and disability inclusion<sup>28</sup> to ensure that no one is left behind in its internal and external operations. Consistency and transparency in meeting such standards is an asset in securing development cooperation partnerships. There is nevertheless a need to reinforce due diligence in areas such as risk management and social and environmental safeguards, and the ILO is putting in place systems to prevent, report and handle cases of sexual exploitation, abuse and harassment in its operations.
47. Such measures will be accompanied by greater transparency and accountability, by building on the data standards for UN system-wide reporting of financial data<sup>29</sup> and the standard of the International Aid Transparency Initiative,<sup>30</sup> following the parameters of

<sup>28</sup> GB.338/INS/8.

<sup>29</sup> UNSDG, *Data Standards for United Nations System-Wide Reporting of Financial Data*, January 2019.

<sup>30</sup> International Aid Transparency Initiative, “IATI Standard”.

the UN Funding Compact. Processes and systems for integrated tracking and reporting of results and resources will be improved. Increased transparency in the costing of its services will enhance the ILO's attractiveness for partnerships and funding. Overall, greater transparency will enable the ILO to communicate better on its results, enhance its visibility, meet its reporting needs and feed into the UN common country-level data systems, such as UN INFO. Constituents and partners will have open access to such data, which will also facilitate efforts to promote policy coherence.

## ▶ V. Implementing the Strategy

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48. For development cooperation to be effective and the objectives of the focus areas to be achieved, the ILO must work cohesively, in close collaboration with constituents and funding and development partners, to deliver on the Organization's objectives while responding to constituents' priorities.
49. The programme and budget will include the implementation of this Strategy in its policy and enabling outcomes and, as such, it will be assessed and reported on in the programme implementation reports. In particular, the enabling outcomes will include relevant indicators guided by the UN Funding Compact in areas such as partnerships for policy coherence and capacity development, funding partnerships and the effectiveness of new approaches such as the funding dialogues and the quality of funding, as well as indicators on organizational performance and use of resources.
50. The Turin Centre will be integrated into development cooperation approaches and programmes to ensure synergies and mutually reinforcing actions, in particular for capacity development, and dissemination and exchange of knowledge and good practices.
51. The ILO will continue to review the internal processes that are relevant to development cooperation to ensure that they support a "One ILO" approach, relevance of action and timeliness of response as well as the principles of tripartism and social dialogue on which the Strategy is built, consistent with the guidance of the 2018 Conference resolution and the ILO Centenary Declaration.

## ▶ Draft decision

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52. **The Governing Body endorsed the proposed development cooperation strategy for the period 2020–25 and requested the Director-General to consider its guidance in implementing the strategy.**