

**FOR DEBATE AND GUIDANCE**

FIRST ITEM ON THE AGENDA

**Global Employment Agenda
implementation****(b) Implementation**

1. This paper provides a regular update on the implementation of the Global Employment Agenda (GEA). At the country level it reports on technical support provided to China in the framing of a National Employment Promotion Law and support to Pakistan following the 8 October 2005 earthquake for revival of employment and livelihoods. In relation to the core elements of the GEA, including how discussions in the Committee on Employment and Social Policy are being incorporated in the work of the Office, the paper reports on the work being undertaken with the Donor Committee for Enterprise Development (core element 5) and on sustainable development (core element 3). In addition it reports on ILO support to the implementation of the Plan of Action adopted by the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa.

China National Employment Promotion Law

2. An important part of the Memorandum of Understanding (MoU) for cooperation between China and the ILO, signed in 2001, relates to collaboration in the area of employment and it was on this basis that the China Employment Forum was implemented in 2004. The Forum concluded with the adoption of the Common Understanding which underlined the promotion of full employment through social dialogue as the priority for economic and social policies so that the labour force could engage in freely chosen productive employment and obtain secure and sustainable livelihoods.
3. A number of follow-up initiatives have been taken by the Chinese Government. One relates to the formulation of a National Employment Promotion Law for China. The proposed law is aimed at providing a comprehensive response to the employment challenges facing China. It combines measures for increased employment growth and improved labour market performance while protecting disadvantaged groups. Pressures on the employment situation that need to be met include new entrants to the workforce, the large numbers of workers needing re-employment due to industrial restructuring and the accelerating movement of workers from rural areas to cities.

4. As part of the process of formulating the new National Employment Promotion Law, the Chinese Government invited the ILO to organize jointly a technical tripartite seminar in September 2005. The objective of the seminar was to review the draft law in the light of ILO experience in other countries and to bring in international experience and expertise from a number of other countries. In response to this request, the ILO provided a detailed set of comments on the legal and technical aspects of the draft Law and a comparative report on similar instruments introduced elsewhere in the world.
5. The ILO team to the seminar, drawn from ILO headquarters and the ILO Subregional Office for East Asia in Bangkok, worked closely with Chinese colleagues in interactive sessions to review and discuss the overall structure as well as specific sections of the draft Law. The areas covered included international labour standards and labour law, labour market policies and programmes, employment services, gender issues and discrimination, disability and rehabilitation, enterprise promotion and job creation, skills upgrading and employability and legal issues.
6. The ILO also facilitated the identification and participation of international experts from Thailand and the Republic of Korea who brought comparative experiences from these countries. As a result of the seminar, a new draft of the Law was prepared and is now subject to further consultations within the Chinese Government.

Pakistan earthquake

7. The earthquake that hit parts of Pakistan on 8 October 2005 resulted in more than 87,000 people being killed, over 75,000 injured and almost 3.2-3.5 million people affected. Hundreds of thousands of jobs and livelihoods were affected, and this in areas that were already amongst the poorest in Pakistan.
8. In the immediate aftermath of the earthquake the ILO carried out an assessment of its impact on employment and livelihoods to ensure early attention to the employment dimension of the disaster. The preliminary estimate of job losses from the earthquake undertaken by the Ministry of Labour and the ILO, in the first days after the disaster, indicated that, in the formal and informal sectors, as many as 1.1 million livelihoods may have been affected. These losses broadly accounted for almost 50 per cent of the total employed prior to the earthquake and 43 per cent of the total labour force.
9. Following the first assessments in the field and following a tripartite meeting held in Islamabad with the Ministry of Labour, the employers' and workers' representatives, a number of strategic programme components were identified for starting the early recovery of employment and livelihoods. These included:
 - **Employment-intensive reconstruction and rehabilitation** with a focus on providing technical support to the United Nations country team and the Government of Pakistan in incorporating the ILO's proposed strategies and project proposals for recovery and reconstruction. In view of the alarming situation and the urgent need to start supporting livelihood recovery, the ILO, the first amongst United Nations and other relief and donor agencies to take concrete action to revive employment, launched the "Rapid income support through employment" pilot project (RISE). This pilot phase was entirely funded through internal ILO resources, for an amount of around US\$500,000. The project, with an initial strong component of "cash-for-work", started in Balakot and was then extended to Muzaffarabad, Bagh and Batagram, four of the worse affected districts. The RISE project, implemented by the ILO in partnership with the Ministry of Labour, the Pakistan Workers' Federation, and national and international NGOs, has two main purposes: injecting money back

into the demonetized economy and helping those affected come out of the psychological trauma and depression they have suffered. By the end of December 2005 the project had provided short-term employment to 15,000 people including 4,500 women.

- **Emergency employment information services** focus on the registration of unemployed and those who have lost their livelihoods, who can participate in employment-intensive works and develop income-generating activities. The ILO has already established two Emergency Employment Information Centres in Balakot and Muzaffarabad.
 - In collaboration with the Pakistan National Rural Support Programme, the ILO has established two tented **vocational training centres** in Muzaffarabad and Bagh. A similar vocational training centre is in the process of being established in Balakot in collaboration with the Ministry of Labour and an international NGO.
 - In addition, project proposals on **demand-driven skills development** to meet the needs of reconstruction and employment creation, **reviving local economies** and fostering their further development and supporting **labour protection** policies with a special focus on **enhancing protection of vulnerable groups including children, women and disabled persons** through educational activities have been prepared. These proposals have attracted donor interest and once funding is secured they will be launched.
10. The ILO also actively and visibly participated as part of the United Nations Disaster Management Team and provided leadership on the Employment and Livelihood sector within the Early Recovery Framework. The Employment and Livelihood sector, included in the Early Recovery Framework presented by the United Nations to the Pakistan Government in November 2005, has been designed by the ILO in collaboration with experts from other UN agencies and international organizations.
11. The ILO has also supported a more detailed study on the loss of employment and livelihoods based on a field survey of the affected areas with both national and local experts (from the universities and colleges in the affected areas). This study, which includes measures needed to ensure that employment concerns are embedded in the reconstruction effort, will be discussed with the Pakistan Earthquake Rehabilitation and Reconstruction Authority and other concerned national agencies in February this year.

The Donor Committee for Enterprise Development Cairo Conference, 29 November-1 December 2005

12. The Office's engagement in the Donor Committee for Enterprise Development is an example of how the Office implements core element 5 of the GEA on *Promoting decent employment through entrepreneurship* by advocating for and influencing other agencies' work in supporting the creation of policy and regulatory environments that are conducive for better jobs in small enterprises.
13. The Committee forms a network of 38 agencies that promote enterprise development in developing countries.¹ The Committee is a platform for representatives of bilateral and

¹ These include the EU, DANIDA, DFID, GTZ, OECD, NORAD, SDC, UNIDO, UNDP, UNCTAD, Regional Development Banks and the World Bank.

multilateral donor organizations to exchange information and experiences in development programmes. Based on good practice, guidelines for donors are developed by the Committee. This has been done in the areas of microfinance and business development services. The ILO chairs the Business Environment Working Group and is also on the Committee's board.

14. In this capacity, the ILO led the preparations of a unique international conference on "Reforming the business environment – From assessing problems to measuring results". For three days in Cairo, Egypt, 310 persons, including the President of the United Republic of Tanzania, the Vice-President of the World Bank for private sector development, top government and donor officials, and business environment experts from all over the world representing 29 donor agencies from field and headquarter structures, as well as representatives of developing country governments and the private sector, came together to discuss ways to support reform of the business environment. This was the first broad-based multi-donor conference to consider this issue. As a result, a wide range of issues affecting the assessment and reform of the business environment were considered.
15. The conference examined three stages in the life cycle of reform programmes: (a) assessing the business environment and designing reforms; (b) the tools, techniques and frameworks that can be used to successfully implement reform programmes; and (c) ways to measure the impact of reforms and to monitor programmes. Papers and discussions focused on reform programmes – dealing with taxation, regulatory best practice, contract law, land administration and labour law – at both national and local levels.
16. ILO specialists participating in the meeting provided a wide range of technical presentations, including: enterprise size and business environment reform; challenges and opportunities for giving representation to entrepreneurs in business environment reform; designing ways to improve business environments with participation of employers' and workers' representatives; enabling environments for micro and small enterprises and the role of labour law in building an enabling environment. ILO interventions included emphasis on the importance of ensuring that policy reform, particularly in the labour law area, is not carried out at the expense of workers' protection.
17. The outcomes of the Cairo Conference laid the basis for a multi-agency agenda that the ILO will lead within the Donor Committee. An important feature this year will be to draft the emerging guiding principles and to have at least one regional consultation this year and two in 2007.

Promoting sustainable development for sustainable livelihoods

18. At its November 2005 session the ESP Committee in its discussion on core element 3 of the GEA, "Promoting sustainable development for sustainable livelihoods", called for a focus on: (a) the development of methodologies and approaches, such as impact assessments for integrated environmental and employment outcomes of investment plans and programmes. Such tools could include ways to strengthen social dialogue to achieve integrated employment and environmental impacts; and (b) the formulation of operational programmes necessary to support sustainable development strategies that promote job creation either at the national or sectoral levels, involving constituents and the social partners.²

² GB.294/ESP/2, para. 34.

19. Following this discussion, an ILO delegation from ACTRAV and INTEGRATION participated in a conference on labour and the environment organized by UNEP in Nairobi in January 2006. The ILO is in the process of preparing a concept paper on issues relating to labour and the environment for completion in March 2006. Furthermore, in light of this decision, the ILO is developing methodologies and training materials to evaluate the impact of public investment programmes and spending on employment creation, building on the considerable work by the ILO Employment-Intensive Investment Programme (EIIP) in this field. For example, employment impact reviews of public investment programmes have been recently undertaken in Cameroon, Senegal, Cambodia and Madagascar.
20. Supported by such methodologies and training tools, integrated employment and environmental impact reviews could become an integral element of decent work country programmes (DWCPs) and provide a basis for subsequent development of, and resource mobilization for, operational programmes necessary to support sustainable development strategies that support job creation. At the same time, the ILO continues to collaborate with other UN and multilateral agencies to develop and implement rural development and accessibility schemes, slum upgrading and other operational programmes which are providing integrated employment and environmental outcomes. Such operational programmes are expected to provide inputs for a possible International Labour Conference general discussion on rural employment for poverty reduction in 2008 as well as to the future work of the United Nations Commission on Sustainable Development and other international forums linking employment and sustainable development.

Follow-up to the African Union Extraordinary Summit

21. In September 2004, the African Heads of State and Government participating in the African Union Extraordinary Summit on Employment and Poverty Alleviation in Africa, committed themselves to establishing the goal of employment creation as a central objective of economic and social policies at national, subregional and regional levels. The Heads of State and Government recognized that effective implementation of the Summit outcomes required the regular input of regional coordinating structures. Consequently, they agreed to strengthen the African Union Commission's, as well as the Regional Economic Communities' (RECs), capacity to support member States in the development and implementation of national plans of action.
22. In Africa, the ILO has aligned its workplans with the Summit's outcomes and recommendations in order to support the follow-up to the Summit and to assist the African Union and its members in implementing the programme. In 2006-07, the ILO programme in Africa will continue to support national, regional and continental-level structures to implement the follow-up to the Summit.
23. While work is being supported in all the major areas identified by the Plan of Action adopted by the African Union Extraordinary Summit, four priority areas, namely youth employment, women's entrepreneurship, improved labour market information and making employment central in economic and social policy-making and in national development frameworks, constitute areas of concentration in which the ILO is providing support in the context of the follow-up to Ouagadougou. These areas have also been identified by the tripartite constituents as a priority of DWCPs in most African countries for 2006-07. For instance, a preliminary analysis of the DWCPs proposed for 2006-07 shows that for more than half the countries in Africa, youth employment will be a priority area of their DWCPs.

Table 1. ILO support for implementation of the African Union Action Plan: Key areas

Key areas/African Union Action Plan priority	Continental level	Regional level	National level	Supporting agencies
Youth Employment (Priority 10)	<ul style="list-style-type: none"> – Rural Youth Employment initiative – Comparative study of developing countries that includes Cameroon, Ethiopia, Mali and Morocco 	<ul style="list-style-type: none"> – Regional Conference on Youth Employment Challenge in Southern Africa (Harare, Oct. 2005) – Eastern Africa (Kenya, United Republic of Tanzania, Uganda) 	Ghana, Mali, Côte d'Ivoire, Kenya, United Republic of Tanzania, Uganda, Burkina Faso, Egypt, Burundi, Senegal	<ul style="list-style-type: none"> – Youth Employment Network (YEN) – International Fund for Agricultural Development (IFAD)
Women's Entrepreneurship (Priority 5)	<ul style="list-style-type: none"> – Workshop on Promoting Women's Entrepreneurship through Employers' Organizations (May, 2006) 		Zambia, Ethiopia, United Republic of Tanzania, Kenya, Uganda, Mali, Mauritania, and Senegal	<ul style="list-style-type: none"> – Development Cooperation Ireland – African Development Bank – International Finance Corporation (IFC) (east and southern Africa)
Labour Market Information Systems (Priority 6)			Ethiopia, Ghana, Mali, Madagascar, Mauritius, Seychelles, Uganda and Algeria	<ul style="list-style-type: none"> – African Capacity Building Foundation (ABCF)
Employment central to economic and social policy-making including development frameworks and PRSPs (Priority 3)	<ul style="list-style-type: none"> – Support to the African Union/ Labour and Social Affairs Commission in their inputs to the African Common Position on MDGs advocating the importance of employment and decent work <p>Summit provided ministers both at regional level (Labour and Social Affairs Commission) and subregional level (ECOWAS, SADC, etc.) with a strategic platform and guiding principles to address employment and development issues</p>		Burkina Faso, Senegal, Kenya, United Republic of Tanzania, Uganda, Sudan, Morocco, Ghana, Mali, Côte d'Ivoire, Cameroon, Burundi, Zambia, Ethiopia, Nigeria, and Madagascar, Gabon, Chad, South Africa	

New initiatives

24. At the **continental level**, the ILO has strengthened and deepened its cooperation with the African Union Commission. Cash surplus funds have been earmarked for a continent-wide programme on *rural youth employment*. The ILO programme builds upon ongoing efforts; in particular the recommendations of the tripartite subregional conference on the Southern Africa Subregional Conference on Youth Employment (Harare, October 2005). During the conference, nine countries agreed that the agricultural sector should be targeted for job creation for youth; and that youth employment should be a priority in their DWCPs.
25. *Women's entrepreneurship* is another priority identified in the Summit outcomes. Cash surplus funds will be used to develop a comprehensive continent-wide programme that builds on earlier interventions funded by Development Cooperation Ireland, the African Development Bank and the International Finance Corporation (IFC) in east and southern Africa. A large-scale workshop will be organized for employers' organizations from 16 countries. The purpose is to share good practices and strengthen their capacity to provide better technical services to their female members.
26. In order to develop long-term employment strategies to match labour supply with the demand for skilled labour, cash surplus funds are also being used to strengthen *labour market information systems* throughout Africa.
27. At the **regional level**, the ILO worked closely with the African Union Commission to organize a consultative meeting between the African Union Commission and the RECs in September 2005. The purpose of the meeting was to strengthen and enhance cooperation between the two entities in the process of the implementation of the follow-up to the African Union Extraordinary Summit. The meeting identified and adopted a clear road map and a format for reporting on progress made in the implementation of Summit outcomes and recommendations. Notwithstanding, the RECs noted that they lacked the capacity to adequately execute the coordinating role assigned to them. To respond to this need, ILO offices in Africa will work closely with the REC secretariats in 2006-07.
28. It is important to note that the ILO has addressed regional integration through its programmes on labour administration; harmonization and reform of labour legislation; extension of social protection coverage; facilitation of migration for regional economic development; fighting HIV/AIDS in the workplace as well as the consolidation of social dialogue at subregional level.
29. At **national level**, as discussed during the last Committee meeting,³ a number of governments in Africa are taking initiatives to place employment at the centre of economic and social policies. The President of the Republic of Mali has made youth employment his first national priority.
30. The Government of Ghana's 2006 budget entitled "Investing in people, investing in jobs" was unanimously approved. The Government allocated 1.5 trillion cedis – or approximately US\$110 million – for a National Youth Employment Programme and set up a Youth Employment Task Force to develop a structured and coordinated youth employment programme. In so doing, Ghana is now one of the first countries to initiate an employment-driven national budget under its second Growth Poverty Reduction Strategy (GPRSII). The programme fully mainstreams employment issues into the national

³ GB.294/ESP/1.

development policies. The ILO has been working closely over the last few years with the tripartite partners through the pilot DWCP and in the framework of the GEA to support government efforts in developing employment strategies and policies for poverty alleviation. It is also providing technical support to the Youth Employment Programme. In preparation for the Ghana Presidential Employment Summit to be held later this year, the ILO, at the request of the Ministry of Labour and Social Affairs, held a tripartite technical workshop in November 2005 near Accra to finalize the technical papers for the Summit.

- 31.** The ILO has been actively working in Ethiopia to design appropriate and effective employment and labour market policies and to help inform the new PRSP strategy referred to as PASDEP (Plan for Accelerated and Sustainable Development to End Poverty). The new three-year poverty reduction plan includes job creation as a core element which is a positive shift as it embraces employment as key to poverty alleviation. Given that the World Bank has also started to work on labour markets in Ethiopia, the ILO in collaboration with the Bank, at the request of the Ethiopian Ministry of Labour and Social Affairs, held a technical workshop in Ethiopia in December 2005. The workshop showed the importance of appropriate employment policies to achieve poverty reduction objectives and will provide a solid base for future ILO work in Ethiopia in the areas of employment and labour markets and possible collaboration with the World Bank and other donor partners in the country.
- 32.** A number of other countries have maintained the focus on employment as an essential factor in economic and social development. The deputy President of South Africa mentioned the urgency of skills development and indicated that the labour market will be reviewed in collaboration with the ILO. Gabon has made employment a national priority. Chad has prepared a post-Summit national action plan. In Madagascar, a national plan for employment promotion has been adopted and a national committee for employment promotion and poverty reduction has been established under the leadership of the Minister of Labour.
- 33.** With the installation of the Regional Office for Africa in Addis Ababa, cooperation with the African Union Commission and United Nations Economic Commission for Africa (ECA) is further strengthened; both at the operational and policy levels.⁴ Collaboration with the AfDB (African Development Bank) and NEPAD (New Partnership for Africa's Development) will also be further crystallized. Henceforth there will be a more synergistic coordination of activities for joint resource mobilization in favour of the implementation of the follow-up to the Ouagadougou Summit.

Geneva, 8 February 2006.

Submitted for debate and guidance.

⁴ The UNECA's economic report on Africa 2005: *Meeting the challenges of unemployment and poverty in Africa*, published in December 2005, was prepared in close collaboration with ILO experts. <http://www.uneca.org/era2005/>.