

**FOR INFORMATION**

## FIRST ITEM ON THE AGENDA

**Technical cooperation and decent work country programmes**

1. The Governing Body has on several occasions, and most recently in November 2003, expressed its full support for the design and delivery of a coherent ILO programme in countries, and, starting in 2006-07, the Office will make decent work country programmes (DWCPs) the main programming and delivery mechanism for its services in countries.<sup>1</sup> Giving effect to decent work at country level is one of the priority concerns of the Committee on Technical Cooperation.<sup>2</sup> At its November 2005 session, the Committee requested an examination of the role of technical cooperation in the unfolding process of implementation of DWCPs.

**Decent work country programmes: An integral part of international cooperation frameworks supporting national development strategies**

2. DWCPs have two basic objectives. They promote decent work as a key component of national development strategies. This should lead to decent work becoming a national policy objective of governments and social partners as well as of other local actors and cooperating agencies. DWCPs put the ILO's knowledge, instruments and advocacy at the service of our tripartite constituents to advance the Decent Work Agenda within the fields of comparative advantage of the Organization.
3. DWCPs are the integrated framework to organize the ILO cooperation with each member State. The distinction is made between the promotion of decent work as a goal for member States to adopt, for example in the form of a national plan of action for decent work, and the DWCP, which is the ILO's small but hopefully pivotal contribution to this national goal.<sup>3</sup>

<sup>1</sup> Programme and Budget for 2006-07, paras. 119-121.

<sup>2</sup> GB.292/TC/3.

<sup>3</sup> Programme and Budget for 2006-07, paras. 35-38.

4. The DWCP is a programming tool to effectively decentralize responsibility in the planning and implementation of a coherent and integrated ILO programme of assistance to constituents in member States. Tripartism and social dialogue are central to the process. Thus, the ILO and national constituents have joint ownership of the DWCP with the Office retaining full responsibility and accountability for the outputs described in the programme. Converting outputs into outcomes requires the active engagement of constituents and beneficiary institutions.
5. Employment and decent work for all have been recognized as a crucial means of reducing poverty and achieving the internationally agreed goals, including the Millennium Development Goals (MDGs) in each country. DWCPs constitute the integrating channel for ILO's contribution to the broader national development strategies and frameworks.
6. Furthermore, it should be noted that the introduction of the DWCP approach coincides with United Nations system-wide reforms aimed at increasing the coherence, effectiveness and coordination of UN system activities at the country level. The ILO considers that the DWCP will enable the ILO to make a distinct contribution to the United Nations development assistance frameworks (UNDAF) processes, aimed at influencing the UNDAF, ensuring complementarity and exploiting the scope for the integration of the Decent Work Agenda in broader programmes supported by other United Nations system partners. Internal guidelines on the DWCP will ensure consistency and compatibility with guidelines on the UNDAF process. While different countries are at different stages in the UNDAF cycle, it will be important over time for ILO Directors to seek to manage participation in the UNDAF process and the preparation of DWCPs in an integrated and synchronized fashion.
7. DWCPs are therefore the appropriate and privileged means for the ILO's association with international development cooperation for development in each country. DWCPs will progressively become the framework to articulate the various ILO initiatives, assistance and cooperation supporting any particular country, combining resources from different sources. DWCPs are therefore the suitable focus for mobilizing and pulling together resources from the ILO regular budget and, most particularly, from extra-budgetary sources, including from the country itself, as well as from external donors.

### **Methodology: A six-step process**

8. The decent work country programming methodology is a six-phase process, the six phases being:
  - Establishing the country context: country development objectives expressed for example in national development plans or development assistance frameworks and constituents' concerns, ongoing and planned ILO activities and projects, lessons learned and promising partnerships are the starting point. The process is initiated in the field.
  - Agreeing on a maximum of three country programme priorities (CPPs) with constituents and other major national stakeholders, taking into consideration the established country context as above, and determining the linkages between the ongoing ILO activities and the selected priorities. CPPs are results areas or mid- to long-term areas of work, e.g. youth employment, that capture the decent work dimension of country objectives/concerns in which the ILO can add substantial value. They should be selected after having assessed the best opportunities for succeeding in making a significant impact and a positive change towards the national objective of decent work.

- Defining biennial and country programme outcomes (CPOs) with constituents: measurable results or milestones to be achieved within a results area or CPP, specifying how the outcome will affect women and men.
  - Implementation planning: breaking CPOs down to their individual components and allocating resources against these – inclusion of an outcome in a country programme signals that resources exist or are being secured for its achievement. Several sources of funding contribute to the achievement of one outcome (i.e. a project is unlikely to be an outcome unless its design is very integrated).
  - Implementation management: the ILO field office director is the country programme manager, accountable for delivering the agreed outcomes. Programmes are implemented with constituents.
  - Monitoring, reporting and evaluation: participatory country programme evaluations provide the ILO's national constituents, ILO's managers, staff and other stakeholders with a means for learning from past experiences to improve planning, allocating of resources and documenting evidence of development results as part of an accountability process. There will be a shift away from project and subprogramme evaluations to a focus on the strategic and policy level within a national context.
9. It is an iterative process, and more than one stage can be taking place at the same time: programme management will be going on as country context and implementation planning are taking place; and in many countries, ongoing dialogue between offices and constituents has already led to agreement on integrated country programmes focusing on one or two results areas.
  10. Decent work country programming builds on previous attempts of the ILO to implement decentralized programming. Lessons from the Active Partnership Policy, the country objectives exercise and the decent work pilot projects have been useful. This leads to DWCPs focussing on a manageable number of priorities enabling scarce resources to be put to the best use.
  11. The DWCP is the expression of the programme and budget outcomes at the country level, implying not that all strategic objectives and outcomes are to be reflected in a country programme, but that a country programme outcome, even if there is only one, ties into strategic framework outcomes and does not lie outside the strategic framework.
  12. Within the ILO, the process is initiated by ILO field offices and headquarters technical expertise is required to complement the field capacity, aligning such demand with agreed global strategies and outcomes. Headquarters technical units are requested to devote a significant part of their resources to be spent servicing countries on achieving CPOs. This has the potential of increasing the effectiveness of ILO services for the same resource levels.
  13. Specific activities of the Bureaux of Employers' and Workers' Activities are included in country programmes, with the hope that strengthening of their capacities to participate in national policy, institutional, legal and resource allocation reviews and decisions focuses on those priorities captured by the DWCP, so that the whole Organization at country level drives towards the same result.

## Rolling out decent work country programming

- 14.** The introduction of decent work country programming is undertaken as an organizational learning experience, allowing a certain flexibility around a commonly adopted framework. The approach adopted:
- (a) lays down a set of basic principles that all should follow in order to engage the whole Organization in the same programming exercise. These are set out in the Director-General's announcement on DWCPs<sup>4</sup> and a guidebook issued in August 2005,<sup>5</sup> which describes the methodology. New versions of the guidebook will be prepared to assist the different phases of uptake of the methodology;
  - (b) supports implementation of the methodology with capacity building and an information platform: several regional workshops have been organized for field staff, jointly delivered by PROGRAM, CODEV and INTEGRATION, with support from DFID. Several information sessions and briefings have been conducted for headquarters units, including for the Bureau of Employers' Activities, Workers' Activities and Gender. A regularly updated decent work country programming web site on the Intranet and a moderated forum help to ensure that the whole Office has ready access to the information, good practices, answers to frequently asked questions, new information etc. that staff need to get better and better at country programming;
  - (c) leaves organizational units the flexibility to manage themselves in order to respond effectively: those headquarters units that were not previously organized along regional/subregional lines have since introduced this organization of work;
  - (d) uses the management information system, IRIS. The relevant management module was designed with country programming in mind, thus making easier a range of activities such as agreement on country outcomes and resource allocations between headquarters and the field, reporting of expenditures both by country and strategic framework outcomes, etc. The module already permits the sharing of information on regular budget funds for technical cooperation and work to integrate extra-budgetary technical cooperation funding (e.g. recoding of projects) is ongoing;
  - (e) considers decent work country programming as a management tool for keeping track and justifying changes in orientation: unlike the programme and budget which is finalized before the start of the biennium, a country programme can be adapted in the course of a biennium to changing national circumstances, for example emergency situations or a major crisis;
  - (f) promotes transparency: DWCPs are public documents and will be available on ILO office web sites.
- 15.** Testing the system has started with planning the implementation of the 2006-07 biennium. The first full, negotiated DWCPs including provisions for reporting and evaluation (as set out in the upcoming country programme evaluation guidelines), are expected to be produced starting early 2006.

<sup>4</sup> Circular 599, Series 1.

<sup>5</sup> *ILO decent work country programmes: A guidebook*, version 1.

## DWCPs and technical cooperation

16. Some first indications and issues for technical cooperation can be observed at this stage of the DWCP process.
17. DWCPs provide a picture of real “demand for decent work” in countries that the ILO can supply. Programming for responding to essential demands and priorities of DWCPs rely on ILO’s regular budget resources, combined from field and headquarters. Such resources are complemented, where available, with extra-budgetary resources from projects and programmes benefiting such countries.
18. New extra-budgetary resources will in most cases be indispensable for complementing modest regular budget resources and to ensure significant impact of DWCPs according to countries’ expectations and demands. DWCPs are the meeting point of ILO comparative advantage and mandate, national development/poverty reduction objectives, national constituents’ concerns and donor concerns. They offer the best channel for involving constituents in advancing towards concrete results and impact in national and local contexts. At the same time, thematic projects funded by donors and which benefit one or more countries, can meet the needs and priorities identified in DWCPs, while at the same time providing a base for cross-fertilization and mutual learning across the various countries concerned.
19. In a transitional phase, the priorities and outcomes selected may tend to reflect areas in which the ILO has ongoing technical cooperation funded through extra-budgetary resources. However, in the future the ILO will be able to determine with far greater precision the areas in which there is strong demand from constituents for ILO assistance, identifying a limited number of priorities and outcomes in which the ILO can concentrate its technical cooperation programme financed from extra-budgetary resources.
20. The Office will need to adapt its resource mobilization strategies locally and centrally, and involve constituents in a systematic way in order to access/influence resource flows in favour of decent work CPPs. Currently, cycles of extra-budgetary resource allocation are not aligned to DWCP cycles: future resource allocation strategies should seek to harmonize these and bring some measure of predictability. Typical ILO goals are long-term and field offices have often stressed the importance of continuity in ILO action as a condition for building up the credibility that influences policy, legal, institutional and resources decision-making. Partnership agreements with donors are a promising avenue for funding for DWCPs.
21. Offices and constituents are demonstrating a willingness to focus on a few priorities and outcomes. All existing commitments will however be honoured, while efforts are made to link them as much as possible to the emerging priorities as defined in the CPPs. The Office proposes to develop a methodology to assess the potential contribution of ongoing projects to CPPs and expected results, so as to reorientate project strategies as necessary and feasible.
22. As the ILO is preparing DWCPs aimed at integrating its different means of action to the particular development strategies of each country, it will also seek to integrate this approach with the CCA/UNDAF process while working with other United Nations system agencies to achieve greater complementarity and synergy. Donors are committed to aligning their programmes behind national strategic frameworks reflecting a greater programmatic unity of the whole United Nations system operations at the country level. UNDAF is therefore likely to emerge as a vehicle for country-based resource mobilization, creating new opportunities for ILO constituents to take an active part in such partnerships alongside the ILO.

23. To permit the integration of technical cooperation with the policy recommendations of the Organization and more closely align extra-budgetary with regular budget, relevance to a DWCP becomes a critical criterion by which to appraise and select programme or project proposals for submission to donors. Over time, this should permit the alignment of the technical cooperation portfolio with the country programme priorities and enable the bulk of resources the ILO invests in a country to be found driving the achievement of key agreed results. This process will be deepened by taking up analysis of the information contained in DWCP outcomes at regional level and into future programmes and budgets of the Organization.

### **Building capacity and learning together**

24. The capacity of ILO staff and constituents to effectively implement country programmes in a results-based management approach is very uneven. Both need to learn to systematically prioritize; define results; implement with accountability; evaluate achievements; and feed evaluation results back into prioritization and resource decisions, while working within national frameworks such as UNDAF and PRSP and through strategic partnerships. National constituents, confronted with issues such as extending their membership, services and relevance to national policy, have often demanded from the Office more support to enhance their understanding, capacities and experiences for the task. Similarly, ILO offices, to effectively play the role constituents expect of them in this task, need to be supported through the transition to higher levels of performance. Applying results-based management is a learning-by-doing exercise and the first two years of full-blown decent work country programming is going to be labour and resource intensive.
25. The system has the potential to introduce greater transparency into the ILO's prioritizing and resource allocation, in the first instance for its work in countries. The work to effectively integrate technical cooperation into country programming needs to be completed.
26. Since the quality of evaluations depends on upstream work done at country programme design stage, collaboration on this has already started with the independent evaluation unit (EVAL). EVAL, in collaboration with regional directors, aims to complete one country programme evaluation each year of the coming biennium. Participatory programme reviews will complement the assessment of impact and drawing of lessons.
27. The Office intends to support the production of DWCPs ahead of the 2006 ILC with capacity building for national and regional constituents and ILO field and headquarters staff. This will require several outputs in the form of methodologies, tools, policy guidelines, knowledge management and information systems and good practices, and improved work organization, e.g. decentralized programming and evaluation capacities, particularly at the regional level. The Office is defining a programme of work to this effect. As part of this programme of work, regional, subregional and country office directors are being instructed to propose the modality of DWCP, and the ILO's expertise and support pertaining to these, to United Nations Country Teams as specific ILO contributions to the United Nations Development Assistance Framework as well as to the PRS processes in the country concerned. This should include exploring all possibilities of joint programming, capacity building and resource mobilization
28. The Office will complete all the steps to operationally integrate extra-budgetary and regular budget and to introduce inclusion in DWCPs as project/programme appraisal and selection criteria.

29. An immediate aim is to secure increasing volumes of extra-budgetary technical cooperation for DWCP outcomes through appropriate resource mobilization strategies. The Office will conduct an information campaign targeting donors to introduce them to decent work country programming and its implications for their relations with the ILO. Subsequently they will develop/refine more effective resource mobilization and partnership strategies.
30. The Office will, working together from headquarters and regional programming units, proceed with the analysis of information from DWCPs for strategic/policy orientations, starting with the Programme and Budget for 2008-09.

Geneva, 6 March 2006.

*Submitted for information.*