

**FOR DEBATE AND GUIDANCE**

SECOND ITEM ON THE AGENDA

**Strategic Policy Framework 2010–15 and
preview of the Programme and Budget
proposals for 2010–11****Making decent work happen***Contents*

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Executive summary

1. The Strategic Policy Framework (SPF) offers the Governing Body an opportunity to discuss and decide on a stable but adaptable framework for future programmes, budgets and action. To accommodate the fullest possible exchange of views, it is intended to further revise the SPF for approval in March 2009.
2. The 2008 Declaration on Social Justice for a Fair Globalization adopted in June 2008 (2008 Declaration) has had a fundamental influence on the priorities and working methods described in the SPF.
3. This SPF contains a number of new features and approaches, including a strategic framework that emphasizes the inter-related nature of the strategic objectives; heightened emphasis on services to constituents; a method of work that emphasizes collaboration and teamwork; a significant simplification of results levels and concepts; specific strategies with milestones for strengthening key technical capacities of the Office; and a discussion of long-term resource issues with a strategy for coping with resource gaps.

Strategic context

4. The ILO is a value-based Organization. Tripartite constituents from all member States share the fundamental values of freedom, human dignity, social justice, security and non-discrimination. In June 2008, ILO Members solemnly restated their belief that these values should guide economic and social policies to achieve cohesive and sustainable open societies, and that such policies are best informed by the practice of social dialogue and tripartite consultations between governments and representative organizations of employers and of workers. Social justice and a fair globalization were reaffirmed as the ILO's contemporary agenda.
5. The economic and social context for the SPF consists of long-term trends in demographics, trade, income distribution and related parameters, as well as more recent financial and environmental concerns. Conditions related to the ILO mandate remain a matter of serious concern and increasing political awareness. Capacity of ILO constituents requires strengthening. The 2008 Declaration calls for reinforced ILO capacity to provide services to constituents.

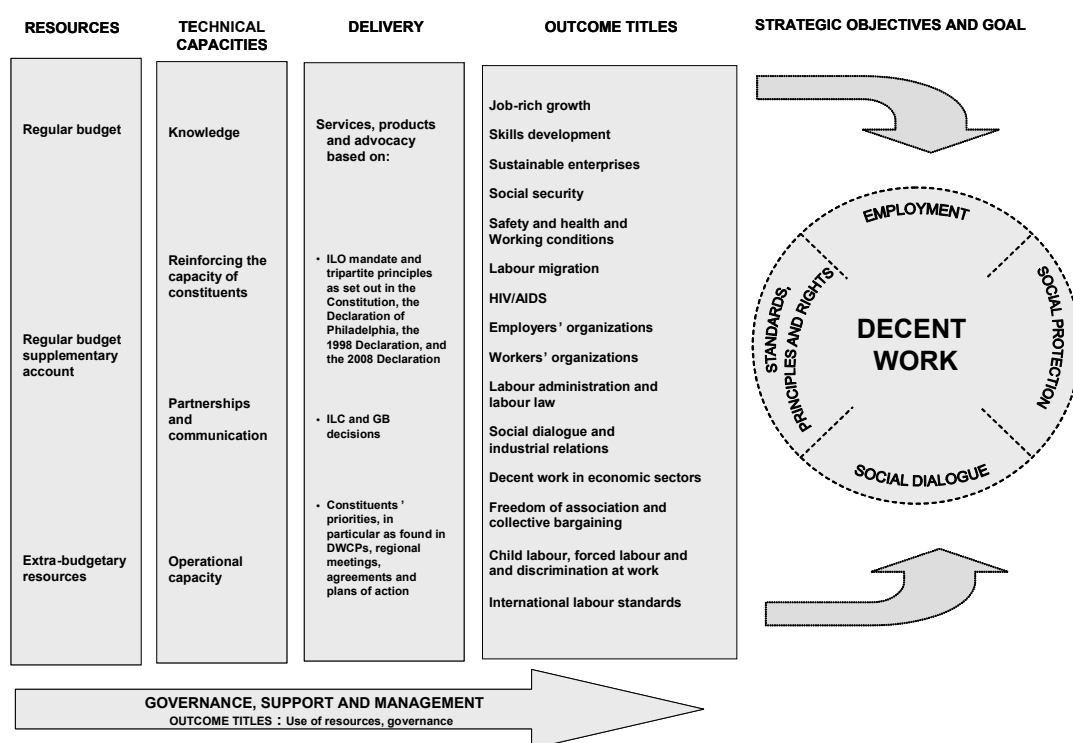
Regional priorities

6. The ILO's five regions – Africa, Americas, Arab States, Asia and the Pacific, and Europe – have all developed detailed priorities. These are based on Regional Meetings and their decisions, in particular decent work decades and regional agendas, as well as Decent Work Country Programmes. In line with the diverse situation of countries in each region, the priorities cover all four of the ILO's strategic objectives. They have been used to develop the strategic framework described below and will also be used in programme and budget proposals to inform outcome strategies and to set targets. The regional priorities therefore strongly influence resourced decisions, including mobilization of extra-budgetary resources.

The Strategic Framework

7. The strategic framework sets out the main substantive priorities of the ILO in measurable, results-based terms. In response to the emphasis of the 2008 Declaration on the inter-related nature of the strategic objectives, the proposed framework has been streamlined to promote focus and integrated action (see figure 1). A change in methods of work is required to reflect the integrated action that responds to the cross-cutting nature of expected results. Although outcomes are listed under specific strategic objectives in the text that follows, this association is not exclusive as each outcome contributes to all four strategic objectives. Gender and non-discrimination will be mainstreamed throughout.

Figure 1. The Strategic Framework for 2010–15



Strategic objective: Create greater opportunities for women and men to secure productive employment and decent work

Outcome 1: Job-rich growth

Outcome statement: Coordinated and coherent policies generate inclusive job-rich growth

Position to be reached by 2015: More member States have adopted and implemented active policies that prioritize productive employment generation so that the employment content of growth is higher, the quality of employment is improved and poverty is reduced.

Outcome 2: Skills development

Outcome statement: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth

Position to be reached by 2015: More member States have aligned training supply and demand, extended access to training opportunities to wider proportion of workers and have integrated skills development within national and sector development policies and in responses to global drivers of change such as technology, trade, and global warming.

Outcome 3: Sustainable enterprises

Outcome statement: Sustainable enterprises create productive and decent jobs

Position to be reached by 2015: More member States have improved the enabling environment for sustainable enterprises and adopted socially responsible enterprise-level practices.

Strategic objective: Enhance the coverage and effectiveness of social protection for all

Outcome 4: Social security

Outcome statement: More people have access to better managed and more gender equitable social security benefits

Position to be reached by 2015: More member States have adopted measures which provide workers with a more complete range of social security benefits.

Outcome 5: Safety and health and working conditions

Outcome statement: Women and men have healthier, safer and more equitable working conditions

Position to be reached by 2015: More member States have labour protection policies that contribute to a better balance between flexibility and security for workers, and a safer and healthier workplace environment.

Outcome 6: Labour migration

Outcome statement: More migrant workers are protected and have access to productive employment and decent work

Position to be reached by 2015: More member States have adopted measures to foster expanded, regular and protected international labour migration that responds to labour market needs in countries of destination and alleviates labour market pressures in countries of origin.

Outcome 7: HIV/AIDS

Outcome statement: The world of work responds effectively to the HIV/AIDS epidemic

Position to be reached by 2015: The tripartite constituents have increased capacity and resources to contribute to national HIV/AIDS responses, and there is concrete prevention, treatment, care and support action in an increased number of workplaces.

Strategic objective: Strengthen tripartism and social dialogue

Outcome 8: Employers' organizations

Outcome statement: Employers have strong, independent and representative organizations

Position to be reached by 2015: Employers' organizations effectively meet the needs of their member enterprises through the delivery of relevant services, representation and advocacy.

Outcome 9: Workers' organizations

Outcome statement: Workers have strong, independent and representative organizations

Position to be reached by 2015: Stronger workers' organizations have the capacity to analyse economic, labour, social and environmental policies in the light of the fundamental objective of social justice. This information is used to improve workers' conditions. Broader recognition and use of freedom of association and collective bargaining enhance workers' participation in development and poverty reduction agendas at all levels. Full involvement of workers' organizations in DWCPs and in many partnerships under United Nations Development Assistance Frameworks promotes decent work in the multilateral system.

Outcome 10: Labour administration and labour law

Outcome statement: Labour administrations apply up to date labour legislation and provide effective services

Position to be reached by 2015: In more member States, labour administration has been strengthened and plays a key role in formulating and implementing labour policies and laws. Up to date labour legislation provides improved legal protection to workers and appropriate regulation of the labour market.

Outcome 11: Social dialogue and industrial relations

Outcome statement: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations

Position to be reached by 2015: More member States have strengthened their social dialogue institutions, including Economic and Social Councils, and the mechanisms for prevention and settlement of labour disputes based on social dialogue-related Conventions.

Outcome 12: Decent work in economic sectors

Outcome statement: A sector-specific approach to decent work is applied

Position to be reached by 2015: Decent work in economic sectors is promoted through the adoption and application of ILO sectoral standards, codes of practice and guidelines and through the strengthening of sectoral social dialogue.

Strategic objective: Promote and realize standards and fundamental principles and rights at work

Outcome 13: Freedom of association and collective bargaining

Outcome statement: The right to freedom of association and collective bargaining is widely known and exercised

Position to be reached by 2015: There is measurable progress in the realization of the right to freedom of association and collective bargaining.

Outcome 14: Child labour, forced labour and discrimination at work

Outcome statement: Child labour, forced labour and work-related discrimination are progressively eliminated

Position to be reached by 2015: There is measurable progress in the realization of fundamental principles and rights at work.

Outcome 15: International labour standards

Outcome statement: International labour standards are applied

Position to be reached by 2015: National and international actions for decent work are effectively supported by an enabling and up to date normative framework.

Strengthening technical capacities

Knowledge base

8. A comprehensive knowledge strategy will be developed for 2010–15. In line with the 2008 Declaration, it will aim to strengthen the Office's knowledge base in order to better serve constituents through solid research and up to date statistics. Emphasis will be placed on conducting evidence-based research based on sex disaggregated data to help constituents make choices between the available policy options.
9. The ILO will develop a stronger statistical foundation and an innovative approach to measuring the multiple facets of decent work. The Office will analyse and interpret the data in a way that is meaningful and gender-responsive in the country-specific context, drawing together from national sources and existing ILO databases statistical indicators and information on rights at work and the legal framework for decent work for women and men.
10. The Office will strengthen its knowledge networks with regional and country level institutions working on the same issues, playing a crucial multiplier role in spreading the ILO's mandate and values.

Building the capacity of constituents

11. The ILO's contribution to capacity development for workers' and employers' organizations will include training and other capacity building initiatives based on sectoral needs assessments. This will be done in cooperation with the relevant employers' and

workers' organizations, with assistance from the ILO International Training Centre in Turin.

12. Ministries of labour or their equivalents will be supported in their efforts to take a comprehensive and integrated approach to their main functions, ranging from labour administration to labour inspection and employment services. The ILO will develop tools and expertise to address capacity challenges of these closely related functions, including the need to strengthen social dialogue institutions.

Partnerships and communication

13. The 2008 Declaration calls for the promotion of effective partnerships within the UN and multilateral systems to strengthen ILO operational programmes and activities or otherwise promote ILO objectives. Through increased partnerships, constituents will obtain greater access to important decision-making circles. In the context of "Delivering as One", the ILO will develop its collaboration with other international organizations and development actors to maximize the attention given to decent work.
14. Communication and public information are the primary vehicles for conveying to the public how the Organization is analysing and tackling the main workplace challenges. Communication methodologies and tools will be applied to engage stakeholders, assess situations, and devise effective strategies to mobilize and extend international support for decent work.

Operational capacity

15. Particular attention will be given to the following measures to strengthen the capacity of the Office to assist its Members, due account taken of differing regional situations:
 - Strengthening the technical support to Members in the regions through concentrating specialist technical capacity in fewer but larger decent work technical support teams servicing the needs of a number of countries. Such teams must work in close collaboration with, and rely on the support of technical programmes at headquarters.
 - Establishing a single type of ILO field office which will specialize in servicing Members in one or several countries. Field offices will deliver ILO programmes and support Members, and their skills and composition will be aligned accordingly. In particular field offices should have full first-line responsibility to design and implement DWCPs.
 - Deploying ILO capacity more flexibly.
 - Clarifying roles and responsibilities of regional offices, field offices, technical support teams and headquarters technical programmes.

Strengthening governance, management and support

Governance, support and management outcomes

16. Two governance support and management outcomes are proposed for the SPF period: (i) effective and efficient utilization of all resources, and (ii) effective and efficient governance of the Organization.

Governance reform and institutional practices

17. Despite progress, there is a general feeling that the meetings of the Governing Body should better enable substantive discussion on governance issues. Agendas of committees could be streamlined. The role of the Conference and Regional Meetings could be improved.

A management vision for the ILO

18. Reinforcement of management will be necessary to meet the challenges facing the Office in the next few years: enhanced competition around the ILO mandate; UN reform; departure of experienced staff; the headquarters renovation project; and continued pressure on resources for programme backstopping and delivery. Measures to further strengthen the Senior Management Team will be introduced to enable comprehensive follow up to the 2008 Declaration. Line managers will help strengthen the professional approach to management for results. There will be a renewed focus on staff performance, risk management, and responsibility for promoting teamwork and efficiency.
19. An Office-wide change management and capacity building programme will be implemented, building on the milestones of the results-based management (RBM) roadmap, and supported by integrated management strategies. It will combine capacity building elements and reinforced incentive structures to implement changes in the culture and practices of the Organization and the Office. This long-term process will require commitment to good governance and in-depth involvement of all constituents and staff, particularly management. The programme will therefore target improvements of the following management dimensions: accountability; transparency; work-planning and organization of work; support for knowledge sharing; organizational learning; teamwork and core management competencies.

Human resources, information technology, and oversight and evaluation

20. Specific management strategies will be implemented on human resources, information technology, and oversight and evaluation.

Resources for the planning period

21. The level, sources and allocation of resources are frequently discussed by the Governing Body and its Committees, as well as by the International Labour Conference. During the discussion of the Programme and Budget proposals for 2008–09, the Governing Body requested a more in-depth discussion of resources beyond the scope of the budget proposals for a specific biennium.

Abbreviations

CEB	United Nations System Chief Executives Board for Coordination
DWCP	Decent Work Country Programme
EDMS	electronic document management system
FPRW	Fundamental Principles and Rights at Work
IOE	International Organization of Employers
IPEC	International Programme on the Elimination of Child Labour
IT	Information Technology
ITUC	International Trade Union Confederation
MDG	Millennium Development Goal
MNE	multinational enterprise
MORSS	Minimum Operating Residential Security Standards
MOSS	Minimum Operating Security Standards
ODA	Official Development Assistance
OECD–DAC	Organisation for Economic Co-operation and Development–Development Assistance Committee
OSH	occupational safety and health
PRS	poverty reduction strategy
RBM	results-based management
RBSA	Regular Budget Supplementary Account
SPF	Strategic Policy Framework
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Programme
UNSMS	United Nations Security Management System
WB	World Bank
WTO	World Trade Organization

I. Introduction

1. The Strategic Policy Framework (SPF) is the ILO's medium-term planning document. It offers the Governing Body an opportunity to discuss and decide on the priorities and approach that will guide future programmes, budgets and action.
2. The SPF is the expression of the strategic orientation of the Organization, what it aims to achieve and how. The fundamental goal is to make decent work a tangible opportunity for working women and men in all countries. Members can count on the Organization to strengthen their capacity to implement policies under the four strategic objectives. The SPF details the results framework, the strategies, the capacities and the resources required to that effect.
3. The Director-General has consistently been of the view that, in order to be useful, the SPF would have to reflect a real consensus among the ILO's tripartite constituents. To this end, consultations of both a formal and informal nature have been carried out. It is his intention to continue accommodating the fullest possible exchange of views, and therefore to finalise the SPF by the Governing Body in March 2009.
4. The ILO Declaration on Social Justice for a Fair Globalization adopted in June 2008 (2008 Declaration) has had a fundamental influence on the preparation of the SPF. It requires the Office to re-examine priorities and working methods within a renewed affirmation of the relevance and mandate of the Organization.
5. The content of the SPF has been streamlined to take into account the comments received, in particular during tripartite consultations in September 2008. The goals are:
 - To provide a brief but comprehensive statement of the social and economic developments likely to influence policy over the period.
 - To set out the results to be achieved and in particular the progress sought by 2015.
 - To identify the technical as well as the governance, management and support capacities required to achieve these results.
 - To facilitate a discussion on the resources required in the light of the Organization's vision and priorities and the financial participation implied for member States.
6. The SPF is intended, above all, to be a tool for both the governance and the management of the Office. It should act as a means to focus on priorities and the effective use of limited resources. While it aims to provide a stable framework, it is open to adaptation to new developments, in particular through the adoption of each biennial programme and budget during the period. Once endorsed by the Governing Body, it can help to explain the programme of the ILO to constituents and the wider public, and assist managers and staff of the Office to make an effective and efficient contribution to the delivery of decent work.
7. This SPF contains a number of new features and approaches:
 - A strategic framework that emphasizes the interrelated nature of the strategic objectives.
 - Heightened emphasis on services to constituents in response to global (Governing Body and International Labour Conference), regional and country (DWCP) priorities.

- A method of work that accentuates collaboration and teamwork, built into outcomes, indicators of performance, strategies and support services.
- A significant simplification of results levels and concepts, including more simple and direct language.
- Clearer identification of priorities, in particular through a limited number of outcomes.
- Greater emphasis on results measurement, with specific measurement statements foreseen in the programme and budget.
- Increased information on policy. Policy texts for each outcome include statements of the position sought at the end of the planning period.
- Specific strategies with milestones for strengthening four key technical capacities of the Office: knowledge, capacity building of constituents, partnerships and communication, and operational capacity.
- Outcomes for governance, support and management, accompanied by strategies and indicators.
- A discussion of long-term resource issues with a strategy to cope with resource gaps.

II. Strategic context

8. The ILO is a value-based Organization. Tripartite constituents from all member States share the fundamental values of freedom, human dignity, social justice, security and non-discrimination. In June 2008, ILO members felt the need to solemnly restate their belief that these values should guide economic and social policies in order to achieve cohesive and sustainable open societies, and that such policies are best informed by the practice of social dialogue and tripartite consultations between governments and representative organizations of employers and of workers. Social justice and a fair globalization were reaffirmed as the ILO's contemporary agenda.
9. The ILO mandate is about decent work, or creating conditions in which women and men have opportunities to obtain decent and productive work in conditions of freedom, equity, security and human dignity.
10. The vision underlying the SPF for the period 2010–15 is one of an ILO that is increasingly effective in supporting its Members to put the Decent Work Agenda into action. This Agenda, centred on the core mandate of the ILO, is expressed in four objectives: employment through sustainable enterprises, wide social protection coverage including safe and healthy working conditions adapted to national contexts and a minimum living wage, realization of fundamental principles and rights at work, and social dialogue and tripartism.
11. All member States can implement decent work policies adapted to national conditions and circumstances. To that effect, the tripartite membership of the ILO can count on the support of the Organization.
12. This strategic context briefly reviews selected economic, labour, social and institutional trends and developments that will affect the context in which ILO Members promote

decent work. It also provides a brief description of the strategic focus of the ILO over the SPF period.

The new context of the 2008 ILO Declaration on Social Justice for a Fair Globalization

13. In the unanimously adopted 2008 Declaration, ILO tripartite constituents note that globalization is “reshaping the world of work in profound ways”. The Declaration observes that globalization has enabled a number of countries to sustain high rates of growth based on rapid structural change. At the same time, greater economic integration is exposing countries to higher volatility and external shocks, more frequent adjustments in labour demand, rising income inequality and persistent labour underutilization. The Declaration argues that, in the context of globalization, ILO values, principles and approaches are instrumental in promoting and achieving progress and social justice.
14. The 2008 Declaration is noteworthy for at least three reasons. First, the Declaration invites Members of the ILO to pursue policies based on the four strategic objectives: employment promotion, social protection, social dialogue and tripartism, and fundamental principles and rights at work. The Declaration notes in particular that the four strategic objectives of the ILO are inseparable, interrelated and mutually supportive. This pivotal phrase addresses how the policies should be implemented by Members and how the Organization should support Members in achieving these goals.
15. Second, the Declaration follows a number of high-level pronouncements in support of decent work as a balanced and practical agenda for countries in the context of globalization. ILO Regional Meetings have adopted Decent Work Decades. Regional institutions, regional high-level summits, and the United Nations General Assembly and its Economic and Social Council have all expressed strong support for the Decent Work Agenda.
16. Such expressions are a response to the widely shared view that there is a need for a more balanced economic and social agenda centred on tangible improvements in people’s lives in ways verifiable by them. A central concern rests on broader employment opportunities and protection, in effect, decent work enabling families to move on in life. Social justice and a fair globalization are perceived as essential conditions to achieving that goal.
17. The third noteworthy feature of the Declaration is that its adoption comes on the eve of a new programming period. The preparation of the SPF provides a unique opportunity to give effect to the Declaration.

Key developments and trends characterizing the context in which Members implement the Decent Work Agenda

Rising economic and trade prominence of emerging and developing countries

18. A significant feature of globalization over the past 20 years has been the growing economic prominence of emerging and developing countries. Their combined share in world output reached 43.6 per cent in 2007, up from 36.7 per cent in 1985. Likewise, developing countries’ share in total exports has increased to 37.5 per cent in 2007, from 25.4 per cent in 1985.

19. The evolving relative shares must be seen in the context of a rapidly growing volume of world output (which nearly doubled in constant terms between 1985 and 2007) and of total trade (over half of world output was traded in 2005, up from 38 per cent in 1985).
20. Notwithstanding sustained economic growth in many developing countries, particularly over the last 15 years, the average income in low and middle income countries remains in a proportion of 1 to 19 to the average income in high income countries, respectively US\$1,522 and US\$28,614 in 2006.
21. Logically this diversity is reflected in the membership of the ILO. In June 2008, the 182 member States were composed of 52 (28.7 per cent) low income countries (average income of US\$905 or less), 88 (48.6 per cent) middle income countries (average income from US\$906 to US\$11,115) and 41 (22.7 per cent) high income countries (average above US\$11,116).

Patterns in international trade: Relative decline in manufacturing prices and rise in commodity prices

22. A major consequence of production and exports of manufactures in developing countries, in particular China today and in India tomorrow, is the decline in the price of manufactures relative to the price of other goods. This decline is leading to significant relocation of manufacturing production, implying simultaneous employment destruction and creation in both developing and industrialized countries.
23. This development raises fundamental questions about appropriate growth strategies for countries that are having to compete with lower-cost competitors today and those that contemplate opting for an export-led labour intensive growth strategy.
24. The protracted Doha trade negotiations that stalled in July 2008 have again illustrated how sensitive trade strategies are to national employment situations. Trade gains or losses tend to be seen through their effect on the volume and quality of employment, which feature high on national political agendas.
25. Rapid economic growth in Asia has buoyed commodity prices, from fuel to minerals, food and agricultural commodities. Countries exporting primary commodities are projected to continue benefiting from strong prices over coming decades. At the same time, concern over finite natural resources and accelerated rates of depletion has sharpened attention on renewable sources, particularly sources of energy.
26. The boom in commodity prices benefits some countries but is a curse for others who depend on imports for fuel and foodstuffs. Countries with little or no commodity or manufacture exports and that rely on imports of food need to assess their options carefully.

Competitiveness and inclusive economic growth

27. There is little debate today on economic growth as a foundation for social progress; and growing recognition of the role of social and labour policies in sustaining high rates of economic growth. In spite of robust growth in world output over the past decade many countries still struggle to start growth, and others to sustain high growth over a long period.
28. Recent analysis of countries that have had sustained rates of economic growth of at least 7 per cent over 25 years or more since 1950 suggests that a critical dimension is sustained attention to policies of accumulation, innovation, stabilization, allocation and inclusion. In

a major departure from recent practice, there is recognition of the need for pragmatism and adaptation to country characteristics. Policy diversity and experimentation are encouraged.

29. Strong emphasis is placed on stable institutions providing long term leadership and effective implementation capacity.
30. Such policy orientations are of particular significance to the ILO. By opening space to diversity and experimentation, by calling for strong institutional commitments, they implicitly make room for thorough national debates, including social dialogue and tripartite consultations, on national solutions to national problems and strategies.

Sharing in the fruits of progress

31. A substantial body of evidence has emerged to document a steadily rising trend towards greater polarization of incomes in virtually all countries, with few exceptions, irrespective of the initial level of income inequality. The trend towards growing inequality is also reflected in a declining share of labour in national income in several regions.
32. High income polarization, which stifles broad-based prosperity and upward mobility, entails social and political costs. It also has major economic costs, by diverting resources away from productive investment, heightened volatility, holding enterprises to severe financial performance criteria, deterring longer term strategies, concentrating economic decision-making and weakening the pace of poverty reduction.

Rights at work

33. As at June 2008 all eight fundamental conventions had been ratified by 128 ILO member States (70 per cent of total membership) out of 182. The total number of ratifications of fundamental conventions reached 1,305, which is equivalent to 89.6 per cent of total potential ratification of all fundamental conventions by all member States.
34. Thirty-three member States have not yet ratified the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87). Application of the principles of non-discrimination to working women in the labour market in all 168 countries that have ratified the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) remains a challenge.
35. The total number of ratifications registered by the ILO for all conventions reached 7,595 in September 2008. In 2008, the ILO Committee of Experts on the Application of Conventions and Recommendations requested a total of 2,477 reports from governments and received 1,611 (65 per cent).
36. More countries are ratifying ILO fundamental and important up to date Conventions. Two immediate consequences flow from this. First, recognition of the benefits of democratic processes and representation in public policy making is widespread. Second, having ratified ILO conventions, countries are intent on making good on their international commitment.

Climate change and the world of work

37. There is broad recognition that greenhouse gas emissions have short and long term detrimental effects on climate and the environment. The economic costs associated with climate are now better understood and have been quantified to the tune of 5 per cent of world gross domestic product (GDP) per year, according to the "Stern Report". It is

gradually emerging that climate change also has major social dimensions. On the one hand, climate change will confront enterprises and economic sectors that are highly dependent on fossil fuel energy with major adjustment challenges. The scale of labour reallocation from fossil-fuel energy intensive industries to sectors and activities that rely on renewable forms of energy is likely to be significant.

38. On the other hand, new sources of energy and “green” technology will open up opportunities for investment, businesses and employment. Renewable sources of energy could be a major driver of employment expansion in both developing and developed economies. In a recent joint study the ILO, UNEP, the IOE and ITUC underscored the potential of climate change mitigation policies to generate millions of new jobs in countries at all income levels.

Changing trends in world population

39. World population dynamics are having an impact on labour markets and social protection systems. The world’s population, at 6.7 billion in 2008, is growing more slowly according to the UN’s 2006 projections, down to 1 per cent in 2015–20 from 1.24 per cent in 2000–05. With falling mortality and fertility the age distribution of the world’s population is changing.
40. Average world life expectancy stood at 65 years in 2000–05 and is expected to continue rising, whilst total fertility declined to 2.6 children per woman and is set to decline further. Consequently, the world’s population is ageing. Several countries are already experiencing absolute declines in population.
41. In developing countries the ratio of child and old-age dependants per 100 persons of working age is to reach 60 by approximately 2010 on a declining trend. In developed countries this same ratio reached a low point at 60 in 2005 and is set to rise sharply. Nevertheless, some 70 per cent of the 1.2 billion population aged 60 years or over projected for 2025 will be found in developing countries.
42. Notwithstanding the above global trends, in a significant number of poor countries demographic dynamics are marked by high fertility, reduced longevity owing in particular to HIV/AIDS and other diseases, and a large and growing youth population.
43. The world’s population is rapidly urbanizing. In 2008 half of the population was living in urban areas. Almost all of the world’s incremental population will be absorbed by urban areas in less developed regions. Employment creation will be based on industry and services in urban areas. In 2025, over 50 per cent of urban dwellers will live in centres of less than half a million persons. The world’s megacities will account for some 10 per cent of the world’s urban population. The rural population is set to peak at some 3.5 billion around 2018 and gradually decline thereafter.

Trends in the world’s labour force

44. From 3 billion in 2005, the world’s labour force (15 years and above) is projected to reach 3.6 billion in 2020, an average annual increase of 1.2 per cent. Some 40 per cent of the labour force is composed of women. Over 80 per cent of the world’s labour force is working in developing countries, which will account for the entire projected rise. The labour force in more developed regions is due to decline slightly over the period.
45. Activity rates for women are comparable in less developed and more developed countries, respectively at 52.4 and 53 per cent, and rising, leading to changes in the gender pattern of

occupations. Activity rates for men are higher in less developed countries (81.2 per cent) than in more developed countries (67.3 per cent).

46. The education levels of the world's labour force are rising, but probably not fast enough to keep pace with global economic integration, calling for higher levels of competence and training in virtually all occupations.

Employment patterns

47. Employment patterns vary sharply according to regions and average income levels. Globally, in 2006 the largest share of employment was found in services (42 per cent), followed by agriculture (36 per cent) and industry (22 per cent). The relative shares will continue to evolve in the future as they have in the past, with a gradual decline of employment in agriculture in all regions, albeit from very different levels, and a consequent rise in services and industry.
48. On a world average, some 47 per cent of employment was performed for wages, with a wide range from a low of 23 per cent in sub-Saharan Africa to a high of 84 per cent in developed economies. As economies mature wage employment tends to become the dominant form. Conversely, own-account work remains massive in developing countries, ranging from close to half of all employment in sub-Saharan Africa and South Asia to 38–35 per cent in East and South-East Asia and 27 per cent in Latin America.
49. Labour and social policies in mostly developing countries can hardly ignore that work in very small enterprises, whether for own-account or for wages, forms a large share of total employment.
50. What these few and highly aggregate numbers suggest is that the employment situation in developing economies continues to be characterized by massive underutilization of labour. More specifically, the rate of growth of the labour force outpaces the rate of productive labour absorption. There is currently no satisfactory indicator available to measure labour underutilization. The rate of unemployment is a poor indicator of the state of the labour market in developing economies.
51. A consequence of the wide gap in income between regions, of the asymmetry in the distribution of productive resources, and of population ageing in high-income countries is labour migration. Migration across borders for work is projected to continue rising at a brisk pace bringing with it a host of labour and policy matters for which countries turn to the ILO for assistance. Approximately half of migrant workers are women.

Worst forms of work

52. Work in forced labour conditions continues to prevail in almost all countries of the world. In 2005, the ILO estimated that at least 12.3 million persons were in forced labour. Most victims are poverty-stricken people in Africa, Asia and Latin America, whose vulnerability is exploited by others for a profit. At least 2.4 million women, children and men are trafficked into severe forms of labour and sexual exploitation in destination countries, in mainstream industries as well as the informal economy, generating an estimated US\$32 billion in annual profits.
53. The ILO estimates that some 165 million boys and girls between the ages of 5 and 14 are in child labour. Rising average incomes, expanded primary education, but also better legislation, more labour inspection, collective bargaining agreements and overall

awareness of the child labour problem are converging to gradually make child labour history.

Labour law and labour administration

54. With higher volatility in economic cycles and labour markets, largely induced by globalization, many countries contemplate the need to adapt labour law regimes. Each country needs to find the appropriate balance, informed by tripartite consultations, between protection of employment through labour law and protection of persons through temporary income support and skills development. Such a balance can be usefully informed by international labour standards, the application of which mobilizes scarce resources of ministries of labour. Global economic integration requires greater capacity in monitoring compliance with basic safety and health standards, calling for a greater role for labour inspection. At the same time improvements in working conditions and productivity call for more capacity to promote prevention through dialogue.

Millennium Development Goals and poverty estimates

55. In August 2008, the World Bank revised its estimates on poverty in developing countries in the light of additional surveys, new price data and some changes in methodology. In summary, the new data point to higher absolute measures of poverty but similar trend declines as in earlier estimates. With a new poverty line of US\$1.25 a day, the World Bank estimates that 25.7 per cent of the developing world population was living in poverty in 2005 (17.2 per cent for the previous one dollar a day estimate), which is equivalent to just under 1.4 billion persons. This represents an increase of some 500 million persons with respect to the previous estimates of 931 million in poverty in 2005.
56. Globally the world is on track, even with these new estimates, to achieve the MDG goal of halving extreme poverty in 2015 with respect to the 1990 level (now re-estimated at 41.7 per cent at the US\$1.25 poverty line). However, this result is strongly influenced by rapidly declining poverty in China. Excluding China the outlook is more sober. Poverty incidence is highest in sub-Saharan Africa (50.4 per cent of the population at US\$1.25 a day) and in South Asia (40.3 per cent). Together the two regions are home to 70 per cent of the world's poor. China and India alone, because of their demographic weight, account for 47.4 per cent of total poverty.
57. Overall progress has been slow as most countries in all regions are facing serious difficulties in meeting most MDGs. The notable progress in women's education and health has not been matched by broader access to jobs and business opportunities (WB/OECD report, 08).
58. Taking a higher poverty line of two dollars a day, the Bank's new estimates for 2005 show 2.6 billion persons living in poverty, equivalent to 47.6 per cent of the developing world's population and 39.9 per cent of the world's population. This means that two persons in five worldwide are living on US\$2 or less a day. In absolute terms this is the same number of poor persons as in 1981, a period during which world output doubled.

Natural disasters

59. During 2000–06, the number of natural (climatic and geological) disasters reached 351, up from 78 during the 1970s. The human cost of disasters is significantly higher in developing countries. Low-income households are particularly exposed to the economic insecurities and loss of employment resulting from natural disasters, immediately after and in the

ensuing period. Approximately US\$14 billion were expended in 2005 in humanitarian assistance through bilateral and multilateral channels.

Changing international cooperation policies

Evolving international development cooperation

60. The ability of development aid to achieve its stated objectives is under increasing scrutiny. This is prompting major changes in the modalities of delivering development assistance. Developing countries as well as donor countries have acknowledged joint accountability. This is reflected in the Paris Declaration on Aid Effectiveness (2005) as well as in the Accra Agenda for Action (2008). The latter states that “More than ever, citizens and taxpayers of all countries expect to see tangible results of development efforts.” The eight Millennium Development Goals (MDGs) set for 2015 permit greater transparency through regular monitoring of progress.
61. Greater coordination through close partnerships, accountability and transparency, less fragmentation and lower transaction costs, are key operative principles in a renewed approach to effective development aid.
62. The same principles arise in the United Nations General Assembly triennial comprehensive policy review of operational activities for development of the United Nations system (resolution A/RES/62/208) which states that “... the purpose of reform is to make the United Nations development system more efficient and effective in its support to developing countries to achieve the internationally agreed development goals, ...”. Particular emphasis is paid to the United Nations Development Assistance Framework as a collective and integrated programming and monitoring framework for UN development operations fostering joint programming and initiatives. A pivotal role is played by the resident coordinator system and its collegial and participatory functioning.
63. Total net ODA reached US\$104 billion in 2006, equivalent to 0.31 per cent of gross national income (GNI) of Development Assistance Committee members. Projections point to a steady increase in donor funding to 2010, including an increase in programmable aid as a result of lower cancellations of debt. Development funding channelled through the UN system amounted to approximately US\$16 billion in 2006.
64. Donor funding through budget support in developing countries to development assistance frameworks, and through donor trust funds centred on MDGs will increasingly drive greater coordination and joint operations.
65. In parallel the United Nations system has embarked on a major initiative to enhance the coherence of business practices under the banner of simplification and harmonization. The United Nations System Chief Executives Board for Coordination adopted an ambitious plan of action organized around six core objectives and 19 specific projects to enhance the efficiency of system-wide business practices.

Policy coherence

66. Globalization is starkly illustrating how sectoral solutions to integrated sets of problems and issues quickly reach their limits. The ILO is an active promoter of greater policy coherence. In 2004, the ILO-convened World Commission on the Social Dimension of Globalization called for new initiatives to foster greater coherence in economic and social policy. Within the UN the matter was addressed by the Secretary-General’s High-level

Panel report on System-Wide Coherence (2006). The United Nations System Chief Executives Board for Coordination has since been an active advocate of greater coherence through stronger inter-agency collaboration and initiatives, such as those on climate change, food policy and disaster response. The Decent Work Agenda can benefit from the support and collaboration of global and regional multilateral institutions.

Conclusion

67. Social and labour issues, articulated around the four strategic objectives of the Decent Work Agenda in an integrated way, as called for by the 2008 Declaration, are central to economic and social policies and overall progress in all member States. Nonetheless, different mixes of policies are required to adapt to each country.
68. Three main elements can be derived from this main conclusion.
69. First, more than ever, the ILO is to focus its work on its core mandate as embodied in the four strategic objectives of the Decent Work Agenda. Second, the ILO is effective when the tripartite constituents have the capacity to apply decent work policies. Hence strengthening the capacity of the tripartite constituents should be the overriding concern of ILO programmes. Third, what the ILO can do by itself is necessarily limited. Much more can be done working in close partnership with other institutions and actors. The ILO can effectively demultiply its analytical and policy messages and its action programmes through effective partnerships and networks.

III. Regional priorities

Africa

70. The *Decent Work Agenda for Africa*, adopted by the 11th African Regional Meeting in Addis Ababa for the period 2007–15, provides a policy portfolio for ILO's work in Africa. It builds on the 2004–14 Plan of Action adopted by the African Union Extraordinary Summit of Heads of State and Government on Employment and Poverty Alleviation. Africa's regional priorities for the 2010–15 SPF are based on these two major policy instruments. In order for ordinary people to benefit from globalization, it will be critical for African countries to strengthen the linkages between their export sectors and the rest of the economy, physical infrastructure, skills and employment, and international labour standards, social protection, productivity and sustainable development.
71. Africa has several challenges to overcome, most of which are related to labour market organization. Emphasis will be given to mainstreaming policies for employment-friendly growth and the promotion of sustainable enterprises in national strategies. Greater focus will therefore be put on realizing the potential of Africa's labour markets to create more and better jobs for women and men, particularly ensuring that national policies and programmes foster technical education and skills development opportunities in the informal economy.
72. Effective tripartism is a mechanism for more efficient and equitable labour market governance. Labour ministries and workers' and employers' organizations need to play an active role to ensure that decent work becomes a key component of national development agendas. This requires the continuous strengthening of their capacities. Emphasis will also be placed on the development of tripartite social dialogue institutions at national and subregional levels. Focus will continue on facilitating continent-wide ratification of the

core conventions, greater respect for fundamental principles and rights at work and better implementation of ratified Conventions.

73. Given the relatively slow progress towards the elimination of child labour in Africa, special attention will be accorded to the elimination of the worst forms of child labour in all African countries by 2015, in conjunction with the IPEC programme, which puts special emphasis on tackling child labour issues in Africa. Particular emphasis will also be devoted to the eradication of all forms of forced labour by 2015. Specific focus will be given to further developing legislation and policies to promote equality of opportunity and treatment in respect of employment and occupation.
74. In Africa, migrant workers and their families, people living with or affected by HIV/AIDS, and people in the informal economy constitute a large population whose productive potential is considerably weakened by the absence or inadequacy of basic social protection. Continued support will be given to African countries to adopt appropriate social security strategies that either introduce or extend a basic social security package. Programmes for improving working conditions and strengthening labour inspectorates will be further developed.
75. More than two-thirds of all adults and the vast majority of children living with HIV in the world are in sub-Saharan Africa. Consequently, particular emphasis will be placed on developing and implementing national HIV/AIDS workplace strategies to contribute to the overall objective of achieving universal access to prevention, treatment, care and support. Special attention will be placed on supporting the follow-up of the 2010 International Labour Conference outcomes on HIV/AIDS.
76. Up to 80 per cent of Africans seek access to sustainable financial services for employment and income protection. Therefore, focus will be put on developing the potential of microfinance institutions to facilitate young people's and women's access to financial services in order to achieve productive employment and decent work.

The Americas

77. While most countries in the region have shown sustained economic growth in recent years, triggered by the favourable global economic conditions and strong demand, estimates indicate that some 17 million people are unemployed in urban areas of the region. Despite encouraging labour market performance, there are still gaps in the main indicators by sex, age and ethnic origin. The lack of quality job opportunities has a disproportionate effect on women of indigenous or Afro descent. The region is therefore still facing a decent work deficit. The outcome of many recent Regional Meetings and summits of government, employers' and workers' organizations has been a general demand for decent and productive work to overcome poverty and social exclusion, and a commitment to promote public policies aimed at generating more and better jobs to contribute to social cohesion, democratic governance and the well-being of people. The 2006–15 Agenda for the Hemisphere to promote Decent Work in the Americas and the Decent Work Decade, in effect until 2015, identify the main goals of ILO action in the Americas. Against this background, and in response to the Decent Work Country Programmes (DWCPs) currently being carried out in the region and to the recently adopted 2008 Declaration, three priorities underpin ILO programmes for the Americas in the period 2010–15.
78. Social dialogue and international labour standards are key elements for the development of labour and employment policies to achieve decent work for all so that all its benefits reach the majority of the population. In order to promote social dialogue, the region will continue to prioritize strengthened workers' and employers' organizations and labour

administrations, promoting tripartism as a tool for development and social cohesion, and developing labour institutions to guarantee governance. Particular focus will be placed on promoting good labour relations and respecting principles and fundamental rights at work, especially freedom of association and collective bargaining. Strengthening labour inspections will also be relevant as the means to guarantee conditions in the workplace, and will continue to support action to eradicate child labour, forced labour and discrimination on the grounds of ethnic origin, sex or race.

79. Programmes and policies that foster the creation of decent work are the cornerstone of development with equity. They will promote growth that makes intensive use of the labour force and generate productive, quality employment to guarantee workers' rights, while respecting the environment. Comprehensive support will be provided to micro-enterprises and SMEs in order to promote sustainable enterprises. Efforts will continue to progressively formalize the informal economy. A regional labour market information system will be consolidated to help constituents implement policies that contribute effectively to social equity and to inclusive economic progress. Emphasis will be placed on promoting employment and vocational training for young people.
80. In line with the strategy set out in the 2006–15 Decent Work Hemispheric Agenda, the three fundamental pillars to attain the objective of “Social protection for all” are the promotion of opportunities, access to goods and services, and to prevention and protection. One of the main prerequisites for the effectiveness of the strategy, and in the framework of Decent Work Country Programmes, is to promote social security for all. Inclusive initiatives will focus on the most vulnerable groups, such as women, young people, micro, small and medium enterprise workers from the informal economy and rural areas, and migrant workers. Action will be taken to make social protection systems more efficient, and safety and health protection will be promoted in sectors traditionally not covered. Policies and programmes aimed at reducing accidents in the workplace and improving safety and health at work will also be promoted.

The Arab States

81. The Arab States continue to be characterized by high rates of unemployment, underemployment, informal employment and low productivity. A significant portion of new jobs are temporary and informal, which affects young people in particular. Despite the gradual reduction in poverty, social inequality and income disparities are rising. Slow political liberalization processes in some countries fuel existing discontent and social alienation, particularly among young people. The enlargement of disenfranchised and vulnerable groups across the region, such as migrant workers and refugees, is likely to intensify tensions by amplifying inequalities. Under the overarching themes of the Decent Work Agenda and the 2008 Declaration, the programme strategy places full and productive employment and decent work at the forefront of economic and social policies. It will also be guided by the conclusions and recommendations of relevant Regional Meetings and national priorities identified in national development frameworks and DWCPs.
82. Integrated strategies will address the pressure of new entrants to the labour market and the mismatch of skills with labour market needs. They will advocate structural policy reforms including upgrading public employment services and providing labour market-oriented training. Enhancing institutional capacity to collect and analyse labour market information and to monitor progress towards decent work goals remains a central priority. ILO constituents will enhance their capacity to develop, implement and monitor national employment policies and action plans focusing on youth and women, and ensuring their integration into national socio-economic policy frameworks, maximizing job creation potential in emerging sectors including social care and green jobs. Training the national

labour force to encourage its absorption by foreign investors, enhancing access to capital and business development services, and promoting broad attitudinal changes are complementary strategies. Promoting sustainable SMEs, fostering a conducive business environment, generalizing entrepreneurship culture in educational curricula, establishing new SMEs among youth and women, and improving existing businesses in targeted sectors remain central priorities of DWCPs in the region.

83. The ILO will continue to advocate early investment in the development of social security systems to enable countries to grow with equity. The ILO will also continue technical support, within the DWCP framework, to national efforts to improve social security governance and to ratify and apply ILO social security conventions. One of the tools used to support progress is a review system that allows member States to self-monitor progress with respect to population coverage and good governance.
84. Sustainable national labour governance structures based on effective social dialogue and the ratification of international labour standards are essential, and are reflected in regional DWCP priorities. ILO action will focus on wider ratification and application of Conventions related to freedom of association, collective bargaining and the right to organize. It will contribute to strengthening national institutions to develop sound labour laws and legislation in line with international labour standards. ILO work will also support reform of labour administration systems and design of modern labour inspection schemes. The capacities of national institutions to create new monitoring mechanisms or improve existing ones and activate national steering committees related to gender equality and the elimination of child labour will be strengthened.
85. The ILO will support crisis-affected countries to develop and implement local economic recovery strategies, and socio-economic reintegration and poverty reduction programmes. It will also support labour market institutions to address the root causes of unemployment, through better employment and skills development policies at national level. New partnerships with non-state entities and economic actors will enhance the effectiveness of ILO operational programmes and activities.

Asia and the Pacific

86. The 14th Asian Regional Meeting and several high-level consultations with constituents have confirmed five main priorities. In order to ensure progress is made on the goals set out in the Asian Decent Work Agenda by the end of 2015, the region will have to achieve high rates of productivity growth while ensuring that economic growth becomes employment-rich and socially and environmentally sustainable. DWCPs and effective knowledge management at the regional level will provide advice and support on external shocks, income inequalities, unemployment, labour mobility and the large informal economy. Preparedness for crisis and livelihood recovery will remain a constant priority. DWCP outcomes will focus on the effective application of international labour standards and apply the principles of integration and interdependence enshrined in the 2008 Declaration. Promoting ratification of ILO Conventions and strengthening constituents' capacity are among the top priorities for national and ILO action.
87. Productivity growth is essential for Asia to remain competitive while promoting decent work. Countries will require more assistance to collect and analyse gender-sensitive data to monitor progress. The ILO will help countries develop coherent employment-rich policies to link fast growing industries with the informal economy and agriculture. Support for sustainable enterprises, employment-intensive investment, local economic development and environmentally friendly policies will promote green and productive jobs. Improving policies and training systems to upgrade skills and competencies of workers, including

persons with disabilities, for changing labour market conditions will be essential. Workplace innovations will be encouraged to improve productivity while respecting labour standards.

88. The ILO will assist constituents to acquire knowledge and build capacity in order to strengthen labour market institutions in addressing employment relationships, job security, inequality and poverty, and the growing informal economy. Labour law and labour market reforms, industrial relations and collective bargaining, modernizing labour administration including labour inspection and employment services, social dialogue and tripartism, wage policies and administration are priorities. Sector-based programmes will receive special attention.
89. Given that over 60 per cent of the labour force in Asia lacks basic social protection, a basic social security package is required, including health care at adequate levels for the most vulnerable. The ILO will promote efforts to accelerate progress towards extending broader coverage of benefit schemes to all, particularly informal sector workers, women, unemployed persons, migrant workers and the poor to lift people out of poverty. Addressing poor working conditions, occupational safety and health and HIV/AIDS concerns will be part of integrated policy responses and strategies in the region.
90. Integrating child labour and youth employment concerns into national development frameworks is imperative. Work will focus on enhancing constituents' understanding of the importance of developing skills and enterprise tools targeting youth, combating child labour and promoting decent working conditions. In partnership with ASEAN and APEC, the ILO will assist with policy advice, sharing of good practice and lessons learned and increasing impact and resource mobilization. Linking child labour and youth employment programmes through a life-cycle approach to decent work country programming will remain crucial.
91. ILO support on migration is based on the Multilateral Framework on Migration, the Office's knowledge-base and networking with regional institutions and migration centres of excellence. Assistance will focus on improving bilateral and multilateral agreements on admission and employment, portability of social security benefits, regulating private recruitment agencies, model job contracts, and improving migration data and information.

Europe and Central Asia

92. In 2010–15, regional integration in Europe will deepen both within the European Union and beyond its borders. Europe will also have to adjust to new challenges stemming from high prices for food, energy and raw materials, crisis situations connected with climate change and environmental degradation, and competition from increasingly powerful economic players outside the region. It will face the progressive ageing of the population in the majority of European countries, shortages of skilled labour and migration pressures from low skilled workers from developing countries, and increasing income inequalities. The Decent Work Agenda will be instrumental in ensuring political stability, economic prosperity and social cohesion within Europe and Central Asia. In order to deliver decent work in Europe, the ILO will continue to collaborate closely with the tripartite constituency at country, subregional and regional level, and to work in good partnership with other international organizations in Europe.
93. The ILO's priorities in the region will be guided by the conclusions of the 8th European Regional Meeting, to be held in Lisbon in February 2009. Focus will be on strengthening the knowledge base on the decent work situation, trends and the effectiveness of policies addressing decent work deficits in all parts of Europe. Policy advice and technical

assistance will continue to be directed mainly to South Eastern Europe, Eastern Europe, Caucasus and Central Asia. The fund-raising, communication and promotional activities of the Western European offices will also be directed towards improved delivery of decent work worldwide.

94. Decent employment opportunities for women and men are the best way to combat poverty and social exclusion and to promote prosperity, stability and development in Europe. Enterprises will be able to create and preserve decent jobs only in an environment that is conducive to sustainable enterprises, with predictable, enabling legislation, well functioning institutions supporting business development and an available, appropriately skilled labour force. Workers will benefit from new decent employment opportunities if they are able to acquire the skills demanded by the labour market, get effective assistance in entering the labour market and during their move to new jobs, enjoy social protection in employment and at the workplace, and if they are able to combine work and family tasks. The ILO will thus assist countries in improving conditions for new enterprise creation and sustainable development. It will help strengthen national labour inspections and collaborate with employers' and workers' organizations in their efforts to combat unregistered labour and gradually formalize their labour markets. The countries will need to reform further their national vocational education and training systems, with ILO's assistance, in order to offer lifelong learning to their working populations. Other major challenges will include reviewing national pension, social security and health care systems to reflect demographic trends as well as economic and social changes. The ILO will assist governments and social partners in reforming institutions and improving the impact of policies.
95. The ILO will encourage countries to ratify priority and up to date Conventions in the field of employment, social protection, social dialogue and labour administration. It will assist countries to review and amend their national legislation in line with the ratified conventions and to enforce national legislation properly. Consolidation of the legal and institutional foundations of collective bargaining at all levels and promotion of an effective culture of social dialogue will continue to be a priority for the ILO in the region. The ILO will further build the capacity of employers' and workers' organizations to participate in formulating, implementing and evaluating employment and social policies and to become attractive and useful for their members.

IV. The strategic framework

Introduction

96. The strategic framework sets out the main substantive priorities of the ILO in measurable, results-based terms. The introduction of strategic budgeting in 1999 and the structuring of the Office into four sectors based on the strategic objectives launched an intensive process over five biennia to improve transparency, effectiveness and accountability. In response to the demand for more detailed and measurable results, the strategic framework has progressively expanded, and for 2008–09 contains 14 intermediate outcomes and 34 immediate outcomes (including five joint immediate outcomes and three immediate outcomes for governance, support and management).
97. The 2008 Declaration emphasizes the inseparable, interrelated and mutually supportive nature of the strategic objectives. It also identifies gender equality and non-discrimination as cross-cutting issues in these objectives. This challenges the Office to put in place a strategic framework and work methods that will drive an integrated approach to achieving results.

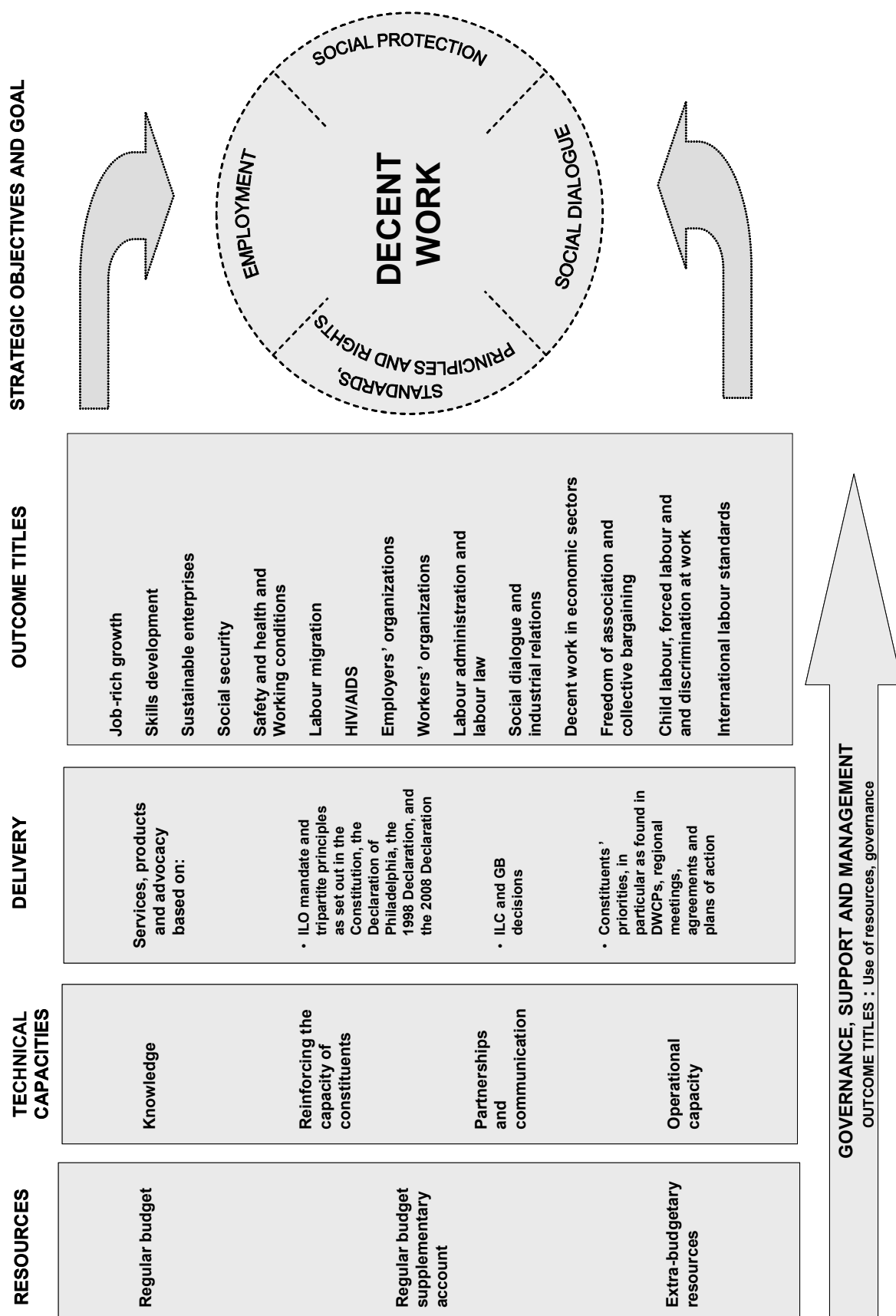
A simplified strategic framework

98. The proposed framework is considerably simplified. It helps to focus governance decisions on essential priorities of the Decent Work Agenda, as reflected in the 2008 Declaration. It also helps managers and staff to identify the key results areas for which they are responsible and accountable. Most importantly, the teamwork and integrated approaches to action sought by the ILC can best be attained through a streamlined results structure.
99. Within the simplified structure, the integrated nature of the ILO's work receives greater emphasis. Instead of the subdivision of strategic objectives into intermediate outcomes, further subdivided into immediate outcomes, a single layer of outcomes is proposed, each contributing to all four strategic objectives. Since all outcomes are integrated there is no longer a need for the joint outcomes introduced in 2008–09.
100. The strategic framework thus streamlined and re-centred on essential priorities consists of 15 outcomes (plus two outcomes on governance, support and management). Improved indicators will provide greater detail on results and on ILO measures and programmes used to achieve these results. All this is built on and meets regional priorities that have specific links to both the conclusions of Regional Meetings and DWCPs. It is also grounded on more efficient, effective and accountable Office-wide practices and results on governance, support and management. Figure 1 illustrates the streamlined Strategic Framework for 2010–15.
101. The strategic framework will be detailed in the three consecutive biennial programme and budget documents through the SPF period. Specific measurement statements and region-specific targets will be included. Baselines will be included where data are available. In other cases the development of baselines will be an immediate priority.

A new method of work

102. The emphasis on the inseparable nature of the strategic objectives has major implications for the methods of work of the Office. Senior management will work more as a team, emphasizing integrated action that responds to the cross-cutting nature of expected results. The results sought under each outcome will now refer to all four strategic objectives. This will require the application of expertise found across the Office, not just in a specific sector. Teamwork will also be essential in the day-to-day delivery of services to constituents. Under each outcome, strengthening services to constituents and contributing to building their capacities will become the predominant means of action. The degree of change implied by the 2008 Declaration is considerable, and has implications for all parts of the Office. Above all, teamwork is a major theme throughout this SPF.
103. In many cases the emphasis on teamwork is part of ongoing improvements. Much closer working relations will be required between headquarters and the regions. Knowledge sharing and knowledge management are key supports to teamwork and the existing knowledge strategy will be reinforced as a result of this SPF. DWCPs have outcomes that reflect local realities and priorities and that usually require an integrated response. Performance indicators and strengthened evaluation capacity will help measure delivery and progress made.
104. There will also be a number of new initiatives around teamwork. A detailed methodology and criteria to promote teamwork across the Office to produce integrated results will be developed, implemented at the start of the SPF period and evaluated periodically. Transparent planning will help to build task forces accountable for integrated results. Cross-sectoral task forces will become a normal way of working on a daily basis. Management at all levels will be supported in introducing teams and making them effective. Training and support on group work will be available to all staff.

Figure 1. The strategic framework for 2010–15



Strategic objectives and outcomes

105. The strategic objectives, as presented in this section, reflect the 2008 Declaration. Although outcomes are associated with specific strategic objectives, this association is not exclusive as each outcome contributes to all four strategic objectives. A list of proposed indicators for each outcome is provided in the appendix.

Gender equality and non-discrimination

106. Gender equality and non-discrimination are critical to achieve decent work for all. They are central to all four strategic objectives. In the programme and budget proposals, each outcome strategy will contain a concrete explanation of how gender equality and non-discrimination will be mainstreamed in achieving the outcome.

Strategic objective: Create greater opportunities for women and men to secure productive employment and decent work

107. The persistence of poverty, rising income inequality and the slowdown in productive job growth, together with labour market uncertainties, exacerbated by the impact of global climate change, are major threats to social cohesion. Globalization has helped a number of countries to benefit from high rates of economic growth and employment creation. However, these benefits continue to elude many countries and the majority of working women and men who earn their living in the informal economy. Promoting inclusive, employment-rich growth is thus among the foremost challenges facing all countries of the world today.
108. The 2008 Declaration confirms that the principal mission of the ILO to place full and productive employment and decent work at the centre of economic and social policies is central to meeting these challenges at global, regional and national levels. This is also a priority for constituents, as reflected in discussions and decisions of the International Labour Conference and the Governing Body, including the Global Employment Agenda (GEA), and through their renewed commitments made at various regional summits.
109. Promoting full and productive employment, as enshrined in the Employment Policy Convention, 1964 (No. 122) and further elaborated in the GEA, requires coordinated and well-articulated policies, programmes and institutions and the participation of multiple stakeholders. ILO will support countries to meet their commitments to attain more productive employment and decent work, in the context of DWCPs, by increasing labour demand, employability and quality of work, with varying approaches according to levels of development.
110. During the period 2010–15, ILO's work to promote employment will have the following priorities, each constituting a key outcome:
- (i) coordinated and coherent policies to generate inclusive job-rich growth;
 - (ii) skills development policies to increase the employability of workers, the competitiveness of enterprises and the inclusiveness of growth, including through improved training systems and access to training;
 - (iii) policies and programmes to promote sustainable enterprises and entrepreneurship.

111. The Office will continue to support constituents in their efforts to help young people find decent jobs. This will be done through coordinated, Office-wide interventions combining skills development, entrepreneurship, employment services, working conditions and rights at work, among others. Integration of child labour and youth employment actions will be further developed. Work on youth employment is central to the ILO's contribution to one of the targets of MDG 1 – “Achieve full and productive employment and decent work for all, including women and young people” – and is expected to attract additional extra-budgetary support. Partnerships with other international agencies, including through the Youth Employment Network, will be expanded.
112. Particular emphasis will be given to sectoral strategies to promote employment, including in rural areas, industries and services in sectors with high growth potential, integrating the four strategic objectives of the Decent Work Agenda.
113. Promotion of equal opportunities for women and men in the labour market will be addressed by implementing a gender strategy, in particular through use of the gender checklist for all policy areas covered in the GEA.
114. In pursuit of the three outcomes, the strategy contains a comprehensive approach to knowledge management which includes a well-integrated cycle of research, knowledge sharing within the ILO, networking with external partners, and impact assessments. The strategy will build on proven and new products for capacity building with constituents.
115. Teamwork and functional links among technical units at headquarters and with the field will be a key principle for effective delivery. Effective implementation of this strategy will depend on close interaction with the other strategic objectives and teamwork across the Office, as well as with other UN agencies and development partners.

Outcome 1: Job-rich growth

**Outcome statement: Coordinated and coherent policies
generate inclusive job-rich growth**

Position to be reached by 2015: More member States have adopted and implemented active policies that prioritize productive employment generation so that the employment content of growth is higher, the quality of employment is improved and poverty is reduced.

116. Creating opportunities for productive and decent employment for women and men requires high and sustained growth. However, growth is not always inclusive and job-rich. Inclusive and job-rich growth policies need to be coordinated and coherent at national level, backed by public and private investments, include a gender perspective, target specific needs such as those in rural areas and the informal economy, and be developed with the full engagement of the tripartite constituents.
117. The strategy is based on the principles and provisions in the Employment Policy Convention, 1964 (No. 122). Work towards coordinated and coherent employment policies at national, sectoral and local levels is central to the ILO approach. The Office will support constituents in integrating employment goals in the main national policy frameworks including Poverty Reduction Strategies (PRSs). The promotion of employment-intensive infrastructure investments is an important element of this outcome. Special attention will be paid to increasing the employment-content of public and private investment in infrastructure through redirecting fiscal policies, strengthening governance in tendering and contracting processes, promoting entrepreneurship amongst small contractors in the domestic construction industry and integrating rights and other aspects of the Decent Work Agenda. Work on microfinance as a means of addressing a number of decent work deficits

and creating decent work opportunities will be further developed. The Office will continue to support the capacities for generating and analysing labour market information on a sustained basis through its well established tools and approaches. Constituents will be assisted in making employment central to recovery and reconstruction in crisis affected countries. ILO's expertise in crisis and recovery response, and the role of decent work therein, will be reflected in tools for decent jobs, social protection and social dialogue.

Outcome 2: Skills development

Outcome statement: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth

Position to be reached by 2015: More member States have aligned training supply and demand, extended access to training opportunities to a wider proportion of workers and have integrated skills development in national and sectoral development policies, and in responses to global drivers of change such as technology, trade, and global warming.

118. A skilled workforce is a necessary condition for inclusive growth and competitive and sustainable enterprise. However, the distribution of skills between and within countries is highly uneven and the weaknesses in the labour force's skills levels are dramatic.
119. This strategy is based on the principles and provisions of the Human Resources Development Recommendation, 2004 (No. 195) and the 2008 ILC resolution concerning skills for improved productivity, employment growth and development. The key policy elements of the ILO's approach include: skills forecasting, national and regional skills recognition systems, and skills development for disadvantaged groups. Attention to gender issues is particularly important in the work on apprenticeships, community-based training, and recognition of informally acquired skills.
120. Research and policy tools on skills development will contribute to Office-wide collaboration on sustainable enterprises, preparing for green jobs, managing labour migration, combating human trafficking and child labour, equal opportunities for women and men, moving informal activities into the formal economy, and crisis response.

Outcome 3: Sustainable enterprises

Outcome statement: Sustainable enterprises create productive and decent jobs

Position to be reached by 2015: More member States have improved the enabling environment for sustainable enterprises and adopted socially responsible enterprise-level practices.

121. Sustainable enterprises are the principal source of growth, wealth creation, employment and decent work. However, the conditions necessary for enterprises to meet the economic, social and environmental aspirations of entrepreneurs, workers and their communities are not always present.
122. The strategy to achieve this outcome is based on the principles and provisions in the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189) and the Promotion of Cooperatives Recommendation, 2002 (No. 193). It is also based on the 2007 ILC resolution concerning the promotion of sustainable enterprises.
123. Building and strengthening the capacity of constituents to realize the conditions for a conducive environment for sustainable enterprises, including cooperatives, will remain a priority. Support will be provided to implement policy and regulatory reforms at the national and local levels that support the development of sustainable enterprises and promote respect for workers' rights and gender equality. Integrated measures to promote

the transition of informal activities to formality through improvements in productivity and in employment quality will continue, drawing on the synergies of the various policy elements of the Decent Work Agenda and by maximizing teamwork and Office-wide collaboration. Efforts will continue to support enterprise development programmes in economic sectors with employment creation potential and to stimulate local economic development. These programmes will focus on SMEs (particularly those run by women) and cooperatives, including new business opportunities for green jobs. Support will also be provided to constituents to implement policies and programmes that support enterprises (particularly SMEs) to innovate, adopt appropriate environmentally friendly technologies, develop skills and human resources, and enhance productivity to remain competitive in national and international markets. Such policies and programmes will integrate concerns for working conditions, environmental impact and labour-management relations. The Office will support constituents and MNEs to apply the guidance provided in the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. This work will focus on strategies that attract foreign direct investment and enhance the positive social and employment effects of the operations of MNEs.

Strategic objective: Enhance the coverage and effectiveness of social protection for all

124. The 2008 Declaration offers a powerful response to current global crises, combining social protection measures with employment promotion, social dialogue and rights at work to contribute to social progress, sustainable enterprises, improved economic performance and poverty eradication. The social protection strategy will interact with the other strategic objectives to advance social and economic growth.
125. In the framework of the Global Campaign on Social Security and an extended knowledge and information base, the ILO will develop guidelines for rapid gender-responsive social security extension. The feasibility of an instrument for a basic set of social security benefits will be explored. Social security advisory services provided through DWCPs and social dialogue processes will be made more efficient through web-based knowledge management platforms. The advice provided will promote ILO standards, facilitate employment-rich growth and help reduce child labour. Capacity-building initiatives will be strengthened as strategic investment in good governance.
126. A tripartite consensus will be sought around labour protection policies balancing worker flexibility and security while recognizing the links between working conditions and other dimensions of decent work. The knowledge base on working conditions will be expanded and integrated policy approaches and practical tools will be tested to help constituents improve working conditions and enterprise performance. Guided by the Global Strategy on Occupational Safety and Health (OSH), the Office will support constituents' efforts to create a prevention culture, with emphasis on linking national economic, employment and OSH policies and strengthening labour inspection to advance rights at work, worker employability and enterprise sustainability.
127. The Office will assist tripartite constituents to develop and improve rights-based labour migration policies and institutions in order to maximize development benefits while protecting migrant workers. It will emphasize integration in receiving societies, paying special attention to women, and will promote social dialogue on labour migration. It will seek collaboration with other international and regional organizations and monitor the evolution of international labour migration, identifying new areas and tools for its interventions.
128. Despite constituents' commitments, the AIDS pandemic still disproportionately affects the poor, those without decent work, migrant workers, and women and girls. Interrelated

challenges call for a multisectoral approach using the world of work's full potential. Special training for tripartite constituents will be provided, subject to the adoption of the Recommendation on HIV/AIDS in 2010. With UNAIDS and other UN agencies, the Office will support constituents to raise funds nationally, utilizing the Country Coordinating Mechanisms of the Global Fund. Global fundraising will support African DWCPs while intensifying prevention in all regions. Research will underpin decision-making and enhance learning and knowledge management.

- 129.** Social protection is an economic necessity for societies wishing to ensure fair growth. Improved OSH measures, better labour conditions and heightened HIV/AIDS awareness reduce the burden on social security systems, freeing resources for benefits. Sound social transfers and well-planned migration create social stability and productivity, helping integration while attracting investment. This boosts economic growth and general welfare if wages and social transfers are financed by increased GDP. To these ends, the Office will systematically develop positive synergies between social protection measures, employment creation, economic performance, rights at work and social dialogue.

Outcome 4: Social security

Outcome statement: More people have access to better managed and more gender equitable social security benefits

Position to be reached by 2015: More member States have adopted measures which provide workers with a more complete range of social security benefits.

- 130.** Increased coverage reduces poverty and social insecurity and is an investment in expanding productive employment. In at least 10 per cent of all member States, access – notably of women – to benefits will have improved. For 75 per cent of all member States, information, data and/or reliable estimates will be available, allowing global progress of social security coverage to be monitored.
- 131.** The outcome is achieved through support to constituents ranging from assistance for the generation and dissemination of data, knowledge and good practice, and support for policy development, through training programmes and technical advice. Encompassing legal, social, economic, financial, fiscal, statistical and actuarial aspects of social security, advice will be provided in the context of DWCPs, the framework Global Campaign and strategic cooperation and dialogue with social partners. The advice provided will promote ILO standards and fundamental rights at work, facilitate employment-rich growth and help to reduce child labour. The implementation of four basic social security benefits (access to essential healthcare, access to child benefits, assistance for unemployed workers and basic pensions for older people and those with disabilities) will be the priority. Training of social security staff, analysts and policymakers, including representatives of tripartite supervisory bodies, will be intensified and broadened (through, inter alia, the actuarial analysis programmes – QUATRAN) as a strategic investment.

Outcome 5: Safety and health and working conditions

Outcome statement: Women and men have healthier, safer and more equitable working conditions

Position to be reached by 2015: More member States have labour protection policies that contribute to a better balance between flexibility and security for workers, and a safer and healthier workplace environment.

- 132.** Over the past two decades, globalization, sustained economic growth and labour market deregulation have often been accompanied by greater informality, widening income/wage inequality, growing numbers of work-related accidents and diseases, and a polarization of

working hours, with negative implications for workers' health and work–family reconciliation.

133. The strategy seeks to mobilize tripartite consensus around labour protection policies that balance flexibility and security for all workers, including the most disadvantaged, and link different aspects of working conditions with other dimensions of decent work. To this end, the Office will expand the knowledge base on working conditions, through collaborative efforts across ILO units and in partnership with leading research institutions. It will disseminate knowledge through regular products such as the Global Wage Report and Working Conditions Country Profiles. These will provide the baseline information for pilot projects in the framework of DWCPs, which will test integrated approaches and practical tools. The aim is to help constituents improve working conditions in line with relevant international labour standards, and enhance enterprise performance, especially that of SMEs in specific sectors.
134. Guided by the Global Strategy on Occupational Safety and Health, the Office will support constituents in creating a prevention culture and a systems approach. The ratification of the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) and other Conventions will be promoted through advisory services, meetings and campaigns. National programmes linked to DWCPs will reinforce countries' systems, expanding coverage to small enterprises and the informal economy. The Office will promote application of guidelines on all relevant OSH areas. Emphasis will be placed on linking national economic, employment and OSH policies, and strengthening labour inspection, as part of an overall Office effort to advance rights at work, worker employability and enterprise sustainability. Observance of the World Day for Safety and Health at Work and participation in the next three World Congresses will be encouraged, reinforcing a safety culture and dialogue among the social partners.

Outcome 6: Labour migration

Outcome statement: More migrant workers are protected and have access to productive employment and decent work

Position to be reached by 2015: More member States have adopted measures to foster expanded, regular and protected international labour migration that responds to labour market needs in countries of destination and alleviates labour market pressures in countries of origin.

135. The strategy is informed by the principles and the provisions in the 2004 ILC resolution on a fair deal for migrant workers. The resulting plan of action, mirroring the Decent Work Agenda, highlights the cross-cutting nature of this outcome.
136. Through the Multilateral Framework on Labour Migration (2005), the Office will assist member States in developing and improving rights-based labour migration policies and institutions so as to organize processes, maximize development benefits, reduce ill-effects and protect migrant workers. It will emphasize integration in receiving societies and workplaces, paying special attention to women, and will promote social dialogue on labour migration. The Office will apply expertise in all areas under its mandate, which is the ILO's comparative advantage in dealing with labour migration. It will work with Governments and social partners and involve migrants' associations, where appropriate. The Office will seek collaboration with other international and regional organizations and monitor international labour migration's evolution, identifying new areas and tools for its interventions.

Outcome 7: HIV/AIDS

Outcome statement: The world of work responds effectively to the HIV/AIDS epidemic

Position to be reached by 2015: The tripartite constituents have increased capacity and resources to contribute to national HIV/AIDS responses, and there is concrete prevention, treatment, care and support action in an increased number of workplaces.

137. ILO's work under this outcome will contribute to achieving one of the targets of MDG6 – "Halt and begin to reverse the spread of HIV/AIDS".
138. Capacity building, knowledge sharing and practical tools will continue to be developed with and for the constituents, as part of technical cooperation. Funding for large-scale programmes is available worldwide, through the Global Fund and other donors. The partnership and bidding processes call for engaging with country-level entities and developing proposals with specific frameworks and requirements. The Office will help constituents access those funds. It will also provide capacity-building both for employer and worker representatives and peer educators in enterprises, and for Labour Ministry officials and labour judges. Special training for tripartite constituents will be provided, subject to the adoption of an HIV/AIDS Recommendation in 2010. The focus will be on social dialogue in the AIDS response, combating discrimination in employment access or retention for people living with or affected by HIV/AIDS, increased prevention and protection schemes, treatment for all workers, and prevention of mother-to-child transmission, at or through workplaces. The main regional focus will continue to be Africa, with intensified prevention in all regions.

Strategic objective: Strengthen tripartism and social dialogue

139. Decent work can only be achieved if all relevant socio-economic actors are involved. In a context of increasing concern about social inequalities, tripartism and social dialogue are key to achieving sustainable development based on economic growth and social progress. The 2008 Declaration has reaffirmed that social dialogue and the practice of tripartism between governments, workers' and employers' organizations within and across borders are now more relevant than ever to achieving solutions and building up social cohesion and the rule of law through, among other means, international labour standards.
140. Social dialogue is fundamental for achieving decent work, and is key to achieving the other three strategic objectives. However, constituents are still facing major challenges resulting from globalization. Ministries of employment, labour and social affairs do not always have the capacity, authority and resources they need to formulate appropriate labour policies and to secure their effective implementation in, and influence on national development strategies. Employers and workers need to learn techniques to deal with a changing agenda, as complex new issues, such as environmental concerns, affect the world of work. The ILO will help to increase the institutional capacity of member States, as well as representative organizations of employers and workers, to facilitate meaningful and coherent social policy and sustainable development.
141. Building and strengthening the capacity of employers' and workers' organizations and their ability to participate effectively in the development and implementation of social, economic and labour policy will remain one of the top priorities. Well-functioning employers' organizations are crucial for shaping an environment conducive to competitive and sustainable enterprises. The ILO will focus its assistance to employers' organizations on increasing their value to their members by enhancing the organizations' representativeness and services. For workers, the focus will be on reducing poverty,

inequality and poor labour practices through collective bargaining, the implementation of international labour standards, social protection systems and training and skills development policies.

142. Attention will continue to be paid to strengthening the capacity and resources of labour administrations, including labour inspectorates, as key instruments in the formulation and implementation of labour policy and legislation. The adaptation of labour legislation in accordance with international labour standards is key for the effective regulation of the employment relationship and the achievement of gender equality. The promotion of sound social dialogue and collective bargaining mechanisms at all levels of decision making will foster effective labour market governance. Freedom of association and the effective recognition of the right to collective bargaining are particularly important to facilitate the attainment of the four strategic objectives. Collaboration throughout the Office in research and other joint action will be enhanced to ensure that social dialogue and tripartism become the basis for the promotion of international labour standards, employment generation and social protection extension.
143. Stronger links between the international, national and workplace levels will be created by focusing on specific economic sectors, both public and private, and fostering sectoral social dialogue. Global governance will be strengthened through the adoption and promotion of ILO sectoral standards, codes of practice and guidelines that provide an agreed basis for law- and policy-making and provide opportunities to further the Decent Work Agenda at all levels. A sectoral approach that reaches out to trade unions operating at the global sectoral level, other UN agencies and economic actors, including multinational enterprises, will strengthen the achievement of all four strategic objectives.
144. The Office will provide all appropriate assistance within its mandate to support constituents' efforts to make progress towards the strategic objectives through an integrated and coherent strategy. It will also continue to advocate the inclusion of social dialogue and tripartism as core components of the overall development agenda.

Outcome 8: Employers' organizations

**Outcome statement: Employers have strong, independent
and representative organizations**

Position to be reached by 2015: Employers' organizations effectively meet the needs of their member enterprises through the delivery of relevant services, representation and advocacy.

145. The 2008 Declaration reconfirms that social dialogue and tripartism are the most appropriate methods of translating economic development into social progress. For this to happen, the parties to the dialogue have to be strong, representative and independent. Strong and effective employers' organizations, essential for good governance, can promote policies conducive to the creation of sustainable and competitive enterprises and an entrepreneurship culture, which are the basis for development and economic growth. Without sustainable enterprises, jobs cannot be created.
146. Through the Bureau for Employers' Activities, the ILO will continue to work to strengthen organizational structures and internal management of employers' organizations. It will help to increase their capacity to improve existing services and to develop new ones that make the organizations more valuable to enterprises. Another related element focuses on enhancing the organizations' ability to analyse the business environment and to influence policy debates.

147. Through the Bureau, knowledge, needs and priorities of employers' organizations will be transmitted to the Office as it formulates its policies and programmes. The aim is to encourage the ILO to develop products that are useful and relevant for business and employers' organizations.

Outcome 9: Workers' organizations

Outcome statement: Workers have strong, independent and representative organizations

Position to be reached by 2015: Stronger workers' organizations have the capacity to analyse economic, labour, social and environmental policies in the light of the fundamental objective of social justice. This information is used to improve workers' conditions. Broader recognition and use of freedom of association and collective bargaining enhance workers' participation in development and poverty reduction agendas at all levels. Full involvement of workers' organizations in DWCPs and in many partnerships under UNDAFs promotes decent work in the multilateral system.

148. Strong workers' organizations are crucial for delivering decent work and translating the 2008 Declaration into tangible results. International labour standards, their implementation and enforcement in national legislations are the bedrock of these organizations' strength. Support to workers' organizations in the formulation of their positions for the International Labour Conference, Governing Body sessions, regional, sectoral and thematic meetings will continue to be a priority.
149. Workers' involvement in the four integrated components of decent work should be at the centre of sustainable national development programmes. Freedom of association, collective bargaining and labour legislation based on ILO standards, social dialogue and tripartism are fundamental for building the rule of law. They will be important for fair employment relationships, industrial relations and effective labour inspection systems. Gender perspectives will be universally mainstreamed and campaigns developed to combat discrimination, especially against women, migrant workers and other vulnerable groups.

Outcome 10: Labour administration and labour law

Outcome statement: Labour administrations apply up to date labour legislation and provide effective services

Position to be reached by 2015: In more member States, labour administration has been strengthened and plays a key role in formulating and implementing labour policies and laws. Up to date labour legislation provides improved legal protection to workers and appropriate regulation of the labour market.

150. The strategy aims to strengthen coordination among the different bodies of the labour administration in member States (departments within the ministries in charge of labour issues, public employment services and labour inspection) in accordance with the provisions of the Labour Administration Convention, 1978 (No. 150). Support will be provided to enhance capacity for delivering high quality services to employers and workers, including those in the informal economy, and their organizations in the fields of labour law, employment, industrial relations and social security.
151. The Office will support the revision of labour legislation, in accordance with the provisions of international labour standards and based on most recent labour law trends and good practices. The ILO knowledge base in the field of labour law and research tools will be further expanded to deliver the required technical assistance to tripartite constituents.

152. Expertise will be drawn across the four sectors and in cooperation with strategic partners in the field of labour administration in all regions, particularly the African Regional Labour Administration Centre, the Centre Régional Africain d'Administration du Travail and the Arab Centre for Labour Administration and Employment.

Outcome 11: Social dialogue and industrial relations

Outcome statement: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations

Position to be reached by 2015: More member States have strengthened their social dialogue institutions, including Economic and Social Councils, and the mechanisms for prevention and settlement of labour disputes based on social dialogue-related Conventions.

153. The strategy focuses on strengthening the capacity of social dialogue actors to play an effective role in social dialogue institutions. The ILO will provide support to improve mechanisms for social dialogue in all its forms: tripartite cooperation, collective bargaining, information and consultation in undertaking and mediation and arbitration.
154. The ILO's approach to this outcome calls for close cooperation across the Office, particularly between the Social Dialogue and the Standards and Rights sectors and with field offices. A research programme on industrial relations trends will be conducted through 2015. In the light of the discussion on collective bargaining at the Governing Body session in November 2007 and subject to the outcome of the tripartite meeting on collective bargaining due in November 2009, this programme will underpin technical assistance work to promote social dialogue and collective bargaining at various levels. Cooperation will be enhanced with academia and research institutions, including the International Industrial Relations Association.

Outcome 12: Decent work in economic sectors

Outcome statement: A sector-specific approach to decent work is applied

Position to be reached by 2015: Decent work in economic sectors is promoted through the adoption and application of ILO sectoral standards, codes of practice and guidelines and through the strengthening of sectoral social dialogue.

155. The strategy aims to strengthen capacity to translate guidance on rights, employment, social protection, and social dialogue into workplace practice in agriculture, industry and services. Through global, regional and national sectoral and technical meetings, the Office will support constituents to use social dialogue to address social and labour issues in a wide range of public and private sectors and reach consensus that promotes sound industrial relations and enterprise competitiveness.
156. ILO tools and training materials will be developed to support constituents in their efforts to better implement sectoral standards, analyse sectoral trends, develop policy and improve working conditions at the workplace. Action-oriented research at the national, sectoral and workplace levels will be undertaken to broaden and deepen the knowledge base on how rights, employment, social protection and social dialogue interact at the sectoral level.
157. The ILO's approach lends itself to close collaboration across different units at headquarters and in the field. Collaboration with other intergovernmental organizations, as well as non-state entities and economic actors will be expanded.

Strategic objective: Promote and realize standards and fundamental principles and rights at work

158. The 2008 Declaration confirms the centrality of labour standards in the Decent Work Agenda: The unique rights-based approach offered by the 1998 Declaration on Fundamental Principles and Rights at Work (1998 Declaration), and the ILO's instruments and procedures, including the MNE Declaration, are vital to the current strategy. It defines the strategy for building social cohesion and the rule of law through synergies between social dialogue and international labour standards, and circumscribes any abuse based on "comparative advantage" or protectionist purposes.
159. Normative instruments and procedures provide a coherent framework for national social policies articulated by governments, employers and workers. Freedom of association principles are given particular importance in the 2008 Declaration, while gender equality and non-discrimination cut across all objectives.
160. The Decent Work Agenda constitutes a rounded practical manifesto, generating growing demand for guidance on standards and rights internationally and in the private sector. It relies on social dialogue to advance strategy, implying the use of opportunities for worker and employer involvement in supervision. It also means promoting updated instruments, beginning with the standards that are most significant for governance Conventions on employment policy, tripartite consultation and labour inspection.
161. Anticipating the follow-up to the 2008 Declaration, the follow-up to on the 1998 Declaration will increase cost effectiveness, owing to increased ratification of relevant Conventions, so that promotional work draws directly on supervisory findings. When reviewing the format of Global Reports, the Governing Body could also consider whether the campaign for ratification of fundamental Conventions and annual reporting under the 1998 Declaration follow-up could come together.
162. Since all regions identify a rights basis as part of their strategies, tools are needed to ensure effective communication of ILO instruments. The 1998 Declaration follow-up shows that these should be adapted to the different constituents. Child labour is an almost universal preoccupation in the regions: the ILO has strong credentials in its experience of combining normative means with technical cooperation and user-friendly communications. This competence will be broadened. The forced labour programme exemplifies a well-focused effort to mobilize resources and address issues exposed by the supervisory process and the 1998 Declaration follow-up.
163. DWCPs should ensure that normative considerations are included in fieldwork. The integration of challenges identified through ratifications and supervisory comments still requires efforts, including an effective communication strategy.
164. Closer teamwork among technical units with consistent two-way dialogue to inform the supervisory bodies and monitor action will enhance effectiveness, as good practices among technical sectors are learnt and technical specialists are implicated in operationalizing products of supervision.
165. Promotion of key equality Conventions should be intensified. Supervisory comments should employ a gender analysis and gender responsive language.
166. There should be a focus on the instruments directly related to the 2008 Declaration, such as those concerning governance, with consistent tripartite dialogue at the national level. Concrete assistance should be given, with the requisite social dialogue, to address problems raised in supervisory comments and facilitate new ratifications.

Outcome 13: Freedom of association and collective bargaining

Outcome statement: The right to freedom of association and collective bargaining is widely known and exercised

Position to be reached by 2015: There is measurable progress in the realization of the right to freedom of association and collective bargaining.

- 167.** This outcome is directly derived from the 2008 Declaration and a logical development of the ILO's recent work through the Global Reports of 2000, 2004 and 2008 under the 1998 Declaration Follow-up and subsequent action plans adopted by the Governing Body. It draws on lessons and results obtained from collaboration between sectors at headquarters and with the field, especially for countries with serious difficulties. These have enabled the establishment of baselines, and the design and execution of technical assistance programmes. The strategy is based on the principles and standards in the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98); and related instruments such as the Rural Workers' Organisations Convention, 1975 (No. 141); the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144); the Labour Relations (Public Service) Convention, 1978 (No. 151); and the Collective Bargaining Convention, 1981 (No. 154). The strategy addresses specific issues raised by supervisory bodies, which in turn monitor progress achieved.
- 168.** The ILO's approach calls for interaction between the normative mode of operation and the relational and promotional work, including in the Social Dialogue sector. Strengthening of employers' and workers' organizations is an essential component. Cooperation between the Standards and Rights and Employment sectors in the intensified promotion of the MNE Declaration will provide new opportunities for realizing this fundamental right in the workplace.

Outcome 14: Child labour, forced labour and discrimination at work

Outcome statement: Child labour, forced labour and work-related discrimination are progressively eliminated

Position to be reached by 2015: There is measurable progress in the realization of fundamental principles and rights at work.

- 169.** The 1998 Declaration and the global consensus of which it was a part presented a package of the four categories of fundamental principles and rights at work. The 2008 Declaration, while noting the particular importance of freedom of association, conserves the integrity of that package. The ILO's strategy here builds on the achievements of the campaign for universal ratification of the fundamental Conventions launched in 1995 (which has marked a success rate of some 90 per cent) and the programmes developed as the follow-up to the 1998 Declaration. The fundamental principles and rights should be effectively recognized as a key criterion for economic development and employment growth, and policy advice and technical cooperation should be available to address identified deficiencies.
- 170.** The International Programme for the Eradication of Child Labour exemplifies the synergies possible between normative and practical modes of action. The goal of eliminating the worst forms of child labour by 2016 will be served by closer integration with youth employment actions. The Special Action Programme to combat Forced Labour is similarly a component of policies for full, productive and freely chosen employment. Special attention will be paid to the trafficking action programme in the context of the

Global Alliance. Technical assistance in the application of the forced labour Conventions will continue.

171. Synergies between normative and other action to address gender inequality will be developed further, both in the framework of employment policies and policies for equal remuneration, and through emphasis on gender responsiveness in the supervisory processes. Awareness of the harm of other forms of discrimination will be similarly raised, and the effect of multiple discriminations addressed.

Outcome 15: International labour standards

Outcome statement: International labour standards are applied

Position to be reached by 2015: National and international actions for decent work are effectively supported by an enabling and up to date normative framework.

172. Interaction between supervisory processes and technical cooperation and field operations will intensify, making full use of DWCP processes and information tools now available. This is a two-way relationship, in which standards and supervision set a rules-based framework, provide guidance for action and monitor performance. Concomitantly, the supervisory bodies are fully informed on national situations by the constituents and through technical cooperation.
173. The functioning of the supervisory mechanisms will benefit from current evaluation and review in order to increase focus and secure the necessary teamwork and support both within the ILO and from partners in the multilateral system. The effective application of standards will thus be sought through different means, including those facilitated by the MNE Declaration, ILO standards-related interventions, social dialogue and collective bargaining, voluntary initiatives and more generally, underpinning the rights basis in global and national development programmes.

V. Strengthening technical capacities

Knowledge base

174. A comprehensive knowledge strategy will be developed for 2010–15. In line with the 2008 Declaration, it will aim to strengthen the Office's knowledge base in order to better serve constituents through solid research and up to date statistics. Emphasis will be placed on conducting evidence-based research based on sex disaggregated data and analysis that will help constituents make choices between the available policy options. Evidence from country reviews will provide concrete examples of how countries at different levels of economic development can implement a policy package consistent with decent work goals, and how the pursuit of decent work goals can foster socio-economic development. The reviews will help identify effective policy packages. They will not be used to establish country rankings. A regular report from the International Institute for Labour Studies entitled *World of Work Report* will examine interactions between planks of the Decent Work Agenda, as well as global trends. The Research and Publications Committee will ensure that major ILO projects respond to sound research criteria, are well coordinated across the Organization so as to maximize synergies and ensure that progress is made on advancing the Decent Work Agenda, and draw upon the main findings of earlier research and evaluations of research projects. Research will build on work carried out in other international organizations, so as to strengthen complementarities.

- 175.** The ILO will develop a stronger statistical foundation and an innovative approach to measuring the multiple facets of decent work. The statistical indicators currently available are skewed towards measuring economic progress only, and do not capture progress towards social development, even for some highly industrialized economies. Measurement of decent work is particularly challenging for developing countries, given the absence of adequate statistical data including data disaggregated by sex. Data collection often requires rationalization. The Office has undertaken much research into methods of measuring the four dimensions of decent work. Subject to the discussion at the Governing Body on decent work indicators, the new methodology should help the Office to take stock of existing indicators and identify gaps where new datasets are required and existing ones need to be modified. The Office will analyse and interpret the data in a way that is meaningful and gender-responsive in the country-specific context, drawing together from national sources and existing ILO databases, statistical indicators and information on rights at work and the legal framework for decent work for women and men.
- 176.** The Office will strengthen its knowledge networks with regional and country level institutions working on the same issues, playing a crucial multiplier role in spreading the ILO's mandate and values. The networks will bring together constituents from different member States to share their experience on specific issues of decent work. Research collaboration with other international organizations will be enhanced, and joint projects launched. Knowledge dissemination efforts will continue to ensure that knowledge generated is shared with constituents in a timely, easily comprehensible and cost-effective way, and in formats and languages that meet their needs.
- 177.** Strengthening the Office's knowledge base requires a cultural change in the existing working methods and the promotion of an enabling environment. This will be achieved through teamwork, human resources, information technology and leadership by managers.

Preliminary milestones

Year	Milestones
2010	Framework for measurement of decent work is applied. Decent work country profiles compiled in 30 member States.
2011	Staff consistently practising teamwork and knowledge sharing. Decent work country profiles compiled in an additional 30 member States.
2012	Decent work country profiles compiled in an additional 30 member States.
2013	Electronic Document Management System (EDMS) deployment to headquarters and the regions is completed. Decent work country profiles compiled in an additional 30 member States.
2014	Decent work country profiles compiled in an additional 30 member States.
2015	Decent work country profiles compiled in an additional 30 member States. Evidence-based policy packages that help advance the goal of decent work are completed, including through country reviews.
2010–15	<i>World of Work Report</i> examines yearly the interactions between the different planks of decent work based on evidence-based analysis. Country reviews covering three countries are completed. More country reviews conducted every year, depending on resources. Key research projects are regularly subject to peer review before publication.

Building the capacity of constituents

- 178.** The 2008 Declaration emphasizes the need for the Organization to assist in developing the institutional capacity of member States, as well as representative organizations of

employers and workers, in order to advance innovative decent work solutions to employment, labour and social challenges.

179. The ILO's contribution to capacity development for workers' and employers' organizations will be guided by the Bureau for Workers' Activities and the Bureau for Employers' Activities. Separate training and other capacity building initiatives designed for each of the tripartite constituents as well as tripartite capacity building programmes will be encouraged. These will be based on sectoral needs assessments and implemented in cooperation with the relevant employers' and workers' organizations, with assistance from the ILO International Training Centre in Turin. Employers' and Workers' field specialists could conduct capacity assessments and agree on capacity development priorities to drive wider ILO efforts. The ILO Century Project will strengthen the role of constituents in current policy debates.
180. Ministries of labour or their equivalents will be supported in their efforts to take a comprehensive and integrated approach to their main functions, ranging from labour administration to labour inspection and employment services. The ILO will develop tools and expertise to address capacity challenges of these closely related functions, including the need to strengthen social dialogue institutions.
181. The ILO will also work within the context of United Nations Development Assistance Framework and joint UN programmes to develop capacity in other government institutions regarding specific economic sectors that play a key role in delivering on DWCP results. Particular attention will be required to strengthen capacity for effective tripartite participation in UN country programmes.
182. The ILO comprehensive strategy on capacity development for 2010–15 will include tools to conduct participatory capacity assessments with constituents, and define relevant training and learning plans. These will be included in technical cooperation project formulation and appraisal. Measuring changes in capacity will be essential, so that over the course of a DWCP, efforts made can be monitored.
183. ILO internal expertise on capacity assessment and development will be strengthened so that specific capacity development results can be defined with constituents. This will require additional staff training, online tools and support networks and communities of practice, necessitating more cooperation across the Office, including with the ILO International Training Centre in Turin.

Preliminary milestones

Year	Milestones
2010	An inventory of all capacity assessment tools available in the ILO and a draft ILO capacity development strategy available.
2011	Operational strategy and tools for capacity development of national-level constituents in place, 30 resource persons trained to support application.
2013	In 10 countries, capacity assessments carried out of all three constituents and comprehensive three-year capacity development plans formulated, including specific training and learning plans for constituent organizations. Office-wide support and "community of practice"/platform/staff training in place. In 20 countries, and based on assessments carried out, specific capacity development actions of ILO constituents are included in DWCP implementation plans.
2015	In 60 countries, and based on assessments carried out, specific capacity development actions of ILO constituents are included in DWCP implementation plans.

Partnerships and communication

Partnerships

184. The 2008 Declaration calls for the promotion of effective partnerships within the UN and multilateral systems to strengthen ILO operational programmes and activities or otherwise promote ILO objectives. The expansion of the ILO's partnership base is essential to increase its outreach and influence over the policies and practices of others, enlarging its access to the many new aid modalities, bringing its ideas closer to spheres of influence, and offering synergies that leverage assets, including financial resources, technical capabilities and expertise to deliver decent work. Through increased partnerships, constituents will obtain greater access to important decision-making circles. At the national level, partnerships will enable the ILO to tap national expertise and networks to better deliver decent work. In the context of Delivering as One, the ILO will develop its collaboration with other international organizations and development actors to maximize the attention given to decent work in country programmes. The ILO will continue to work with its constituents to initiate and strengthen partnerships with a wide range of actors at international, regional and national levels: UN funds, programmes and agencies, the international financial institutions, donor agencies, regional organizations, the private sector, NGOs and faith-based organizations, academia, and parliamentarians.

185. In terms of partnership capacity, the following focus areas are identified:

- support for mainstreaming the Decent Work Agenda throughout the multilateral system;
- support for UN system-wide application of the United Nations System Chief Executives Board for Coordination (CEB) Toolkit for Mainstreaming Employment and Decent Work and of the ILO's gender audit tool to promote coherence across the system in the framework of inter-agency cooperation and towards the achievement of the internationally agreed development goals, including the MDGs;
- collaboration and inter-agency partnerships within the UN system and with international financial institutions;
- engagement in the "Delivering as One" UN reform initiatives and implementation of the 2007 General Assembly resolution on the Triennial Comprehensive Policy Review (TCPR) for 2007–20 with a view to improving coordination and fully integrating the Decent Work Agenda into national development plans and policies;
- public–private partnerships, combining ILO expertise with that of private enterprises, trade unions and governments, and work with the non-governmental sector wherever this proves useful to advance decent work objectives;
- South–South cooperation, for sharing knowledge and expertise among countries with common developmental challenges, where triangular relationships complement bilateral cooperation;
- extending partnerships with regional structures to respond to the increasing trend towards economic and political regionalization.

Preliminary milestones

Year	Milestones
2010	16 CEB members and 15 United Nations Country Teams apply the Decent Work Toolkit to improve employment and decent work outcomes in national development and assistance frameworks.
2011	Outline finalized of a model for action plans to be developed in the multilateral system as a result of implementation of the Toolkit.
2012	5 new inter-agency partnerships with UN agencies and international financial institutions to promote policy coherence for decent work.
2013	5 public-private partnerships for specific outcomes in support of the Decent Work Agenda.
2014	10 new inter-agency partnerships with UN agencies and international financial institutions to promote policy coherence for decent work.
2014	The ILO manages 15 public-private partnerships for specific outcomes in support of the Decent Work Agenda.
2015	The ILO facilitates and takes active part in ten triangular South-South initiatives for decent work.
2010–15	The Decent Work Agenda is increasingly recognized, understood and incorporated in UN system and other development partners' frameworks at multilateral, regional and country levels.

Communication

186. Communication and public information are the primary vehicles for conveying to the public how the Organization is analysing and tackling the main workplace challenges. Communication methodologies and tools will be applied to engage stakeholders, assess situations, and devise effective strategies to mobilize and extend international support for decent work.
187. The ILO will use communication for development and visibility. All ILO staff must have the tools and techniques to understand, integrate and apply communication for development as a means of strengthening the application of the Decent Work Agenda. ILO communication officers worldwide will continue to deepen stakeholder, decision maker and partner engagement at the local level, and provide a service to make work in the field more sustainable.
188. With a more extensive research base, the ILO will seek to increase the communication capacity of its staff to provide constituents and partners with information on what works, where, under what conditions, and how to tackle the challenges involved. The aim is to create a database of knowledge that includes the successful implementation of decent work strategies in various countries and lessons learned, providing an interactive decent work platform that constituents and others can access.
189. As the UN system moves towards “Delivering as One”, the ILO will make decent work a jointly owned agenda. The innovative communication and advocacy networks established in “Delivering as One” pilot countries will provide more effective opportunities to work with partners. Partnerships will be sought with the communications community in regional organizations to profile the common interest in making decent work a collective development goal.
190. The ILO Global Information Network will strengthen capacity to manage and develop knowledge and provide high quality policy advice to constituents and partners. Advanced technology will be used to simplify access to ILO expertise, develop resource guides, and digitize ILO publications.

- 191.** Digital media will continue to be the dominant platform for public outreach and disseminating ILO knowledge, while mobile technology will be increasingly important.

Preliminary milestones

Year	Milestones
2010–11	Completion of the first stage of the digitization and verification process of 2 million pages incorporating links to LABORDOC and secure storage of ILO knowledge. Collaborative decent work feature exchanges with Agency partners and regular exchange and profiling in each other's media.
2011	Within established "Delivering as One" channels, delivery and acceptance of common UN decent work messages and projects in which the ILO is lead agency.
2012	As of 2011 but ongoing depending on the adoption of stable and reliable technological platforms, continue to increase dissemination through new web and mobile technology methods.
2013	Coordinated ILO research policy platform accessible to constituents and partners. All ILO publications will be available in digital format.
2014–15	Establishment of a network of constituent/civil society/developmental and media partnership that aims to share the increasing wealth of knowledge gained from the implementation of decent work strategies, review good practices and evaluate lessons learned.

Operational capacity

- 192.** The 2008 Declaration calls on Members to implement the ILO's constitutional mandate and to place full and productive employment and decent work at the centre of economic and social policies. To that effect, it calls on the Organization to assist its Members effectively in their efforts.
- 193.** The underlying vision is of an ILO effectively and efficiently contributing to innovative solutions to the promotion of decent work for women and men in all countries, drawing on the strength of its tripartite constituents, values and strategic objectives. The ILO should be recognized as an effective partner in building the capacity of its Members to advance innovative decent work solutions to employment, labour and social challenges.
- 194.** In parallel, the United Nations General Assembly in its consideration of the TCPR of operational activities for development of the United Nations system, called for an efficient and effective United Nations development system supporting developing countries in achieving internationally agreed development goals on the basis of national development strategies as well as new and innovative solutions to development problems (UN General Assembly resolution A/RES/62/208 of 14 March 2008).
- 195.** The ILO Governing Body has recognized the need to strengthen the capacity of the ILO, in particular that of its field offices, to assist its Members in delivering on decent work. Acknowledging that regional situations differ and that not all regions should follow exactly the same approach, particular attention is to be given to the following measures and means to strengthen the capacity of the Office to assist its Members:
- Strengthening the technical capacity of the Office in the regions to provide specialist support to Members. The essence of ILO support to Members is to build their capacity to address critical decent work challenges through advocacy, access to and sharing of knowledge, analysis of policies, information and data on recent trends and capacity building. This measure seeks to concentrate technical capacity in fewer but larger decent work technical support teams servicing the needs of a number of

countries. Such teams must work in close collaboration with, and rely on, the support of technical programmes at headquarters.

- Establishing a single type of ILO field office which will specialize in servicing Members in one or several countries. Field offices will deliver ILO programmes and support Members. In particular, field offices should have full first-line responsibility to design and implement DWCPs, in close collaboration with constituents, combining funding from the regular budget, the regular budget supplementary account and extra-budgetary resources. This implies aligning the staff and skill composition of field offices to that purpose. Field offices must be able to rely on the swift and flexible deployment of technical support. It calls for further decentralization to field offices of programmes funded through extra-budgetary resources. These measures will strengthen the Office's capacity to contribute effectively to common country assessments and to participate fully in United Nations Development Assistance Frameworks (UNDAFs).
- Deploying ILO capacity more flexibly will allow the Office to respond more swiftly to emerging demands, to mobilize resources for specific assignments, to work in closer collaboration with constituents, the United Nations, professional networks and national and regional institutions. In particular, it would allow the Office to complement its network of field offices with national coordinators recruited and deployed according to the needs of DWCPs in those countries in which the ILO has no office.
- Clarifying roles and responsibilities of regional offices, field offices, technical support teams and headquarters technical programmes. With the expansion of non-core resources funding ILO programmes and successive structural reforms both at headquarters and in the regions, there is a need to clarify the roles and responsibilities of the different levels and types of authority. New internal guidance is therefore required, encouraging cooperation and avoiding overlap.

196. The basic aim of the above measures is to make more effective use of the ILO's human, technical and financial resources through specialization of functions, clarification of roles and responsibilities, and concentration of technical capacity. It is important to underline that these measures require strong technical programmes at headquarters, responsible for overall policy orientation, quality control, and capable of effectively supporting technical teams and field offices in the regions.

197. The Human Resource Strategy and the Information Technology Strategy, in particular the deployment of IRIS functionality to regions and field offices, are instrumental in supporting the above measures.

198. The overall timetable foresees that these measures should be in place by the end of the first year of the SPF period. Their effectiveness could then be evaluated after three years, in 2013. The Governing Body is to discuss a final and more detailed set of proposals in March 2009.

Preliminary milestones

Year	Milestones
March 2009	Number, location, composition, cost and modes of operation are clarified.
Early 2009	Guidance issued on further decentralization.
Early 2009	Measures to deploy additional national coordinators issued and implemented.
Mid-2009	Roles and responsibilities are clarified and new guidance is published and implemented.
Mid-2010	Decent work technical support teams are established and operating.

VI. Strengthening governance, management and support

Governance, support and management outcomes

- 199.** The 2008 Declaration calls for the review and adaptation of ILO's institutional practices in order, among other matters, to improve efficiency and effectiveness in the use of ILO human and financial resources, reinforce management processes and enhance governance and capacity building with a view to better understanding its Members' needs and servicing them.
- 200.** The goal of the work under governance, support and management is to support the delivery of the ILO's mandate and to provide the necessary assurances to ILO Members in relation to efficiency, oversight, transparency and accountability. It also aims to promote the inherent values of the international civil service which are directed to guaranteeing independence and integrity in the discharge of its mandate. This goal will be pursued following a results-based management approach.
- 201.** In the light of the experience of the Programme and Budget for 2008–09 and the priorities expressed by the Governing Body and the International Labour Conference, including the 2008 Declaration, two governance, support and management outcomes on the use of resources and on governance are proposed for the SPF period.
- 202.** The efficient and effective use of resources and good governance, including the effective servicing of the ILO's governing organs, provide the foundation for the successful implementation of results-based management in the ILO. The proposed outcomes will be achieved through a strong commitment to upgrading internal governance rules, regulations and procedures, clarifying roles and responsibilities, seeking administrative efficiencies, instilling a stronger service orientation and increasing the use of information technology. The delivery of high quality and timely governance, support and management services, using effective risk management strategies, underpins the work of all the services responsible for these outcomes.
- 203.** The achievement of these outcomes depends on the level of demand for services within the Office and from the Governing Body. In both cases, a dialogue on service levels and costs will be necessary.

Outcome 1: Effective and efficient utilization of all ILO resources

- 204.** This outcome concerns the more effective and efficient utilization of the ILO's human, financial, physical and technological resources for ILO's technical programmes. Management strategies will be applied in support of this outcome in the areas of human resources, information technology, resource mobilization, evaluation and oversight. The human resources strategy will optimize the fit between the strategic focus in delivering decent work results and human resources management. The information technology strategy will guarantee the necessary technological infrastructure. The resource mobilization strategy will better align extra-budgetary funding and Regular Budget Supplementary Account (RBSA) to decent work outcomes through targeted fund raising and resource gaps analysis. The evaluation and oversight strategy will ensure a credible and independent evaluation system.

- 205.** The effective use of resources will be supported through efforts to generate efficiencies from improvements in working methods and structures. Effective utilization of physical resources will be significantly affected by the headquarters renovation project. The Office will maintain an active role in relevant UN system bodies with a view to further harmonizing policies and practices where feasible.

Proposed indicators:

- Improved effectiveness in the Office’s management of human resources.
- Greater efficiencies are generated in operating structures and methods.
- Alignment of extra-budgetary and RBSA resources with decent work outcomes at global, regional, subregional and national levels.
- Improved effectiveness in the Office’s management of information technology.
- Implementation of IRIS functionality in external offices.
- Improved maintenance and utilization of ILO office facilities.

Outcome 2: Effective and efficient governance of the Organization

- 206.** This outcome concerns the external and internal governance of the Organization. Good governance is essential to ensure that the Office can effectively assist constituents in member States in applying decent work policies and programmes. The outcome covers both the accountability of the Office in terms of the way it manages available resources, and the functioning of the ILO’s governing organs, including Regional Meetings.
- 207.** Appropriate implementation of recommendations from internal and external audits and independent evaluations, and integrating those into programming and knowledge sharing, will help foster a culture of accountability. Through the Evaluation Advisory Committee, the Office will also establish a periodic process for dialogue with line managers to ensure timely and effective follow-up. Another important aspect of governance is risk management: legal, financial, safety and security risks and risks associated with business continuity will increasingly be integrated into the ILO’s standard procedures and core processes. The Office will improve its environmental impact and expects to achieve climate neutrality by 2015.

Proposed indicators:

- DWCPs guide the implementation of ILO activities at the country level.
- External auditor’s opinion on the ILO financial statements and on follow-up action.
- Quality assessments provided in internal audit and independent evaluation reports and the timely and effective implementation of recommendations.
- Increased recognition and mitigation of risks.
- Improved planning, preparation and management of International Labour Conference and Governing Body sessions and Regional Meetings.
- Quality and timeliness of official documents.

- Progress towards climate neutrality for the Organization.

Governance reform and institutional practices

- 208.** Over the last two decades, the timing and organization of all meetings of the Governing Body, the International Labour Conference and Regional Meetings have been streamlined. There has been clearer division in the Conference and the Governing Body between the Committee phase and the more policy-oriented and visible plenary sittings. However, there is a general feeling that the meetings of the Governing Body do not currently enable substantive discussion on governance issues. Agendas of committees often include more items than can reasonably be covered. Items for information coexist with items that call for a decision. The Governing Body itself does not have a full discussion on the most important policy items.
- 209.** Regarding the Conference, while the new structure has enabled the committee meetings to be concluded more efficiently, the plenary week remains unfocused. Time is not always well managed; there is insufficient time for some activities while there are long sessions during which speakers address an almost empty Assembly Hall.
- 210.** Interest and expectations remain high, nonetheless. Between 2000 and 2008, the number of delegates and advisers accredited to the Conference has increased from 3,115 to 4,212. Similarly, growing expectations have led to a greater number of documents for the Governing Body (383 documents in March 1999 and 463 in March 2008, and a rise in the number of pages per document from 13.9 to 18.6) and the Conference. Limitations on the length of documents and stricter management of their production have had some effect, but they cannot contain an underlying expansionary trend. If this growth rate continues, the resources of the Office and those of the constituents themselves will be unable to meet demand, and proper governance will become difficult.
- 211.** Regional Meetings, which were shortened and simplified in the late 1990s as part of a savings exercise, provide a forum to discuss and review the way in which the Decent Work Agenda is being realized in each of the regions. Through these meetings the constituents in the regions are playing an increasing role in setting regional priorities, and have taken major initiatives such as the adoption of regional decent work decades and agendas. This process should be further reinforced to enable constituents at the regional level to participate more in the planning and implementation of regional action. It would therefore be worthwhile revisiting the role of Regional Meetings.
- 212.** Both the Conference and the Governing Body have multiple roles. In addition to their governance and policy-setting functions they are important places for leaders in the world of work to meet and interact. This forum function has considerable value, which is difficult to quantify. However, while this role is clearly recognized for the Conference, the Governing Body has not succeeded in achieving a similar profile.
- 213.** The demands of UN reform also underline the need for clarity regarding the functioning of the decision-making bodies of the ILO, so that its tripartite authority can be effectively recognized in the broad scope of questions which fall under its mandate.
- 214.** Improving the functioning of the International Labour Conference is a continuous goal. The challenges raised by the 2008 Declaration call for a rethinking of the Governing Body's methods of work. A restructured, efficient Governing Body which can adequately deal with both governance and policy issues should be one of the aims of this SPF. This should be realized by exploring different options in intensive tripartite consultations.

A management vision for the ILO

- 215.** Reinforcement of management will be necessary to meet the challenges facing the Office in the next few years: enhanced competition around the ILO mandate; UN reform; departure of experienced staff; the headquarters renovation project; and continued pressure on resources for programme backstopping and delivery. The ILO will continue to operate collaborative and integrated strategies to promote coherent decent work policies, with results-based accountability frameworks and clarity on results expected from staff members. This will translate into a specific set of responsibilities for each level of management. Measures to further strengthen the role and assignment of the Senior Management Team will be introduced to enable comprehensive follow-up to the 2008 Declaration and to address key internal governance issues. Line managers will help strengthen the professional approach to management for results. In addition to the existing responsibility for quality and effectiveness of technical services, there will be a renewed focus on staff performance, risk management, and responsibility for promoting teamwork and efficiency.
- 216.** An Office-wide change management and capacity building programme will be implemented, building on the milestones of the results-based management roadmap, and supported by integrated management strategies. It will combine capacity building elements and reinforced incentive structures to implement changes in the culture and practices of the Organization and the Office. This long-term process will require commitment to good governance and in-depth involvement of all constituents and staff, particularly management. The programme will therefore target improvements of the following management dimensions:
- Accountability: clear accountability frameworks and a mechanism for assessment of management performance will be put in place. This is supported by the human resources strategy, which will also help to deepen the results-based culture in the Office, facilitating and rewarding collaborative working methods, and promoting greater management accountability.
 - Transparency: IRIS facilitates change by streamlining processes and procedures, enabling the rapid exchange of information throughout the Office, thus increasing transparency, communication, teamwork and efficiency. Its full potential will be realized by extending the full functionality to the external offices and using it as a management decision-making tool, enabling the Office to use harmonized systematic approaches rather than ad hoc procedures.
 - Work-planning and organization of work: A common work-planning solution and guidelines within and across operational units will be implemented. Results-based work-planning will promote accountability and priority setting within the context of teamwork and joint delivery. Furthermore, it optimizes effective and efficient use of resources and is the basis for the assessment of performance on an individual and organizational level.
 - Support for knowledge sharing: The foundation for knowledge sharing will be strengthened through implementation of the strategy in the area of electronic document management system (EDMS). This will be further developed with a new functionality which will increase the quality and accessibility of ILO official correspondence, reports, documents and archives.
 - Organizational learning: Internal and external audits and independent evaluations and findings from the Independent Oversight Advisory Committee provide significant input to governance, and help foster a culture of accountability and continuous learning. The observations and conclusions of evaluations and audits will be available

Office-wide and thus contribute to the adoption of better practices based on lessons learnt.

- Teamwork: Teamwork and joint delivery within and outside the Office are the only way to coherently and effectively respond to constituents' needs. Consequently, training and support related to building and maintaining high performing teams will be available for all levels of ILO management, including approach, methodology and best practices in this area.
- Core management competencies will be reinforced through additional management training.

217. The management capacities described below are intended to strengthen ILO management capacities, thus contributing to the fundamental strengthening of capacity to deliver decent work as foreseen by the 2008 Declaration.

Human resources

218. The 2010–15 Human Resources Strategy will further optimize the fit between the ILO's strategic focus on delivering decent work and the Office's human resource management. It will drive the fundamental changes needed to support the 2008 Declaration while building on recent achievements and lessons learnt. It will facilitate the demands arising from the implementation of the field structure review and the deepening of UN reform, while respecting obligations arising from the UN common system. It will deepen the culture of results-based management and promote and facilitate increased accountability and efficiency, and teamwork and knowledge sharing between headquarters and the field. It will provide for increased investment in staff welfare and security initiatives that can improve staff safety, motivation and performance.

219. The modernized recruitment, assignment and placement system will increase internal capacity by identifying qualified young people to renew the ILO skills base, while attracting and retaining competent, experienced officials to respond to high-level needs. Managers will receive more support and advice on hiring staff and updated recruitment tools will simplify the screening and assessment processes. The staff performance management system will enable increased recognition, staff development and career progression. It will foster teamwork and knowledge sharing across all ILO staff, and reward excellence while addressing issues of underperformance. Managers will be given training and support to assess performance effectively in a results-based environment, and they will be held accountable for delivering results.

220. The staff development strategy, informed by a skills mapping exercise, will focus on strengthening the ILO knowledge base on the world of work in response to constituents' needs. It will reinforce managerial competence and foster good governance through specialized training initiatives. The revised contracts policy will facilitate flexible and efficient contractual arrangements and transparency, equity and consistency in the administration of contracts, in turn reducing costs and allowing for greater staff mobility to respond to constituents' needs. It will encourage more effective use of technical cooperation staff and external knowledge networks to bridge capacity gaps. Clearer identification of roles, responsibilities and reporting lines and new working methods across and between sectors and regions will help improve effectiveness.

Preliminary milestones

Year	Milestones
2011	Fully operational staff recruitment, assignment and placement system.
2011	Revised contracts policy fully implemented.
2011	Staff consistently practising teamwork and knowledge sharing.
2012	Fully implemented staff performance management system.
2015	Security risk assessments and business continuity plans in all offices.
Ongoing	Compliance with United Nations Security Management System standards.

Information technology

- 221.** The 2008 Declaration emphasizes the promotion of shared knowledge. Information technology (IT) will provide the technological foundation to facilitate the sharing of knowledge within the Office and with constituents. The 2010–15 Information Technology Strategy will be organized around infrastructure, IRIS, knowledge, and governance, support, and training. It will be linked to and contribute to other strategies of the Office.
- 222.** Infrastructure: Hardware, software, and services will continue to be economically acquired and effectively maintained to provide a modern, reliable, efficient, and secure IT infrastructure so that all officials have the required tools to carry out their work. Connectivity between all ILO locations will be at the level needed to support efficient communications, and to ensure reliable access to central applications and information resources. Business continuity will be strengthened through the implementation of disaster recovery sites which could provide continued operation for all essential systems and applications.
- 223.** IRIS: The deployment of IRIS functionalities to the regions will be completed. Moreover, IRIS will continue to evolve to meet changing needs in functionality, accessibility, and reporting. IRIS modules will be developed to provide the functions needed to implement two office strategies: evaluation and monitoring functionality for the evaluation and oversight strategy, and performance management and e-recruiting for the human resources strategy.
- 224.** Knowledge: The deployment of the EDMS to units at headquarters and to offices in the regions will be completed. Access to all official documents by all staff will improve the flow of information throughout the Office and make it possible to secure ILO's institutional knowledge. The Plone collaboration and knowledge sharing system will be enhanced to meet the growing needs of the Office. Efforts will be made to provide user-friendly interfaces to help overcome some of the obstacles to sharing knowledge of ILO's work.
- 225.** Governance, support, and training: The IT governance framework based on industry standards will be completed and all IT processes will be rigorously documented so as to be fully auditable. IT support at headquarters and in the regions will be streamlined to be more effective and cost-efficient. Training will be expanded by making greater use of Internet technologies and to provide options for on-demand training, contributing to a more effective approach to staff development.
- 226.** Delaying or deleting one or more elements of the strategy entails risks which will impact on the working of the Office, the severity of which will depend on the strategy element involved. For example, if the IT infrastructure is not maintained at the highest level of

performance and security due to insufficient resources, email may become unreliable; delayed or lost emails will affect the productivity of all officials and eventually damage the image of the ILO.

Preliminary milestones

Year	Milestones
2011	IRIS deployment to the regions is completed.
2012	All IT processes are fully documented.
2013	EDMS deployment to headquarters and the regions is completed.
2014	IT support throughout the Office is more streamlined and cost efficient.
2014	Disaster recovery hosting for all essential services.

Oversight and evaluation

- 227.** The strategy promotes the commitment to provide constituents, donors and development partners with useful, impartial feedback on organizational effectiveness and the achievements and impacts of programmes. It supports efforts to promote learning on decent work results and to validate programme performance and results achieved. It aims to promote a credible, independent evaluation system that contributes to the strategic use of resources and opportunities, and to accountability in a results-based framework. In conjunction with other areas of the Office, it also reinforces the application of sound management principles. In 2010, the Office will request an external independent assessment of the evaluation strategy to demonstrate to the Governing Body the nature and scale of progress made in strengthening the ILO's evaluation function and the quality of its work. The evaluation strategy and targets will be refined in line with the findings of the assessment.
- 228.** The Office will take further steps to improve the quality and coverage of decentralized evaluations and to provide training in several areas of evaluation, as well as strengthening ILO constituents' capacity to conduct evaluations. Lessons learned from evaluations will increasingly be built into key planning and programming documents. IT system upgrades will improve the targeting and dissemination of evaluation information to the public and the main stakeholders – the Governing Body, national constituents, UN partners and donors. The Office will continue work to systematize the monitoring of evaluation follow-up. Several high-level evaluations will be conducted, particularly of ILO core global strategies and DWCPs. New initiatives will include more strategic scheduling of evaluations, and new practices will ensure regular independent validation of internal appraisals and performance reporting, thus improving the credibility of the Office's performance monitoring. Focus will then be placed on upgrading evaluation methodologies, including those of national evaluation partners. In order to minimize risk, there will be particular emphasis on internalizing evaluation management practices, improving the quality of indicators and results documentation, and ensuring adherence to UN norms and standards in order to ensure the credibility of evaluations.
- 229.** Implementation of risk management processes will allow early detection of risks. Risk management implies a conscious, systematic and effective approach to accepting, avoiding or mitigating risks in a risk-aware, but not risk-averse, environment.
- 230.** Risk management contributes to fostering a culture of transparency and accountability consistent with results-based management. Its objective is to further strengthen the ILO's ability to fulfil its mandate by improving strategic and operational decision-making. More

specifically, risk management will be integrated into the ILO's standard procedures and core processes such as work-planning and performance review processes associated with RBM and preparation of the programme and budget.

Preliminary milestones

Year	Milestones
2010	External review of implementation of evaluation function – 2006–09.
2011	Revised evaluation strategy and policy adopted and implemented.
2012	Rate of recommendations implemented in a satisfactory manner within one year reaches 80 per cent.
2013	Standardized practices maintained for programmes and strategies, consistent with broader UN system methodologies.
2014	Information and data from all types of evaluations fully accessible and systematically used to innovate and improve programming.
2015	100 per cent of DWCPs are either self-evaluated or subject to independent evaluation.
Ongoing	Regular use of internal reviews, self-evaluations and independent evaluations of all ILO programmes and activities in biennial programme and budget implementation report.

VII. Resources for the planning period

New features within an ongoing discussion

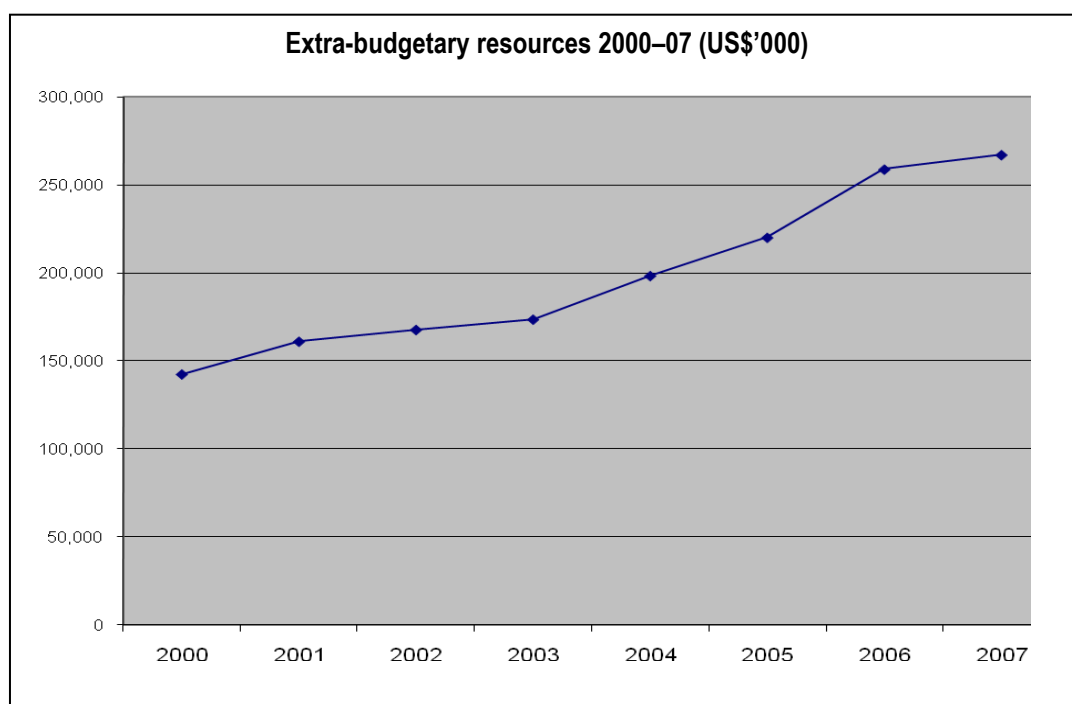
231. The level, sources and allocation of resources are frequently discussed by the Governing Body and its Committees, as well as by the International Labour Conference. During the discussion of the Programme and Budget proposals for 2008–09, the Governing Body requested a more in-depth discussion of resources beyond the scope of the budget proposals for a specific biennium.

232. Recurrent themes include:

- the declining real level of the regular budget over a long period, leaving the capacities of the ILO reduced in spite of the growing relevance of its mandate and rising demands from constituents;
- the continuing stretching of regular budget resources to cover both expanded operational needs and central knowledge and policy functions;
- the rising proportion of extra-budgetary resources in the ILO's overall funding, and the uncertainty that dependency on such funds implies for the core action and capacities of the Office;
- the commitment to policy coherence and other principles of UN system reform, including the implications of the new aid context;
- the desirability of an integrated approach to ILO action, with all funding modalities used in a complementary way to achieve results and integrated reporting of both results and related expenditure;
- the need to enhance the efficiency and effectiveness of the Office;

- the need to find ways to eliminate or reduce work of lower priority so as to free resources for higher priorities and opportunities;
- the need to reserve additional funds for maintenance and investments.

233. Regular budget resources have stayed close to zero real growth over the last few biennia, with fluctuations in the nominal level due essentially to exchange rate effects. Extra-budgetary resources, nonetheless, have almost doubled over the last seven years, as illustrated by the following chart. However, these resources are unevenly distributed between countries and regions, even when population and poverty are taken into account.



234. Table 1 below shows that 45 countries, including 16 countries in Africa, received no extra-budgetary assistance, whereas the top ten recipients received more than US\$5 million in 2006–07. The Office has been seeking ways to redress this imbalance. A major innovation started during the 2008–09 biennium with the creation of the RBSA, which can be used flexibly to respond to funding gaps identified in DWCPs. The RBSA is fully adapted to meet the demands of the new aid context, characterized as founded on voluntary contributions to the regular budget and directed to decent work outcomes; entailing little or no earmarking; and based on donor coherence and harmonization, ownership, alignment with national priorities and the national development agenda, results-based planning and management, and funding linked to results.

Table 1. Distribution of countries by range of expenditure in 2006–07

Range of expenditures	No. of countries	Per cent distribution
0	45	30.4
>0<50,000	15	10.1
>50,000 <100,000	9	6.1
>100,000 <500,000	32	21.6
>500,000 >1,000,000	9	6.1
>1,000,000 <5,000,000	27	18.2

Range of expenditures	No. of countries	Per cent distribution
>5,000,000 <10,000,000	9	6.1
>10,000,000	2	1.4
Total	148	100.0

Source: ILO Programme Implementation Report 2006–07, Appendix V.

Note: Excluding expenditure under global, interregional, regional and subregional projects.

- 235.** The recent growth in extra budgetary resources, while important, has not been sufficient to respond to clearer and more insistent demands from constituents. Needs identified by constituents, and the consequent resource gaps in DWCPs, can be expected to continue to expand. The donor community has been responding with increasing resources, and it is hoped that this trend will continue.
- 236.** A large part of the ILO's capacity to support delivery of extra budgetary resources is included in the regular budget. One of the primary functions of external offices, for example, is to manage and support operational activities. Most knowledge and policy development work feeds ultimately into operations. However, regular budget resources have fallen as extra budgetary resources have expanded. While an excellent case can be made for regular budget growth, there is no evidence that consensus could be reached on budgetary growth that adequately responds to capacity needs.
- 237.** This raises the question of whether an expanded RBSA could be an important part of the solution. Early experience with RBSA suggests that it can be a highly effective and low-cost operational modality. There are a number of lessons that promise even greater efficiency and effectiveness in the future, including the need for more flexible earmarking, the desirability of having assured resources available early in the biennium and the need to better balance operational activities with investments in improving the relevant knowledge, tools and technical support.

Resource mobilization strategy and possible resource scenario

- 238.** The Resource Mobilization Strategy adopted in November 2004¹ included: promoting multi-annual partnerships with donors corresponding to the Organization's cycles and priorities; upgrading the capacity of ILO field offices to mobilize local resources; streamlining internal priority setting mechanisms; facilitating greater coordination between donors; and developing incentives to promote tripartism and proposals tailored to employers' and workers' organizations. The Governing Body subsequently recommended that donor partnership agreements should make provisions to support gender mainstreaming and that donors should be introduced to decent work country programming.
- 239.** It is increasingly recognized that the Decent Work Agenda is an effective response to problems of poverty and unbalanced globalization. However, an effective response would require a quantum leap in ILO technical cooperation.
- 240.** Key transformations in international development assistance have resulted in ambitious aid targets. At the same time they link aid to effectiveness. Development results require more effective and inclusive partnerships and country ownership. Harmonization of donor interventions and a trend towards un-earmarked voluntary contributions to regular budget priorities and outcomes promise more flexible and efficient assistance. In the wake of the

¹ GB.291/TC/1, para. 17.

2005 Paris Declaration, the 2007 General Assembly resolution on the Triennial Comprehensive Policy Review, the 2008 Accra Agenda for Action, the 2008 UN MDG Summit, the November 2008 Financing for Development meeting in Doha and the ongoing UN reform process, the ILO and its donors are responding to these challenges in order to unlock the full potential of aid in achieving lasting development results.

- 241.** In line with the 2008 Declaration, the Resource Mobilization Strategy is being reviewed and reoriented towards assisting constituents. The enhanced Resource Mobilization Strategy aims at directing extra-budgetary and RBSA resources to decent work outcomes through targeted fund-raising efforts. To establish strategic, ambitious and realistic targets for resource mobilization, adequate mechanisms will be developed to formulate results-based implementation plans and to identify resource gaps for decent work outcomes at the global, (sub)regional and national levels. Donors will be encouraged to shift away from earmarked funding for particular technical cooperation projects, which potentially have a distorting effect on achieving decent work outcomes, towards un-earmarked predictable and inclusive multi-annual partnership agreements as well as contributing to the RBSA. The strategy will also enable the Office to align all technical cooperation with programmed outcomes.
- 242.** In addition, in the light of the positive performance, expertise built and results achieved by the ILO through the implementation of several global programmes and products such as IPEC, the ILO Programme on HIV/AIDS and the World of Work (ILO/AIDS) and the ILO Programme on Safety and Health at Work and the Environment (SAFework), the 2010–15 period will offer opportunities to further strengthen and expand ILO's approach to technical cooperation by concentrating on a number of larger programmes. This will focus on core areas of ILO's work, cut across the strategic objectives and highlight practical solutions to Members' needs.
- 243.** The table below illustrates a possible resource scenario, based on zero real growth for the regular budget in 2010–11, followed by a real growth of some 1.5 per cent in 2012–13 and some 2 per cent in 2014–15. Technical cooperation resource growth is estimated at some 7 per cent per year (based on recent experience) while RBSA doubles in 2010–11 and increases at 50 per cent per biennium thereafter.

Period	Regular budget resources	RBSA	Extra-budgetary resources	Total
2008–09	642	45	350	1 037
2010–11	642	90	400	1 132
2012–13	652	135	460	1 247
2014–15	665	200	525	1 390

All figures are estimated expenditure in millions of US dollars at 2008–09 costs and exchange rates.

- 244.** This scenario assumes that high-priority needs and resource gaps will continue to be identified and that it will be at least partially possible to respond to the highest priorities of the large number of under-served countries, in addition to sustaining those current programmes that are essential.
- 245.** Under this scenario, extra-budgetary resources continue to grow as a proportion of the regular budget, from about 60 per cent to some 79 per cent. However, as a proportion of total resources including RBSA, extra-budgetary resources remain at some 35 to 38 per cent. The regular budget falls from 62 per cent to 48 per cent of total resources, while RBSA rises from close to 4 per cent to about 14 per cent.

246. There are a number of advantages of this scenario:

- It provides a balance between resources under the direct control of the Governing Body and the Conference and those subject to negotiations with donors.
- The cost of delivery of operational activities would fall, representing an increase in efficiency.
- It would be possible to use the RBSA to cover gaps in services to constituents.
- Through collaboration between field and headquarters units, it would increase the coherence of ILO action and its critical mass.

Investments and infrastructure

Office maintenance and upgrading

247. The ILO will gradually move towards an annual provision equivalent to 1 per cent of the value of all its properties in order to finance major renovation and refurbishments. In addition, the ILO will carry out the renovation of its headquarters. Once approved by the Governing Body, the project will deliver many significant benefits, including greater space and energy efficiency, safety improvements, lower maintenance costs and the functional improvements associated with modern building standards.

Greening of the ILO

248. At its meeting in October 2007, the CEB adopted a statement on moving towards a climate-neutral UN which committed the heads of the United Nations agencies, funds and programmes to move their respective organizations towards climate neutrality in relation to operations and travel. In particular, the statement provides that by the end of 2009, they will:

- estimate the greenhouse gas emissions consistent with accepted international standards;
- undertake efforts to reduce greenhouse gas emissions to the extent possible;
- analyse the cost implications and explore budgetary modalities – including consulting with governing bodies as needed – of purchasing carbon offsets to eventually reach climate neutrality.

249. The overall goal for the ILO is to achieve climate neutrality by 2015. Starting with the Programme and Budget proposals for 2010–11, measures will be taken on recycling and waste management and reduction of greenhouse gas emissions, including reducing travel and increasing use of video conferences. In addition, the External Auditor will be requested to look at introducing environmental auditing. Staff will be encouraged to use public transportation. Climate neutrality will be a key component of the headquarters' renovation project.

Security

250. The Office will continue to take the necessary measures to provide a safe and secure working environment for all staff members. The compliance of all offices with Minimum

Security Standards set by UN Security Management System (UNSMS), in particular Minimum Operation Security Standards (MOSS) and Minimum Operational Residential Security Standards (MORSS) will be monitored and the necessary resources provided for full compliance. In addition, in close cooperation with the United Nations Department of Safety and Security, security risk assessments will be carried out and appropriate additional risk mitigating measures will be taken.

- 251. Up to date lists of all staff (both regular and technical cooperation) will be maintained and an emergency notification system will be utilized to enable the Office to contact them at short notice when needed.
- 252. Business continuity plans will be developed and maintained for all offices. These will provide guidelines for action to be taken in times of crisis to ensure the maintenance of critical functions.
- 253. The Office will continue to provide security training for all managers and staff members so that they are equipped to carry out their respective responsibilities in accordance with the accountability framework of UNSMS and the ILO.

VIII. Preview of the Programme and Budget proposals for 2010–11

New features in the Programme and Budget proposals for 2010–11

- 254. In November 2007, the Governing Body endorsed the proposal² to extend the SPF coverage to six years and therefore to three biennia. The Programme And Budget proposals for 2010–11 will be the first under a more stable results framework. This will allow for greater continuity and comparability over time.
- 255. The proposed results framework will be amended as necessary following the discussion of the SPF at the current session and will be reflected in the Programme and Budget proposals for 2010–11. Future programme and budget proposals will follow the same framework, adapted as necessary to intervening developments and decisions.
- 256. Based on the above framework, the Programme and Budget for 2010–11 will contain fully developed proposals under each outcome. It will contain more detailed outcome strategies covering technical capacities, mainstreamed principles such as gender and tripartism, risks and assumptions and lessons learned.
- 257. In addition, in line with the emphasis in the 2008 Declaration on the inseparable, interrelated and mutually supportive nature of the strategic objectives, outcome strategies will explicitly describe their contribution to the achievement of all the strategic objectives.
- 258. For all outcomes, performance indicators will include paragraphs on concrete measurement. Where applicable, regional targets will be included. Baselines will be included wherever possible.
- 259. In addition to fully developed proposals on each substantive outcome and each outcome under governance, management and support, the Programme and Budget for 2010–11 will

² GB.300/PFA/9/1.

contain a number of specific budgetary proposals that reflect the implications of the 2008 Declaration as well as other ongoing discussions and commitments. A summary is provided below of some of the most significant items:

- **Field structure:** While the main discussion on the field structure review will be held in March 2009 only, the idea of a smaller number of decent work technical support teams, with more specialists and a critical mass of expertise, has received wide support. Similarly, the idea of extending ILO representation to more countries through national coordinators is widely seen as a necessary response to UN reform and country-based assistance. Proposals will consequently be made, within budgetary constraints, to begin implementation of these improvements.
- **Strengthening the technical capacities of the Office:** The SPF calls for strengthening capacity in four key areas: knowledge, support to constituents' capacity, partnerships and communications, and operational capacity. Specific proposals will be made in each of these areas. The proposals on knowledge will include the country studies called for in the 2008 Declaration as well as a programme of applied research. Support to constituents' capacity will emphasize work through the International Training Centre of the ILO in Turin.
- **A strategic approach to technical cooperation:** The new architecture of development assistance will require the Office to propose major initiatives, with adequate critical mass, following the model developed by IPEC. This will start in areas where the ILO already has capacity and tools, including statistics on labour and social issues, labour administration, and sustainable micro and small enterprises. At the same time, new product development will focus on emerging areas such as green jobs. Finally, the Office will follow up promising technical cooperation approaches that build on multilateral cooperation, for example the CEB Toolkit and the Better Work Initiative in collaboration with the International Finance Corporation.
- **Headquarters renovation:** Analysis and negotiations on the renovation project are under way. Progress will be reported to the Building Subcommittee of the Programme, Financial and Administrative Committee at the current session of the Governing Body. The programme and budget proposals will reflect the latest information available and will address the need to accelerate the contributions to the reserve for future renovation.
- **Changes in working methods:** The implications of the 2008 Declaration for the methods of work of the Office will take time to be fully assimilated. The programme and budget proposals will continue the development of the Office's response to this important question, and particularly address the need for a solid change management capacity.

Annotated outline of the Programme and Budget proposals for 2010–11

260. The annotated outline proposed below aims to provide a brief summary of the form and content of the proposals:

- (a) **Executive Summary:** The executive summary will provide the key points under each of the sections in the programme and budget proposals and will include all the necessary resource information to facilitate the discussion and the decision-making process.

- (b) Priorities: This section will describe the links between the SPF priorities and the Programme and Budget proposals for 2010–11. It will also contain details on regional priorities for 2010–11 informed by the 2008 Declaration and the priorities identified in Decent Work Decades, Regional Meetings and DWCPs.
- (c) Strategic objectives and outcomes: The programme and budget proposals will further elaborate on the results framework found in the SPF. Priorities under each of the strategic objectives will be described. Substantive outcomes will contain detailed outcome strategies as described above together with indicators, targets, measurement statements and the level of resources proposed.
- (d) Technical capacities: In response to the SPF call for strengthening capacity in the areas of knowledge, support to constituents' capacity, partnership and communication and operational capacity, the programme and budget proposals will reflect the proposed strategies under each of these areas for achieving the milestones proposed for 2010–11.
- (e) Governance, support and management: Proposed outcomes under governance, support and management will be further elaborated including detailed outcome strategies for 2010–11, targets and baselines or benchmarks. The implications of the 2008 Declaration for change in methods of work and in institutional practices will inform the strategies.
- (f) Resources: The discussion on resources under the SPF will inform this section. Resource information will be presented in an integrated way for all the sources of funds available (regular budget, extra-budgetary resources and RBSA). In addition, this section will contain, as mentioned above, specific proposals that reflect the implications of the 2008 Declaration as well as other ongoing discussions and commitments.

Geneva, 24 October 2008.

Submitted for debate and guidance.

Appendix

List of indicators under development

Indicators

1. This appendix presents the performance indicators being developed to gauge the effectiveness of ILO action. The proposed indicators are subject to review following the current discussion of the Governing Body.
2. The proposed indicators have been streamlined as a result of lessons from implementation reporting and to conform to international best practice. The number has been reduced from 68 in 2008–09 to 38 for 2010–15. The indicators are simple and direct statements of the criteria the ILO will use to measure or verify the achievement of outcomes. For each biennium, they will be accompanied by targets, normally on a regional basis.
3. To better address measurement issues, including baselines, each indicator will be accompanied by a measurement statement in the programme and budget proposals. These measurement statements will specify the criteria for assessing results towards targets in concrete terms, in particular by:
 - using key provisions of international labour standards and tripartite decisions;
 - specifying the criteria that will be applied to verify the involvement of the social partners; and
 - specifying implications for measurement of mainstreamed issues such as gender.
4. To be counted as reportable, results must contain convincing evidence of ILO's contribution to their attainment.

List of indicators under development for 2010–2015

Outcome statements	Indicators under development
1. Coordinated and coherent policies generate inclusive job-rich growth	Number of member States that integrate national, sectoral or local employment policies and programmes in their development frameworks Number of microfinance institutions that change their delivery method to encourage creation of decent work opportunities Number of member States that strengthen their labour market information and analysis systems Number of member States that prioritize productive employment in their recovery and reconstruction measures
2. Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth	Number of member States that integrate skills development into national or sectoral development strategies Number of member States that extend training provision to improve access of disadvantaged groups to the labour market
3. Sustainable enterprises create productive and decent jobs	Number of member States that reform their policy or regulatory frameworks to improve the enabling environment for sustainable enterprises Number of member States that take significant action to facilitate transition of informal activities to the formal economy Number of member States that adopt policies and programmes that integrate the principles of the MNE Declaration

Outcome statements	Indicators under development
4. More people have access to better managed and more gender equitable social security benefits	Number of member States that improve the knowledge and information base on the coverage and performance of their social security system Number of member States that develop policies improving social security coverage, notably of excluded groups Number of member States that improve the legal framework, general and financial management and/or tripartite governance of social security in line with international labour standards
5. Women and men have healthier, safer and more equitable working conditions	Number of member States where tripartite constituents take significant action to include working conditions and OSH issues in enterprise promotion and productivity-enhancement policies Number of member States that improve the application of their national laws on OSH and working conditions in line with international labour standards
6. More migrant workers are protected and have access to productive employment and decent work	Number of member States that adopt labour migration policies that reflect the contents of the ILO Multilateral Framework and the provisions of relevant international labour standards Number of member States of origin that adopt and implement policies and programmes to enhance management of skills or savings acquired through migration
7. The world of work responds effectively to the HIV/AIDS epidemic	Number of Member States that have modified their labour legislation on the basis of the ILO HIV/AIDS Recommendation Number of member States where tripartite constituents take significant action to implement HIV/AIDS programmes at workplaces
8. Employers have strong, independent and representative organizations	Number of cases in which employers' organizations have modified their organizational structures and strategic planning to become more effective Number of cases in which employers' organizations provide modified services that respond to the needs of existing and potential members Number of cases in which the policy environment for enterprises is improved through the participation of employers' organizations in policy discussions at the national, regional or international levels
9. Workers have strong, independent and representative organizations	Number of cases in which workers' organizations include the Decent Work Agenda in their strategic planning and training programmes Number of cases in which compliance with fundamental workers' rights and international labour standards is increased through the participation of workers' organizations in policy discussions at the national, regional or international levels
10. Labour administrations apply up to date labour legislation and provide effective services	Number of member States that have strengthened labour administration systems in line with international labour standards Number of member States that improve their labour inspection system in line with international labour standards Number of member States that reform employment services to deliver on employment policy objectives Number of member States that adopt new or improve existing labour laws in line with international labour standards
11. Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations	Number of member States that strengthen social dialogue institutions in line with international labour standards Number of member States that strengthen machinery dealing with collective bargaining and labour disputes settlement in line with international labour standards

Outcome statements	Indicators under development
12. A sector-specific approach to decent work is applied	Number of member States that take significant action to implement sector-specific standards, policies and programmes in line with the Decent Work Agenda Number of member States that adopt specific policies and programmes to promote employment and poverty reduction in rural areas, integrating the four dimensions of the Decent Work Agenda
13. The right to freedom of association and collective bargaining is widely known and exercised	Number of member States that expand mechanisms to promote and safeguard freedom of association and collective bargaining rights in line with international labour standards Number of cases of improved application of freedom of association standards and principles and rights
14. Child labour, forced labour and work-related discrimination are progressively eliminated	Number of cases of improved application of rights in Conventions relating to child labour Number of cases of improved application of rights in Conventions relating to forced labour Number of cases of improved application of rights in Conventions relating to discrimination and gender equality
15. International labour standards are applied	Number of member States that take significant action to apply international labour standards, in particular in response to issues raised by the supervisory bodies Number of cases where UN agencies or Multilateral Financial Institutions (MFIs) incorporate principles and rights contained in international labour standards in national programmes