



Governing Body

310th Session, Geneva, March 2011

GB.310/TC/2

Committee on Technical Cooperation

TC

FOR DEBATE AND GUIDANCE

SECOND ITEM ON THE AGENDA

Decent work and aid effectiveness

Overview

Issues covered

The paper reviews the current aid effectiveness discussion in view of the upcoming Fourth High-Level Forum on Aid Effectiveness in Busan, Republic of Korea, in November 2011. It examines the possible contribution of the Decent Work Agenda to the discussion on aid effectiveness as the development community prepares to elaborate a development vision after the Millennium Development Goals.

Policy implications

None immediately.

Legal implications

None.

Financial implications

None.

Action required

None.

References to other Governing Body documents and ILO instruments

GB.304/TC/1; GB.306/TC/1; GB/306/TC/5; GB.309/TC/1; GB.310/TC/1.

ILO Declaration on Social Justice for a Fair Globalization.

Global Jobs Pact.

Introduction

1. The Governing Body's Committee on Technical Cooperation has previously discussed elements of the aid effectiveness agenda and its implications for the ILO's technical cooperation programme.¹ Drawing on the triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR),² a number of elements of the aid effectiveness agenda were adopted in the ILO's technical cooperation strategy, including alignment of technical cooperation funds with country priorities, management for development results, a commitment to capacity development, and deeper engagement with United Nations country-level coordination.³
2. The aim of the present paper is to set out the real and potential impact of the decent work experience on the evolving aid effectiveness discussion, in particular in view of the upcoming Fourth High-Level Forum on Aid Effectiveness (HLF-4) which will be held in Busan, Republic of Korea, from 29 November to 1 December 2011. The paper and its related discussion could serve to provide elements for further work on aid effectiveness by tripartite constituents and support their contributions to the High-Level Forum and other related forums, and it could further guide the ILO's work as it engages in preparations for the post-Millennium Development Goals environment.

The decent work contribution to aid effectiveness

3. The principles of aid effectiveness were set out in the Paris Declaration on Aid Effectiveness, adopted in 2005, and consist of commitments to be made by donor and partner countries on ownership of development policies by partner countries; alignment of donor support to country priorities; and the use of country systems to deliver development assistance, the harmonization of aid, managing for results, and mutual accountability. A number of these issues as they applied to the United Nations system were taken up under the wider notion of development effectiveness in the General Assembly Resolution on the TCPR, in particular national ownership of development policies through United Nations programming frameworks, the importance of alignment of development funds with such priorities, the capacity development of national systems and aid to fragile States. The Accra Agenda for Action, adopted at the Third High-Level Forum on Aid Effectiveness (HLF-3) in 2008, further developed these principles, especially with regard to deepening the engagement with civil society both in partner and donor countries, South-South cooperation, and strengthening assistance to fragile States. The United Nations system reflected numerous principles of the Paris and Accra forums in the Doha Declaration on Financing for Development, adopted in December 2008.⁴

¹ GB.304/TC/1.

² United Nations General Assembly Resolution 62/208, *Triennial comprehensive policy review of operational activities for development of the United Nations system*, A/RES/62/208.

³ GB.306/TC/1.

⁴ United Nations, Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus: *Doha Declaration on Financing for Development*, A/CONF.212/L.1/Rev.1.

4. The ILO and the Decent Work Agenda are particularly relevant to a number of these themes, and the ILO can draw on its experience to further shape policy towards more effective development practices.

Ownership

5. The Paris Declaration and the TCPR stress the importance of partner countries exercising leadership in developing and implementing results-based national development strategies, and encourage the participation of civil society and the private sector in this effort. The Accra Agenda for Action greatly expanded this point and called for broadened country-level policy dialogue on development, as participants at HLF-3 felt that civil society had not been adequately included in the formulation of national development policy. The ILO's experience with Decent Work Country Programmes fostering tripartism and social dialogue is instructive in bringing membership-driven civil society voices and actors in the real economy into the national development dialogue. The second generation of Decent Work Country Programmes has greatly improved the active participation rate of social partners, including in monitoring and evaluation activities. Nonetheless, only 25 out of 102 United Nations Development Assistance Frameworks (UNDAFs) recently examined indicated any involvement of the social partners in their elaboration.⁵ If the aid effectiveness agenda continues to stress the more systematic engagement of civil society and business in national development planning, and the importance of truly representative civil society institutions, it needs to specifically recognize the contribution of the social partners and ensure their more active participation in the elaboration of national development policies.
6. Ownership and civil society participation are also critical for ensuring the integration of human rights and gender equality in the establishment of national development priorities. Civil society actors, including the social partners, are often the foremost advocates for ensuring that a human rights agenda, including respect for international labour standards, is integrated into national development priorities.
7. The social partners and labour administrations also play an important role in ensuring that women and vulnerable groups, including disabled persons and indigenous and tribal peoples, are heard as well. The ILO's Participatory Gender Audit (PGA), for example, remains an important tool in building capacity for gender equality for ILO constituents, other national authorities and civil society groups, and the UN system as a whole. PGAs have been conducted for ILO constituents at both international and national levels, and the ILO has provided training of PGA facilitators for 11 United Nations Country Teams, including four in Delivering as One pilot countries.⁶

Using and strengthening country systems

8. The principle of using country systems, as set out in the Paris Declaration, was also greatly expanded at the HLF-3 in Accra due to the perception that progress in this respect was unsatisfactory. The Accra Agenda for Action stressed the use of country systems as the first option for aid programmes, and the importance of capacity development if such systems were not yet viable. Within the ILO, the use of national systems could be

⁵ GB.309/TC/1.

⁶ Cape Verde, Ethiopia, Liberia, Malawi, Mozambique, Nigeria, Philippines, Rwanda, United Republic of Tanzania, Uganda, Yemen.

promoted by strengthening the institutional capacity building of constituents, especially with regard to financial management and accountability.⁷ The International Training Centre of the ILO in Turin, which already offers training in such areas as public sector, human resources, procurement and project management, could play a further role in efforts to strengthen national system capacity. For this to happen, the aid effectiveness agenda needs to stress institutional capacity development for all development partners, including ILO constituents.

Aid to fragile States

9. The TCPR and the Accra Agenda both stressed the continued importance of providing aid to post-crisis and fragile States and the transition from relief to development. The potential of a decent work approach to supporting fragile States remains largely undeveloped in the aid effectiveness debate. Out of nearly 700 projects in the ILO technical cooperation portfolio, over 100 are being carried out in countries currently or recently marked by conflict. The ILO's work in support of crisis-affected States remains best known through its crisis response and reconstruction efforts, in particular livelihood creation through labour-intensive investment, and specialized interventions focusing on skills development and employment promotion for ex-combatants. The decent work approach to peace building and state building is, however, not limited to countries affected by conflict or humanitarian crisis, but is also relevant to countries seeking to stabilize or to prevent potential conflicts from turning into real ones.⁸ In this respect the Decent Work Agenda provides a wide range of approaches, from youth employment policies, work on indigenous peoples' rights and the expansion of social protection to vulnerable groups to promote inclusion, and rights-based approaches to human trafficking, to the strengthening of social partner institutions to promote service-oriented and membership-driven civil society institutions that can support democratic change and good governance. The ILO's work on child labour, gender equality and economic empowerment of women is critical for protecting those groups that are most vulnerable in times of conflict. The ILO–UNHCR partnership on Employment for Peace, for example, provided local economic development to 20 countries, ranging from those hit by recent conflict to those trying to diffuse potential conflicts which threatened stability. Such efforts not only contribute to national stability and peace, but are an important contribution to regional and international efforts to address emerging security threats such as terrorism, ideological extremism, and organized crime.

South–South development cooperation

10. The United Nations Third Global South–South Development Expo, 2010, hosted by the ILO from 22 to 26 November 2010 in Geneva, demonstrated the potential of South–South cooperation as a pillar of development assistance, and the promising contribution of decent work as a South–South aid modality. The Expo highlighted a number of ILO efforts to promote South–South cooperation, including exchanges of information on successful experiences in the implementation of programmes on the social protection floor and

⁷ The issue of capacity development for constituents is discussed in detail in GB.310/TC/1. Within the Office, procedures have been established for using the Harmonized Approach to Cash Transfers, based on strict criteria for external assessment of internal controls in potential implementing partners, so as to allow for greater use of national institutions for implementing projects.

⁸ For example, the United Nations Policy for post-conflict employment creation, income generation and reintegration, 2008 (see GB.306/TC/5). The 2010 *Dili Declaration: A new vision for peacebuilding and statebuilding* calls for “inclusive political dialogue”, “inclusive economic development, including sustainable livelihoods, employment”.

employment; policies to combat child and forced labour through conditional cash-transfer programmes; knowledge-sharing platforms for skills development policies; and capacity building in the port and tourism sectors in Central America. The Solution Forums at the Expo also highlighted the important contribution of the South to combating climate change through green jobs and ecotourism, the promotion of gender equality and rural growth through national employment guarantee schemes such as the one operating in India, employer-supported apprentice schemes to promote skills development and youth employment in Brazil, and South support to reducing stigma related to HIV/AIDS through intercultural dialogue.

11. During the Expo, Brazil, India and South Africa signed a Declaration of Intent on South–South and triangular cooperation with the Office in the field of decent work, building on previous commitments made to promote cooperation as an important tool for achieving social and economic development. The instrument also recalled that the three countries had been working for a job-intensive recovery from the economic crisis, as well as for a framework for sustainable growth, as enshrined in the Global Jobs Pact. The Declaration also reaffirmed the intent to strengthen the ILO South–South cooperation programme to foster greater solidarity and enhance equality among countries and peoples in the world of work; and to support the ILO in creating a comprehensive programme on South–South cooperation.
12. The efforts of the countries from the South to be players in the international development and aid cooperation agenda point to an emerging “aid architecture” that would be more inclined towards sharing good practices, knowledge, experiences and the principles of social justice and international solidarity enshrined in the ILO Declaration on Social Justice for a Fair Globalization (2008). For decent work to further penetrate the aid effectiveness debate, it could capitalize on areas where the South countries are already breaking ground in sharing and promoting their own decent work solutions, and ensure widespread dissemination of good practices.

From aid effectiveness to development effectiveness

13. The Busan High-Level Forum, HLF-4, will assess progress made on the aid effectiveness agenda, but it will also be an important opportunity for the aid community to sketch out a development vision beyond the 2015 Millennium Development Goal targets and the current aid effectiveness debate. Within the United Nations system, the TCPR and the Doha Declaration have already expanded the aid effectiveness discussion, with its limited emphasis on the management and financing of aid, to a wider debate on development effectiveness, with the aim of establishing principles that govern achieving development outcomes as a whole. While this agenda remains to be defined, there is increasing recognition that aid can only be effective if other areas of development – such as trade, environment, security, migration and finance – are equally managed to support development outcomes.
14. The ILO’s unique mandate, reinforced by the ILO Declaration on Social Justice for a Fair Globalization, allows for decent work to play an influential role in shaping a clearer understanding of development effectiveness and contributing to this debate within the High-Level Forum and beyond. The contribution of the ILO to working out of poverty, to enhanced productivity, to social inclusion, and to democratic civil society participation in economic and social planning offers development solutions which are coherent, sustainable and effective. Its mandate to promote social justice across all areas of economic and social policy, including trade and finance, provide an opportunity to achieve the policy coherence necessary for true development effectiveness.

15. To sharpen the ILO's messages on aid and development effectiveness, the Committee may wish to provide input on the following questions:

- (a) What role can the constituents play in ensuring aid and development effectiveness?
- (b) How can fundamental principles and rights at work objectives be effectively integrated into country-owned development priorities?
- (c) How can the ILO strengthen its engagement with South–South cooperation and aid to fragile States?
- (d) How can the Office better support constituents in achieving aid and development effectiveness goals?

Geneva, 4 February 2011

Submitted for debate and guidance