



## FIRST ITEM ON THE AGENDA

## The role of Decent Work Country Programmes in the enhanced Technical Cooperation Strategy

### Introduction

1. At the 306th Session of the Governing Body (November 2009), the Committee discussed and adopted an enhanced Technical Cooperation Strategy in the context of the United Nations (UN) reform process. The Strategy covers approaches to resource mobilization, alignment of technical cooperation funding with Decent Work Country Programmes and global outcomes, and improvements in the quality, management and oversight of technical cooperation programmes and projects. <sup>1</sup> The Strategy also calls for the strengthening of the technical and institutional capacity of constituents to successfully engage in development planning through Decent Work Country Programmes. At the same session the Committee discussed a paper on the implementation of Decent Work Country Programmes. <sup>2</sup>
2. During the discussion of these two papers a number of issues and questions were raised concerning the role of Decent Work Country Programmes in relation to technical cooperation, promoting decent work in the context of United Nations Development Assistance Frameworks (UNDAFs) and other development plans, and their future development as the first generation of Decent Work Country Programmes comes to an end. This paper is a follow-up to the discussion at the last sitting of the Committee and seeks to draw on lessons learned from the first generation of Decent Work Country Programmes, and to provide some guiding principles for the future development of country programmes in the light of the Technical Cooperation Strategy.

<sup>1</sup> GB.306/TC/1.

<sup>2</sup> GB.306/TC/2.

## Lessons learned from the first generation of Decent Work Country Programmes

3. Decent Work Country Programmes were first formally introduced as a programming concept in November 2003<sup>3</sup> and were institutionalized in ILO programming in 2004. As of 31 January 2010 there were 44 active Decent Work Country Programmes. Eleven Decent Work Country Programmes ended before the end of 2009 and another 12 will end in 2010. Over 80 programmes are currently under development.
4. So far six country programmes have been evaluated: Argentina, Indonesia, Jordan, Philippines, Ukraine and Zambia. Follow-up to the evaluations is reported on regularly to the Evaluation Advisory Committee. The evaluations are also being reviewed through a comparative analysis of Decent Work Country Programme evaluations currently in preparation.<sup>4</sup> The evaluations, as well as a number of biennial country programme reviews and individual external office experiences, highlight that Decent Work Country Programmes are making a difference in the way the ILO operates and services its constituents at the national level. They also set out the following lessons learned that can serve to guide the development of future Decent Work Country Programmes.
5. *Deepening Decent Work Country Programme ownership.* The evaluations of Decent Work Country Programmes all stress the importance of improving their ownership through deeper engagement with constituents. While in all cases constituents were involved in drafting the programme, engagement with the partners throughout the lifespan was at times weak. Meetings with constituents were too infrequent and often formalistic. Constituents have expressed a desire for more frequent, interactive and informal exchanges. At the same time, constituents often reported inadequate capacity to engage fully in the development process. In some cases there was a lack of trust between the partners, indicating that social dialogue needed to be further developed in the Decent Work Country Programme context. A perception often prevailed that the ILO was a service provider, and that the constituents were simply beneficiaries rather than implementing partners. Deepened ownership of Decent Work Country Programmes by constituents, through formal tripartite overview mechanisms where necessary, could lead to better participation in design and implementation, and encourage the integration of country programmes in constituents' own planning and priorities. Tripartite overview could also support all technical cooperation efforts in relation to a Decent Work Country Programme.
6. *Strengthening the capacity of constituents.* Deeper ownership by constituents is dependent on their capacity for participation and leadership in all stages of the country programme life cycle. While constituent participation in monitoring and evaluation is already reported in nine countries, a further recommendation arising out of the evaluations is that specific outputs be created which focus on constituent capacity building for effectively participating in designing and implementing Decent Work Country Programmes and other development plans, and results-based management in general. This is the case already in the Decent Work Country Programmes of the Syrian Arab Republic and Yemen. A first step could be to strengthen the coordination of employers' and workers' organizations' inputs to ensure adequate social partner participation. Employer and Worker specialists and designated focal points could play an important role in this regard.

<sup>3</sup> See GB.288/PFA/10.

<sup>4</sup> Martin, J.: *Multi-country Decent Work Country Programme evaluations: Meta analysis report* (draft), 2009.

7. *Improving the evaluability of Decent Work Country Programmes.* Evaluations generally found it difficult to carry out any satisfactory analysis of the performance and full impact of the first generation of country programmes. As has been mentioned in previous papers, the first Decent Work Country Programmes were often initial agreements resulting from tripartite discussions on national decent work priorities. In many cases the priorities were broad and not expressed as measurable outcomes, and very few Decent Work Country Programmes had clear implementation, monitoring and evaluation plans, or performance indicators. They also had to accommodate ongoing activities. While this makes reporting on results difficult, it has to be recalled that the first generations of UNDAFs, poverty reduction strategies and similar development frameworks were also initially lacking results-based frameworks.
8. In this regard, one major improvement seen in the second generation of Decent Work Country Programmes is the introduction of robust monitoring and evaluation frameworks, which should allow for the evaluation not only of the ILO's performance, but of actual progress towards decent work outcomes, even if this takes place at a later stage. Progress towards this goal is already evident in draft Decent Work Country Programmes in southern African countries, which contain costed implementation and monitoring plans.<sup>5</sup> In line with the country programme evaluation findings in Jordan, a tripartite technical team has been established to support the development of the new programme and its monitoring and evaluation plan. Some of these improvements are due to intensive training carried out in 2009 on results-based management and the design of Decent Work Country Programmes and technical cooperation, both for staff and constituents.
9. The improvements in monitoring and evaluation frameworks should allow for better assessment of how effective and efficient the Organization is in achieving Decent Work Country Programme outputs and making progress towards outcomes. Full impact analysis will remain difficult, as country results are only perceptible in the long term, and certain outcome indicators might only be achieved in a period of a decade or more. The International Fund for Agricultural Development, for instance, looks at ten years of operations in a country in order to gain an appropriate perspective on the effectiveness and impact of its country programmes. Nonetheless, long-term impact assessments will become important at the end of the second wave of Decent Work Country Programmes, when countries have gained adequate experience to assess their performance as a model for bringing about change.
10. *Assessing models of interventions.* Another challenge facing the first generation of Decent Work Country Programmes was an absence of clear logical models of interventions. The achievement of outcomes is mostly dependent on technical cooperation projects, which are often elaborated and funded separately from each other. Such projects deploy well known ILO strategies and methodologies such as: the time-bound programmes of the International Programme on the Elimination of Child Labour (IPEC); Training for Rural Economic Empowerment (TREE); Know About Business (KAB); and Women's Entrepreneurship Development and Gender Equality (WEDGE). It will be important in the future to extend evaluation to these and other strategies, not only within the context of specific projects but also to assess how they contribute to wider country programme outcomes. At the same time, effective interventions need to be deployed in synergy to create integrated programmes which draw on all areas of ILO expertise. The ILO's work on youth employment has been cited as a successful example of this approach.<sup>6</sup>

<sup>5</sup> Botswana, Lesotho, Namibia, South Africa and Swaziland.

<sup>6</sup> See GB.306/PFA/13/3 (Independent evaluation of the ILO's strategy to increase member States' capacities to develop policies and programmes focused on youth employment).

- 11.** *Securing consistent funding of Decent Work Country Programmes.* In all Decent Work Country Programmes, most priorities are “projectized”, i.e. their attainment is dependent on specific technical cooperation projects designed to achieve them. This approach is successful if donors are keen to fund Decent Work Country Programme priorities. In cases where donor funding is not forthcoming, such objectives remain difficult to achieve. Moreover, the project approach risks fragmenting the programme; the ILO Office in Jakarta, for example, managed 40 technical cooperation projects funded by 17 different donors during the 2006–09 Decent Work Country Programme. While such arrangements can work and point to successful resource mobilization, a project-by-project approach can also place a heavy technical and administrative demand on offices with limited resources and lessen potential synergies across interventions. In this respect, more efforts could be focused on establishing integrated country programmes and supporting wider technical cooperation programmes, such as IPEC or Better Work, which can bring a broad range of interventions to a number of countries.
- 12.** The Office’s implementation of outcome-based workplanning and the enhanced Technical Cooperation Strategy should also result in more funds flowing to outcomes that require resources. Less earmarked funding along with the Regular Budget Supplementary Account (RBSA) should allow the Office to channel funds to Decent Work Country Programme outcomes where they are needed most. Better linking to UNDAFs should also facilitate access to UN funding, which has become the second largest source of extra-budgetary funding for the ILO.<sup>7</sup> While Decent Work Country Programmes serve as a programming and resource mobilization platform for development assistance, they could strive to become a sustainable tripartite platform for enhancing social pacts via a continuous process of consultation of the social partners on social and economic issues. Ultimately, they could also become aid independent, as the capacity of constituents to mobilize internal resources and design efficient development interventions improves and decent work priorities are integrated into national budgets. In some cases national governments have already shown commitment to decent work outcomes by allocating national budget resources to Decent Work Country Programme priorities. Outreach to the private sector and the conclusion of public–private partnerships could also be an important strategy to improve funding. Where national budgets are supported by loans, the integration of decent work priorities in poverty reduction strategies is important.
- 13.** *Improving knowledge sharing.* The evaluations of Decent Work Country Programmes also stressed the importance of knowledge sharing from operational interventions. While knowledge is well captured within individual technical cooperation projects, sharing at the wider country level, and with the rest of the Organization needs to be improved. Some good practices emerging from the development of communities of practice on youth employment and skills in the Asia and Pacific region could provide guidance in this respect. Action in this area will be undertaken under the ILO Knowledge Strategy.<sup>8</sup>
- 14.** *Prioritizing while maintaining flexibility.* Flexibility was also cited as an important element of successful Decent Work Country Programmes. Indonesia and Argentina both faced acute crises during their Decent Work Country Programmes, stemming from the Indian Ocean tsunami (2004) and the Argentinian financial crisis (1999–2002) respectively. In both cases, a strong mechanism of consultation with constituents allowed Decent Work Country Programme priorities and implementation plans to be crafted around a crisis response and to adapt to further developments. Adapting Decent Work Country Programme priorities to accommodate responses to the economic crisis based on the

<sup>7</sup> In terms of average annual contributions for the period 2006–09 (based on preliminary 2009 data).

<sup>8</sup> GB.306/PFA/12/3.

Global Jobs Pact has also shown where Decent Work Country Programmes can be leveraged to address crises.

- 15. *Widening partnerships.*** Expanding partnerships and awareness raising were also cited as important strategies in Decent Work Country Programmes. While the programmes often resulted in a better understanding of decent work among constituents, the ILO and the Decent Work Agenda remained in some cases largely unknown to the wider public. One evaluation speaks of the “inconspicuous” character of the ILO, which is at times reticent to advertise its work, while other agencies engage in more aggressive public relations. In this respect some evaluations recommend, in addition to deepening engagement with the constituents, widening the circle of partners in Decent Work Country Programmes to include other government ministries, labour inspectors, policy-makers, civil society groups, universities, parliamentarians and media to ensure translation of key messages into local languages. Consultation with constituents should be an important part of this process in order to allow for the strengthening of alliances and synergies with other institutions and organizations dealing with labour matters. The integration of decent work concepts in the curriculum of secondary education in Argentina, for example, is cited as one example of effective widening of partnerships. The effective use of the media in Indonesia is also cited as a success factor in widening public awareness of the ILO and decent work.
- 16. *Reaching out to the informal economy.*** Other issues that were raised regarding Decent Work Country Programmes are of a more substantive nature. With regard to some programmes’ priorities, the challenge remains how they will address the large informal economy, which is often outside the remit of labour legislation and representation by employers’ and workers’ organizations. Moreover, the informal economy is not always well represented in the elaboration of Decent Work Country Programmes. In line with the conclusions on decent work and the informal economy adopted by the International Labour Conference in 2002, Decent Work Country Programmes could serve as a platform for targeting the informal economy through such measures as greater representation of informal economic actors, in particular women, through employers’ and workers’ organizations, support to legislative reform to promote greater employment opportunities and better working conditions, and widening of social security coverage. Current ILO work which touches on the informal economy, such as projects on child labour, youth employment, and local economic development, could be expanded to better address the wide-ranging needs of informal workers.
- 17. *Addressing issues emerging from the ILO’s governance structures.*** Decent Work Country Programmes will naturally need to take into account the situation regarding the application of international labour standards in each of the countries, including possible comments by the ILO supervisory bodies. Currently, few of these Programmes include explicitly this dimension. The Decent Work Country Programme process could be used more effectively to discuss and agree upon technical cooperation activities which respond to priorities that emerge from observations and recommendations of the ILO’s governance structure.
- 18. *Influencing other development frameworks.*** Finally, some conclusions can also be drawn about the influence of Decent Work Country Programmes on other international development frameworks, in particular UNDAFs and poverty reduction strategies. As detailed in November 2009, all UNDAFs contain priorities relevant to the ILO, such as poverty reduction, the welfare of children, and gender equality. Nonetheless, in a review of 28 UNDAFs, 16 could be considered to reflect specific ILO concerns and approaches. Only seven mention “decent work”, six refer to “international labour standards”, and only two mention “social dialogue”. With some notable exceptions (Albania, Kazakhstan), few UN programmes refer specifically to the social partners as implementing partners; they are usually grouped under civil society. On the other hand, concepts such as employment promotion, social protection, child labour, and gender equality appear integrated in most

UNDAFs. While these are not exclusive to the decent work concept, they provide important entry points for promoting decent work.<sup>9</sup> Nonetheless, some of these concepts, such as social protection, are often understood in a narrower sense than by the ILO.

19. Real ILO impact on UNDAFs seems to be linked mostly to a strong ILO country presence. In the 16 countries that report a specific reference to the ILO's mandate in UNDAFs, all have an ILO office or national coordinator, with the exception of Namibia. In those countries where a specific reference to the ILO is absent, there is no ILO representation. This finding underscores the need to expand ILO presence at the country level.
20. Decent Work Country Programmes can also play a greater role with respect to national development plans and poverty reduction strategies. In 2001, the ILO launched an initiative to influence poverty reduction strategies process, with some notable successes, including in Ethiopia, Ghana, Honduras, Indonesia, Mali, Nepal, United Republic of Tanzania and Viet Nam.<sup>10</sup> The ILO's approach to influencing country-level development planning later shifted towards UNDAFs when the latter became more important under the UN reform initiative, launched in 2006. This shift reflected an increasing call for the ILO to take an active part in the UN reform process, the importance of common country funding for UN projects, and the ambitious scope of UNDAF coverage. Information on decent work concepts in national development plans is scant. Nonetheless, it is worth noting that Indonesia's mid-term development plan refers to decent work in its different dimensions, and solicited input from all constituents.
21. Poverty reduction strategies remain an important development instrument in view of their relevance in establishing macroeconomic policies, national budgets and fiscal policies, structural reform, and governance, and their role in accessing debt relief and concessional financing. The emphasis in poverty reduction strategies on poverty reduction and inclusion of such themes as employment, vocational training, social protection, child labour, gender equality and HIV/AIDS, as well as the primordial importance of decent work as a guiding principle for macroeconomic policy, are ample reason for the ILO and its constituents to pay further attention to this process. The Global Jobs Pact underlines the ILO's relevance in this regard even further. A key decision for constituents at the country level is crafting Decent Work Country Programmes that can be leveraged to influence both UNDAFs and poverty reduction strategies, and investing time and resources into maximizing the impact of country programmes on both processes.

## **The future of Decent Work Country Programmes in the context of technical cooperation**

22. The enhanced Technical Cooperation Strategy adopted by the Governing Body in November 2009 has several bearings on the future development of Decent Work Country Programmes in view of the lessons learned as described above. Firstly, it emphasizes that resource mobilization will further be tuned towards funding gaps in the resources needed

<sup>9</sup> A more detailed survey of social partner participation in UNDAFs will be prepared as a baseline for the Technical Cooperation Strategy.

<sup>10</sup> ILO: *Decent work and poverty reduction strategies: A reference manual for ILO staff and constituents*, Geneva, 2005.

to achieve Decent Work Country Programme outcomes.<sup>11</sup> In this respect the Office has undertaken an outcome-based workplanning exercise, through which country outcomes were programmed and selected as targets for the period up to 2015. Office units are in the process of linking resources to these outcomes, and technical units were encouraged to support outcomes jointly to ensure maximum collaboration and synergy between interventions. Work towards reaching outcomes is funded through regular budget resources, RBSA, unearmarked technical cooperation funding, or through funding of specific projects linked to Decent Work Country Programme outcomes. This approach should ensure better alignment of extra-budgetary resources with country outcomes, which currently is estimated at 58 per cent of expenditure.

23. At the same time, the design of Decent Work Country Programmes could focus more on an integrated programme, with mutually supportive outcomes, strategies and technical cooperation projects. Donors who are currently prevented from making RBSA contributions could consider funding whole Decent Work Country Programmes, rather than individual projects, in order to foster greater cohesion between interventions. Where a project-by-project approach is preferred, more attention could be given to aligning such funding with clear Decent Work Country Programme outcomes. Decent Work Country Programme design can encourage greater ownership of country programmes, and aim for long-term integration into national development planning and budgets.
24. Outcome 1 of the Technical Cooperation Strategy also calls for widening the donor base for ILO work. In this respect, Decent Work Country Programmes could widen their range of supporting partners, including not only important UN country funds, but also public-private partnerships and funding from the European Commission delegations and donor embassies at the country level. Further attention to integrating decent work priorities in poverty reduction strategies should allow Decent Work Country Programmes to access more World Bank funding.
25. The Strategy also calls for greater quality assurance in technical cooperation projects, through the appraisal of proposals and more robust monitoring and evaluation mechanisms.<sup>12</sup> The same should hold true of Decent Work Country Programmes, and the quality control mechanisms in place for technical cooperation can be deployed more widely at the country programme level. Enhanced quality management through improvements in the quality assurance mechanism should result in better design and implementation, monitoring and evaluation planning of Decent Work Country Programmes, as well as knowledge sharing, stakeholder ownership, and promotion of the core organizational values of tripartism, respect for international labour standards, and gender equality and non-discrimination. Increased participation by constituents could result in the programmes coordinating the overall delivery of technical cooperation at the country level, in support of wider UN programmes.
26. Finally, the Technical Cooperation Strategy calls for greater technical and institutional capacity building for constituents to influence the development process.<sup>13</sup> Evaluations have shown that Decent Work Country Programmes already play an important institutional

<sup>11</sup> Outcome 1: ILO extra-budgetary and RBSA resources are aligned with Decent Work Country Programme and programme and budget outcomes.

<sup>12</sup> Outcome 2: ILO technical cooperation programmes and projects fully meet results-based management and ILO quality requirements.

<sup>13</sup> Outcome 3: Through technical cooperation, ILO constituents attain technical and institutional capacity to successfully engage in development planning through Decent Work Country Programmes, in the context of UNDAFs and UN reform.

role in increasing constituents' experience in national development planning. Nevertheless, even well designed Decent Work Country Programmes do not necessarily translate into a greater role for constituents in UN-level planning or in poverty reduction strategies. Future Decent Work Country Programmes could pay more attention to specific outputs for constituents to develop institutional capacity, such as membership development, governance and accountability, results-based management, development policy, advocacy, communications and negotiation to strengthen the tripartite constituents' ability to effectively carry out their core mandates, to better formulate their needs in the development process, and to advance national development through decent work and Decent Work Country Programmes. Such outputs should be carefully evaluated to ensure that Decent Work Country Programme interventions succeed in strengthening constituents' capacities and lead to their greater involvement in national development planning and implementation. The outputs should also take into account the relevant services of the International Training Centre of the ILO (Turin Centre). At the same time, work should continue to deepen understanding of the decent work approach to development at the national level, in particular through the UN system Chief Executives Board for Coordination *Toolkit for mainstreaming employment and decent work*.

27. At the international level, the ILO could continue its successful initiatives to promote the developmental role of the Decent Work Agenda, recognition of which has been growing significantly in the multilateral system in recent years.<sup>14</sup> Most recently, in January 2010, in the context of the crisis, the Executive Board of the United Nations Development Programme adopted a decision entitled "UNDP response to the financial and economic crisis: promoting the Global Jobs Pact".
28. Through enhanced capacity, constituents should be able to better formulate their decent work priorities and to translate these priorities into national development plans and budgets, poverty reduction strategies, and UNDAFs, thereby sustaining decent work results well beyond the lifespan of the Decent Work Country Programme initiative. Moreover, constituent participation in development planning as a whole connects international development assistance to the stakeholders, providing valuable guidance and buy-in not only for the ILO but for the UN system as a whole. In this respect Decent Work Country Programmes have the potential to become important tripartite mechanisms for promoting sustainable development, and for strengthening social dialogue and collective bargaining.
29. ***The Committee may wish to recommend that the Governing Body request the Director-General to:***
  - (a) ***instruct the Office to take concrete steps to ensure that the challenges and opportunities identified in the evaluations of Decent Work Country Programmes are adequately addressed in forthcoming country programmes;***
  - (b) ***promote the programming of specific Decent Work Country Programme outputs to ensure institutional capacity building for constituents to strengthen their participation in the Decent Work Country Programme process and in development planning as a whole and, where necessary, to strengthen the coordination of inputs of employers' and workers' organizations;***

<sup>14</sup> See also GB.307/4.



- (c) *promote the programming of specific outputs to support country-level action on priorities emerging from the ILO's governance structures, including on international labour standards;*
- (d) *promote the development of Decent Work Country Programmes that actively involve constituents, are fully results-based, and aim at sustainable resource mobilization strategies, including through donor funding and, where possible, strive for eventual aid independence through increased national ownership;*
- (e) *report on action taken and results achieved on the above in future reporting on the implementation of Decent Work Country Programmes.*

Geneva, 22 February 2010.

*Point for decision:* Paragraph 29.