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THIRTEENTH ITEM ON THE AGENDA

Report of the Working Party on the Social Dimension of Globalization

Report of Mr Luc Cortebeeck, Chairperson of the Working Party

1. The High-Level Section of the Governing Body met as the Working Party on the Social Dimension of Globalization on the morning of Monday, 19 March 2018. I chaired the meeting, and Mr Mthunzi Mdwaba, Employer Vice-Chairperson of the Governing Body, and Ms Catelene Passchier, Worker spokesperson, spoke on behalf of their groups. On the Government side, various regional groups took the floor, followed by a series of individual government interventions. The Working Party had before it a background document ¹ summarizing the proposals of the United Nations Secretary-General for reform of the United Nations development system (UNDS) ² and highlighting some of their possible implications for the International Labour Organization. In the discussion, ILO constituents provided their views on the opportunities and challenges these proposals presented for the Organization. The Working Party was honoured by the presence of the United Nations Deputy Secretary-General Ms Amina J. Mohammed who addressed the sitting and responded to two rounds of questions from participants.
2. In this summary report, I review the main issues raised during what all participants considered as a very rich, constructive and useful exchange. There was no point for decision and these do not represent a consensus; however, many of the points mentioned were widely shared. I reminded the Working Party that UN General Assembly resolutions were not binding for specialized agencies with independent governance structures and in accordance with the 1946 UN–ILO Agreement specific reform measures contained in the anticipated resolution on the Secretary-General’s proposals that require Governing Body approval will be brought to a subsequent session for debate and decision.

¹ [GB.332/HL/1](#).

² *Repositioning the United Nations development system to deliver on the 2030 Agenda: our promise for dignity, prosperity and peace on a healthy planet: Report of the Secretary-General (A/72/684)*.

3. The ILO Director-General, Mr Guy Ryder, introduced the discussion stressing the ILO's recognition of the strong momentum for UN reform and its commitment to a strengthened UNDS. He underscored that the ILO subscribed to the overriding objective of delivering more integrated, efficient and accountable support to member States for implementing the 2030 Agenda for Sustainable Development (2030 Agenda), but highlighted that some issues around UNDS reform were complex by virtue of the high level of ambition of the Secretary-General's proposals and the 2030 Agenda. The ILO had already demonstrated its proactive engagement by taking a number of steps since the adoption of the 2030 Agenda to align its strategic policy and planning cycles to those of the UN and linking its programming to the Sustainable Development Goals (SDGs). He recalled that the ILO's End to Poverty Initiative presented to the International Labour Conference in 2016 clearly linked the importance of the Decent Work Agenda to achievement of the SDGs and that the ILO had been designated as custodian agency for 14 SDG indicators. The dialogue would sharpen focus more precisely on what these reform proposals meant for a specialized agency like the ILO, with its own tripartite constituents, governance structures, strong normative character and constitutionally mandated responsibilities.
4. The Deputy Secretary-General expressed appreciation for the opportunity to have a dialogue with the ILO Governing Body in order to better understand the concerns of the ILO's unique tripartite membership. She would like not only to discuss the support for the reform proposals but also full ownership of its implementation. Although not legally binding, the Agenda had been endorsed by the General Assembly. The ILO's mandate had been very well aligned to the 2030 Agenda and was fully respected. She also inquired about which aspects of the ILO's mandate fell outside of the Agenda, underscoring the importance of agency work not being siloed outside it.
5. On the reform of the UNDS, the reviews of the system requested of the Secretary-General in the 2016 Quadrennial Comprehensive Policy Review (QCPR) resolution showed that the UNDS was not yet implementing the SDGs, but rather the Millennium Development Goals Plus (MDG+). The Secretary-General's proposals were necessarily robust to counter this. Greater independence of UN Resident Coordinators meant that they could be in a better position to take system-wide approaches that would help include workers and employers and shore up gaps where they were not present. The United Nations Development Assistance Frameworks (UNDAFs) needed to be revised to reflect this way of working. The regional aspect was also critical as many issues were borderless. Greater transparency of reporting through the Economic and Social Council (ECOSOC) was intended to increase accountability to people; however, at times the New York focus of the discussions tended to neglect the value of the larger UN in Geneva and beyond. The proposed funding compact sought to increase core funding and reduce earmarking of non-core funding in order to reduce fragmentation and promote coherence. The proposed changes to how the UN deals with partnerships was a means of redefining whom we were engaging and how best to leverage partnerships for better country results. As the reform continues to take shape in the coming weeks and months, a UN Development Group (UNDG) transition team will be put in place that will include specialized agencies.
6. In the discussion, the Secretary-General's reform initiative was supported by ILO constituents and appreciation was expressed for the active and constructive engagement of the Office in the reform process to date, including as a member of the newly-established UNDG Core Group. The critical need to reduce fragmentation, increase coherence and improve efficiency was recognized by all. The opportunities for the ILO were acknowledged, particularly with regard to demonstrating the value added of a tripartite model of policy-making to a wider audience and expanding the influence of the ILO and its constituents in promoting decent work and international labour standards. The reform could open new avenues for employers' and workers' organizations to engage in national

sustainable development planning and contribute to the reform with the views from the real economy.

7. Several key challenges were highlighted by many constituents who shared their concern about how the ILO's specific tripartite governance structure and normative activities, both part of its constitutional mandate, would be recognized and incorporated into the reform measures and how the ILO's supervisory mechanisms would continue to function in relation to the new frameworks at country level, in particular. The Workers' group noted that ILO development cooperation and field presence were often based on tripartite decisions and closely linked to the ILO supervisory mechanisms. Many speakers also voiced concern about how the ILO's normative mandate could be reflected in national planning processes. Indeed, normative agencies such as the ILO needed particular consideration in such planning. Employers, Workers and Governments alike stressed that UN Resident Coordinators in a reformed UNDS would need to recognize the mandate and specificity of the ILO and the special status of ILO constituents as decision-makers within it.
8. Constituents from all three groups wondered how the ILO's Decent Work Country Programmes (DWCPs) would be integrated with the reformed UNDAFs, which would become the overarching programme framework for UN assistance to countries in support of the SDGs. They also wished to know how development of UNDAFs would involve ILO constituents. DWCPs, which remain important for many countries, reflected the country priorities of the ILO's tripartite constituents in promoting decent work and were the result of consultations with them. While several governments voiced strong support for the strengthening of the UNDAF, constituents from all three groups asked about the desirable degree of alignment between UNDAFs and DWCPs, and how this alignment could be achieved in practice without providing for an institutional anchoring for social partner consultation. The Employers' group believed that it would be difficult to accomplish such alignment with the UNDAF without tripartite constituents' formal and recognized involvement on an equal footing. It was also noted by many that DWCPs would need to be improved to contribute to national agendas and that targeted capacity development for national social partners would be needed.
9. It was expected that clarifying the role of the United Nations Development Programme (UNDP) and separating Resident Coordinators' functions from the UNDP representative would advance the division of labour and integrated support at country level. Many referred to the proposed dual reporting lines for ILO-UN Country Team (UNCT) members to both the Resident Coordinators and the ILO hierarchy. It was feared that this might compromise the cohesiveness and accountability of ILO work in the field. Moreover, it could introduce additional complexity and reporting burdens and it was unclear how conflicts would be resolved. The Resident Coordinator profile in this new context was considered as key. They would need a more profound understanding of the specialized agencies and their mandates, as well as recognize and support ILO constituents' involvement in national planning processes. With regard to new criteria for UNCT membership and country presence, the importance of normative mandates of specialized agencies needed due consideration. The new role of the Resident Coordinator also needed to be reviewed with a view to reducing the workload on national partners. There was an expectation that the Resident Coordinator should fully recognize the role of workers' and employers' organizations and support their involvement in national planning processes.
10. Emphasizing that the establishment of ILO country offices and development cooperation was grounded on tripartite decisions and often related to the ILO's supervisory functions, constituents stressed that the streamlining of UNCTs should preserve the ILO's capacity to fulfil its mandate to support the implementation of the normative frameworks. The importance to engage non-resident agencies, ensuring their participation in UNDAF

elaboration and UNCTs, was considered as particularly important, in particular for organizations such as the ILO which has a rather limited field structure.

- 11.** Several governments supported the reform initiative's strong call for greater efficiency in UN operations at country level. On the issue of common premises and services, the Workers' group required further information about budgetary implications for agencies in order to be able to assess whether the investment would be worth the potential efficiency gains. They expressed concern about the proposals for colocation in which UNDS staff were clustered by UNDAF outcome rather than agency and the impact this might have for the coherency of the ILO's work in pursuit of its mandate. They also stressed the need for trade unions to be given full access to ILO officials.
- 12.** Constituents of all three groups requested further clarification concerning the Secretary-General's proposals for a new approach to partnerships. The ILO's International Labour Conference had adopted principles for public-private partnerships in 2006, which was the outcome of tripartite discussions and agreement. Many wanted more information about the role foreseen for the Global Compact in developing the UN partnership approaches, the potential use of its principles as criteria for partnerships and its involvement with UNCTs at country level. For the Employers, the Global Compact, as a multi-stakeholder UN entity, was not a business organization. It could therefore not represent the voice of business as it did not have the mechanisms to develop policies or common positions, contrary to the International Organisation of Employers. The role of the UN Office for Partnerships and the UN global gateway for partnerships should also be better clarified. The Employers' group stressed that it was also important for the UN in its policies not to exclude partnerships with companies that were operationally legal. The Workers' group noted that a decent labour record was a criterion for partnering with the ILO and were strongly opposed to enhancing the Global Compact to a central role for the UN global gateway for partnerships.
- 13.** The funding compact was considered as one of the critical challenges of the reform. Various participants stressed the need to secure funding for issues related to the world of work. Attracting a broader base of funding than currently in place would be essential. ILO constituents from all groups considered the attribution of 15 per cent of non-core resources to pooled funding as proposed in the Secretary-General's report as highly ambitious. Several governments pointed to the ILO's experience with South-South and triangular cooperation as an asset for the UN system.
- 14.** Responding to the discussion, the Deputy Secretary-General stressed that it would be important for the system to profit from the position and experience of the ILO. All actors needed to get away from the sense that the reform was taking something away from them. The trust deficit among agencies and among member States needed to be overcome.
- 15.** Resident Coordinators would be the Secretary-General's representatives on the ground. While the government would be in the driver's seat, it was the Resident Coordinator who would bring the UN together. This clearly required a change in the profile of Resident Coordinators. It was also evident that they would need to know the assets of the system including the mandates of the ILO and other specialized agencies. The change to dual reporting lines for UNCT members should be respectful of the mandates while ensuring coherency and accountability. Details would need to be worked out with the agencies.
- 16.** The role of the Global Compact indeed needed clarification. The idea was that the Global Compact served as a platform that leverages dialogue, not as the representative of business and the private sector. The Global Compact principles were not meant as conditions for partnership but rather a guide. Clearly, many business partners were not members of the Global Compact. There were thousands of partnerships among with various UN agencies

and a dashboard and a framework for member States was needed. The UN Office for Partnerships would play a leading role here.

17. The funding compact was meant to propose solutions to the funding issues while making the case for investment. The objective was to move funding out of peace and security to development, as development was a key part of prevention. The Deputy Secretary-General concurred with constituents that the ILO also had an important role in the transition from conflict and peacekeeping to development. Donors also wanted greater visibility. There has been considerable uptake for the new SDG Fund, although it was not yet widely known. The financing issue also dealt with what could be done better, including through ideas from the Addis Ababa Action Agenda and relying more on national budgets and taxes. In terms of potential savings that could be redeployed to programmes, it was estimated that there could be US\$300–700 million in savings through pursuing common back offices. The 15 per cent of agency non-core resources to be dedicated to pooled funding should not be seen as a tax on agencies but rather as an investment.
18. On the greater challenge of implementing the 2030 Agenda, as it was not a binding document, the key was to incentivize participation. The UN should be the “go-to” place for development assistance in countries, which was currently not the case. The UN competes with many other actors, including non-governmental organizations, foundations and the private sector. She believed that the UNDP was the right agency to help ensure the coherency and joined-up action needed to ensure this.
19. The Deputy Secretary-General also raised the issue of member States’ own internal coherency with regard to the reform. It was clear from the discussion that some governments had had consultations with their colleagues in New York and others had not. Although line ministries, which were the constituencies of the specialized agencies, needed to have their voices heard, the UN reform process was being driven by foreign affairs ministries and policy coherence at governmental level was crucial.
20. On system-wide governance and the role of ECOSOC, the Deputy Secretary-General highlighted that ECOSOC needed to be strengthened and increase its relevance in comparison to other major development forums.
21. In response to several comments by ILO constituents in support of the Secretary-General’s initiatives to promote gender equality and combat sexual harassment and abuse, the Deputy Secretary-General concurred that gender equality was absolutely key to changing power relations and noted that the entire UN had more work to do. The UN secretariat was aiming at parity by 2020. She cited data and youth employment as two other areas where system-wide focus were needed.
22. In his closing remarks, the ILO Director-General highlighted the unanimous support for UN reform expressed by ILO constituents. He emphasized that the ILO had a strong interest in a strengthened multilateral system and that it would be impossible for the ILO to move forward without it. The ILO needed to be an active agent of the reform process and he believed that the ILO had been given the scope and space to contribute. The ILO’s responsibility indeed went beyond SDG 8, and partnerships and coherency were critical in view of the interrelated nature of the SDGs. Citing the Deputy Secretary-General’s reference to the assets that the specialized agencies bring to the system, he reiterated that for the ILO this meant tripartism, international labour standards and the ILO supervisory system were also assets that should be incorporated into the UN reform process. Many participants, Workers, Employers and Governments alike, stressed the value of tripartism and the need to preserve it as part of a reformed UNDS. Capacity building of social partners was particularly important in that regard. Despite efforts already made, the ILO needed to further synchronize its DWCPs with the UNDAF as well as find its place in the UNCTs. These might be difficult

be but were not deal-breakers for the ILO. This Governing Body debate was necessary and very helpful in preparing the Organization for a return to this discussion following the adoption of the UN General Assembly resolution.