

Governing Body

335th Session, Geneva, 14–28 March 2019

GB.335/INS/10

Institutional Section

INS

Date: 5 March 2019

Original: English

TENTH ITEM ON THE AGENDA

Update on the United Nations reform

Purpose of the document

This document responds to the decision of the Governing Body at its 334th Session (October–November 2018) to review the implications, challenges and opportunities of the UN development system reform for the ILO at its March 2019 session on the basis of a comparative analysis to be prepared by the Office, in consultation with the constituents, and a plan of action to implement the reform addressing the issues and challenges expressed by the Governing Body, including how to preserve the ILO's tripartite governance structure, normative mandate and programmatic priorities. See draft decision in paragraph 46.

Relevant strategic objective: All.

Main relevant outcome/cross-cutting policy driver: Enabling outcomes A, B and C.

Policy implications: Yes.

Legal implications: Not fully known at this stage.

Financial implications: Yes.

Follow-up action required: Yes.

Author unit: Multilateral Cooperation Department (MULTILATERALS).

Related documents: GB.329/POL/5; GB.329/HL/1; GB.329/INS/3/1; GB.332/HL/1; GB.332/INS/13; GB.334/INS/3/1; GB.334/PFA/1; GB.334/INS/4; GB.334/PFA/INF/3; GB.335/INS/11.

Introduction

1. At its 334th Session (October–November 2018), the Governing Body welcomed the United Nations (UN) General Assembly resolution 72/279 of May 2018, “Repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system”,¹ and requested the Office to prepare a comprehensive analysis, in consultation with the constituents, and a plan of action to implement the reform, to enable the Governing Body to review at its March 2019 session the implications, challenges and opportunities of the reform for the ILO. The Director-General was also requested to take leadership in ensuring tripartism and the specific role of the social partners in the implementation of the resolution and related inter-agency coordination mechanisms and to organize regular consultations with the constituents on, inter alia, the promotion of tripartism in the context of the reform with a view to feeding into the ILO’s strategy for engagement in the reform process.²
2. The analysis that follows is organized around the key concerns expressed by constituents in prior Governing Body sessions and informal consultations, and highlights the requirements, challenges and opportunities of the reform as they impact both the ILO’s work for and with its constituents and its planning of action to address them. The appended plan of action summarizes the action items referred to in the analysis under three components: (1) developing the capacity of national constituents to engage in UN Development Assistance Framework (UNDAF) and Sustainable Development Goal (SDG) processes for greater influence in UN-supported national development for the achievement of the SDGs; (2) preparing the Office to maximize the opportunities of UN reform to promote tripartism and support member States in achieving decent work; and (3) advancing the Office’s operational integration with the UN at the country level with respect for ILO values.
3. This document is based on the latest information and guidance available on the multiple aspects of implementation of the reform of the UN development system from the Office of the UN Deputy Secretary-General, the UN development system Transition Team, the UN Development Coordination Office and the United Nations Sustainable Development Group (UNSDG). It should be noted that while some key issues have been settled since the last Governing Body discussion, a number of elements around operationalizing the reform remain under discussion.³

Recent developments

4. The new UN resident coordinator system became operational on 1 January 2019. Reporting directly to the UN Secretary-General, 129 resident coordinators will lead UN country teams in 165 countries and territories. The new UN Development Coordination Office has been created within the UN Secretariat to support the resident coordinator system and the revamped UNSDG comprising the 40 UN funds, programmes and specialized agencies engaged in international development operations at the country level.
5. Since the presentation of the Secretary-General’s Implementation Plan to the General Assembly in early September 2018, intense consultations have taken place among members

¹ [A/RES/72/279](#).

² [GB.334/INS/PV](#), para. 188.

³ Up-to-date information on the UN development system reform can be obtained at reform.un.org.

of the Transition Team, the UN Development Coordination Office and the UNSDG – including the ILO – to draft, revise and update key system governance documents and guidance. A revised Management and Accountability Framework that sets out the working relationships and accountabilities of the resident coordinator and UN country team members has been completed. New guidance for the UNDAFs is in final draft (see box) and work is advancing on the key deliverables requested in the resolution, such as the funding compact between the UN development system and Member States, reviews of multi-country offices, UN development system regional assets and the system-wide strategic document.

6. ILO engagement in the development of these instruments through the UNSDG coordination mechanisms, strategic results groups and task teams remains strong and at a high level of representation. The Director-General has instructed ILO senior management to prepare the Office for the changes ahead and an internal strategy for implementation of the reform has been finalized. Consultations with the ILO field structure have intensified, and guidance to ILO regional and field offices on the many areas of policy, operations and administration covered by the reform is continuing.

The new generation of United Nations Development Assistance Frameworks

UN General Assembly resolution 72/279 elevated the UNDAF to become the most important planning and implementation instrument for the UN development system to respond to national needs and priorities in countries to achieve the SDGs. The new UNDAFs will provide a high-level strategic view of the UN system-wide contribution to the implementation of the 2030 Agenda and development programming efforts of the UN at the country level, including non-resident agencies as applicable. They will run from three to five years depending on the best fit with the country's national development planning cycle. First and foremost a partnership compact between the UN and the governments of programme countries, the new UNDAFs are to be developed on the basis of an independent UN Common Country Analysis, national priorities in relation to the attainment of the SDGs and consultations with a broad range of stakeholders. They will also consider the impact of trans-boundary and regional issues on the country situation. The agreed document will be signed by the resident coordinator and the government, as well as participating UN entities. Implementation, monitoring and evaluation will be overseen by a governance mechanism co-led by the resident coordinator and the government.

The ILO's normative and supervisory work in the context of the UNDAF

7. UN country teams are mandated to support Member States in four interlinked areas: sustainable development, human rights, peace and democracy, and natural disaster prevention and response capability (resilience). This mandate involves supporting Member States in respecting, promoting, implementing and reporting on their obligations and commitments under the international norms and standards that the UN system upholds, including human rights instruments and international labour standards. To this effect, comments and recommendations made to the country by UN treaty bodies, ILO supervisory bodies and human rights mechanisms, such as the Universal Periodic Review by the UN Human Rights Council, are to be taken into consideration. The normative work that the Office undertakes to support ILO Members in complying with and reporting on international labour Conventions and Recommendations is fundamental to anchoring the UNDAF to the norms and standards of the UN.
8. UNDAFs are operationalized through annual joint work plans corresponding to the priority results areas that include responses to specific requests from the country, deliver on the actual resources mobilized by all the participating UN entities, and can be adapted to changing national circumstances. For example, the work plan of an UNDAF results area on inclusive growth and decent work could include ILO support on implementing ratified international labour Conventions based on comments and decisions of the supervisory

mechanisms, including conclusions of the Committee on the Application of Standards of the International Labour Conference.

9. UNDAF priority results areas are informed by the UN Common Country Analysis, which is the UN's independent and impartial analysis of a country's underlying challenges to securing sustainable development, inclusive growth and national strategies to achieve the SDGs. Common Country Analyses are to be developed by applying a human-rights-based approach and aligning development efforts with international standards and normative frameworks, including international labour standards. To this end, the Office will actively promote the inclusion of references to comments from ILO supervisory bodies as an input to the Common Country Analysis. In addition, UN independent assessments related to human rights, similarly timed to feed into UNDAF preparation, provide important opportunities to strengthen the normative foundation of UNDAFs. In some cases, these assessments may focus on identifying who is at risk of being left behind because their human rights are not recognized or protected; in others, they may undertake a holistic review of the country's progress in meeting the requirements of the broad range of UN human rights instruments and mechanisms. Ensuring that disaggregated data and evidence-based analysis of a country's situation in the areas covered by international labour standards, and in particular the fundamental Conventions, are included in the Common Country Analyses will be critical to ensure coverage at the time the UNDAF priority results areas are identified.
10. Resident coordinators also have responsibilities to promote the norms and standards of the UN. The revised job description calls for the resident coordinator to lead "continued engagement on and pursuance of the UN's normative agenda, as per international and regional treaties, conventions and recommendations in support of national capacity development in normative and operational areas, in accordance with respective mandates and based on the UN's comparative advantage, roles and responsibilities".
11. The pursuance of the normative agenda and of the universal values that bind the UN must continue to be a priority of UN collective action at the country level. The effective engagement of the Office and the social partners will help the resident coordinator and UN country team to deliver on this commitment. However, there might be circumstances where the normative priorities of the ILO constituents may not be clearly reflected in the UNDAFs. In such circumstances, it will still be possible to address them through the ILO's Decent Work Country Programmes (DWCPs).

Relationship between DWCPs and UNDAFs and the role of the UN resident coordinator

12. The DWCP will remain the main accountability framework between the Office and the ILO constituents at the country level, as well as the basis for the ILO's resource mobilization efforts. DWCPs will continue to be developed based on the priorities of ILO constituents, which should increasingly be reflected in the UNDAFs up front. Therefore, the Office will seek to align the timing for the development of future DWCPs so as to reduce transaction costs, and maximize the opportunities to influence the UNDAF processes, starting with a solid decent work diagnostic as an input to the Common Country Analysis. The analytical work underlying DWCPs and the findings of ILO evidence-based research, evaluations and policy impact assessments can influence the strategic priorities for UN partnerships if their results are made available by the Office and by the tripartite constituents at the formative stage of the UNDAF process. Equally important will be the availability of disaggregated country data on world of work issues, including but not limited to the SDG indicators under the ILO's custodianship.

13. Over the next two years, there will be an opportunity to begin such alignment in up to 24 countries where the design of both new DWCPs and UNDAFs is anticipated. In a further 11 countries, active DWCPs may be reviewed as new UNDAFs are developed to ensure that they are aligned with relevant UNDAF outcomes and related strategies, as appropriate.
14. The Office will also revise its DWCP guidance in the coming months to ensure that it is aligned with the revised UNDAF guidance as well as the ongoing work of the ILO Results-Based Management Task Force, including the lessons learned from the development of a new generation of DWCPs in 2019. Revisions will be both substantive – for example, in terms of how to define the expected outcomes of the DWCP in relation to the outcomes of the UNDAF while ensuring that the four strategic objectives of the Decent Work Agenda are covered – and process-related – for example, concerning the timing of the DWCP process and the operation of the quality assurance mechanism.
15. The revised job description for resident coordinators provides for a stronger leadership of resident coordinators to ensure alignment of UN development efforts with national development needs and priorities, to foster coherence and impact, and to reduce overlaps, duplication and fragmentation. The Office will seek to engage with resident coordinators more systematically to ensure that ILO constituents play an influential role early in the process of the UNDAF preparation. In turn, greater efforts are needed to engage resident coordinators in the process of developing the DWCP, as this increases the possibility of generating synergies and leveraging resources for greater system-wide results and impact. Resident coordinators will review the DWCP to ensure alignment with the UNDAF but will not approve or sign the DWCP, as this continues to be the responsibility of the ILO and its tripartite constituents in the country.

Key entry points for constituent engagement in UNDAF processes

16. The Office considers that one of the most critical entry points for ILO tripartite constituents to influence UNDAFs will be their contributions to the Common Country Analysis and other analyses that underpin the UNDAF priorities. This may involve working with the Office to provide inputs, generally in the context of an aligned DWCP process. Constituents should also contribute through key stakeholder consultations called by the resident coordinator. The revised resident coordinator job description refers specifically to employers' organizations and trade unions as entities with which the resident coordinator should engage at the country level around the UN's collective support to the 2030 Agenda. Representatives of the social partners are also specifically mentioned in the draft UNSDG guidance on the minimum requirements for multi-stakeholder engagement in UNDAFs, which directs resident coordinators to convene, and enable them to make their views known in, broad consultation forums and national sustainable development discussions.
17. ILO capacity development for and support to constituents at the country level will focus on facilitating these areas of engagement. The Office envisages the production of guidance, resource materials and training. These materials will draw on the consolidated good practices identified in recent years for engagement of tripartite constituents in national development strategies. In addition to general guidance for constituents on the DWCPs, UNDAFs and other national processes, such as the Voluntary National Reviews,⁴ more targeted technical training will be provided to representatives selected by the constituent groups to participate and speak on their behalf at the country level in UN and other strategic national development

⁴ Voluntary National Reviews are part of the standard follow-up and review process for the 2030 Agenda and the SDGs and are led by governments.

processes. The proposed ILO-wide strategy for institutional capacity development⁵ includes a number of improvements in this area, such as an important role for the Bureaux of Workers' and Employers' Activities (ACTRAV and ACT/EMP) in assessing the needs of the social partners, and comprehensive, long-term capacity development programmes for the representatives of all three constituencies of the ILO.

18. In collaboration with the International Training Centre of the ILO, the Office will also prepare resource and training materials for resident coordinators to ensure that they are familiar with the ILO and its normative mandate, and will work with the UN Development Operations Coordination Office to reflect these issues in resident coordinator induction training. The Office views this as an important opportunity to improve collaboration with resident coordinators through a better understanding of the Decent Work Agenda, tripartism and the role of social dialogue in sustainable development. Well-informed resident coordinators could also help to facilitate the interaction with the ILO in countries where the ILO is a non-resident agency.
19. Funding for those activities to be undertaken in 2019 will come from existing allocated resources. Some reallocation of resources may be necessary. In the next biennium, the plan of action in the appendix should be considered by departments when preparing the strategic budgets for 2020–21.

Optimizing ILO field presence and delivery of expertise

20. The criteria for country presence put forward in the Secretary-General's reform and supported in UN General Assembly resolution 72/279 is an area where guidance is still under development. The resolution refers to the "Charter of the United Nations and United Nations norms and standards" as relevant principles, which should ensure that the normative roles of specialized agencies will be reflected in such criteria. Beyond this, it is understood that the resident coordinator will have a facilitating role in consultation with the government to determine which UN entities need to be present on the basis of the UNDAF.
21. Resident coordinators are now more empowered to call on the expertise of the UN development system in leading UN development support in countries. Recognizing that many UN entities are not able to establish representative offices in each country, new mechanisms for non-resident agencies to participate in and influence UN country teams are under consideration. This may include time-bound redeployment of technical specialists to resident coordinator offices. The ILO has some recent experience to draw upon in the out-posting of specialists from Decent Work Technical Support Teams, such as in Colombia and Jordan. The option of posting such specialists to the office of the resident coordinator could reduce costs, through sharing office space and support staff, for example, while retaining direct reporting lines to directors of Decent Work Technical Support Teams. However the parameters of such arrangements would need careful review.
22. In the past, in some countries, international chief technical advisers or senior national project staff participated in the UN country team on behalf of the ILO country director posted outside the country. In the future, in countries where the ILO finds this arrangement useful, consultation and agreement with the relevant project donor and resident coordinator could be pursued.

⁵ [GB.335/INS/9](#).

23. In some regions, the Office has facilitated national coordinators' participation in the work of the UN country team, in particular in representing the ILO country director in UN country team meetings and enabling ILO technical participation in UNDAF Development Results Groups. This approach has been used for a number of years in several regions in countries where the ILO does not have country offices. The Office will draw on this experience in order to identify the national circumstances for which this role may be appropriate.
24. As the criteria for country presence and UN country team membership become clearer, further assessment of the current field structure and location of technical capacities may need to be undertaken to meet emerging needs of ILO constituents. The UN Secretariat's reviews of multi-country offices and regional assets currently under way are expected to inform further possible options for the system in this regard.

Participation in common premises and back offices

25. The goal set under the reform is that 50 per cent of UN premises are to be common premises by 2021. While this does not necessarily mean that all entities in a given country will need to be located in one compound, requests for the ILO to join consolidated premises and participate in common back offices will intensify.
26. The Office recently decided to relocate the ILO country office in Viet Nam to the Green One UN House in the spirit of proactive and constructive engagement in UN reform. The decision was based on a thorough assessment of the challenges and opportunities of such a relocation in terms of costs and in regard to the efficiency and integrity of ILO operations and support to constituents.
27. The Office will assess the feasibility of future relocations on a case-by-case basis. The benefits for ILO participation in joint premises and the efficiency gains from shared office space and services will be weighed against the short- and long-term costs and three primary criteria: ease of access for ILO constituents, a dedicated consultation space for the ILO country office and a visible ILO identity. In countries where the ILO owns office space or receives subsidized or rent-free office space from the government, co-location could lead to higher costs. The Office would consider it advantageous for existing preferential arrangements that benefit many individual entities in terms of rent and utility subsidies to be reflected in the use of new facilities to the benefit of all. As the presence of UN entities will expand and contract over time, flexibility should also be a consideration. This can be built into the agreements with host governments so that the costs associated with fluctuations would not be borne disproportionately among UN country team members.
28. The ILO is already co-located in a significant number of countries. As of February 2019, 22 out of 61 established offices were co-located with other UN agencies. In addition to these, some 33 of 105 project locations located outside of ILO offices were also co-located. Taken together, this represents around 33 per cent of all ILO offices.
29. Common premises are considered an enabler but not a requirement to scale up common back offices and services. The initiatives to establish business operations strategies by 2021 and common back offices by 2022 for all UN country teams are led by the Business Innovations Group of the UNSDG and the High-level Committee on Management. These initiatives draw on the analysis and recommendations of the UN Joint Inspection Unit's 2018 review of inter-

agency cooperation on administrative support services,⁶ which surveyed the long quest for greater efficiency in UN country operations through common premises and services and the potential avenues for overcoming obstacles to further progress. The report analysed four different model locations for common premises (Brazil, Cabo Verde, Denmark and Viet Nam) and concluded that none of the country-level integrated service centres offered a ready template for the consolidation of common business operations at the country level. Significant challenges in this area therefore remain.

- 30.** In view of the great complexity of advancing common business operations among the wide array of UN development system entities, the Joint Inspection Unit report encouraged the Secretary-General to concentrate the efforts among a small group of entities (the United Nations Development Programme (UNDP), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP)) representing about 75 per cent of the administrative support spending and personnel at the country level outside of peace operations. These organizations are currently working on a common approach within the Business Innovations Group and identifying which common services could be offered by which entities. Other organizations can opt in as the business case becomes clearer for them. Although the ILO is not a member, the Office continues to follow the work of this group closely to determine the feasibility for the ILO of its proposals and to provide comments as requested.
- 31.** Another enabler for advancing common services is the principle of mutual recognition of business processes, which allows entities to use each other's processes without having to undertake additional due diligence on competitiveness, legal contracting or external auditing. It enables cross-agency service delivery by allowing UN development system organizations to rely on one another's policies, procedures, tools and related operational mechanisms. In late October, the Director-General signed the Mutual Recognition Statement of the Business Innovations Group, which has now been signed by 11 executive heads.⁷ The statement commits entities to apply, to the greatest extent practicable, the principle of mutual recognition in respect of the administration and implementation of entities' activities and to work initially to implement the principle, in the context of the Business Operations Strategy at the country level and the initiatives of the Business Innovations Group, in the areas of finance, human resources, procurement, logistics, information and communications technology and facility services. While full mutual recognition presents many challenges for the ILO and other organizations, the Office considers that it is important to be engaged in the process. The ILO has past experience in this regard in procurement, treasury operations and certain financial functions (recovery of value-added tax, disbursements). The most practical and immediate possibilities are likely to be found in general administration functions, such as reception, maintenance and security.

Partnerships with the private sector

- 32.** In recognition of the importance of the contribution of the private sector to the achievement of the 2030 Agenda, the Secretary-General has tasked the UNSDG with ensuring harmonized approaches to UN partnerships with the private sector, not just focused on facilitating funding but also on joint efforts in support of the SDGs. Enterprises that

⁶ JIU: *Opportunities to improve efficiency and effectiveness in administrative support services by enhancing inter-agency cooperation*, Oct. 2018.

⁷ As of publication, the UN Secretariat and heads of the following ten agencies had signed: ILO, International Organization for Migration, International Telecommunication Union, UNDP, UNFPA, UNHCR, UNICEF, United Nations Office for Project Services, WFP and World Health Organization.

demonstrate attachment to UN values and objectives and wish to contribute to their advancement should be able to engage easily with a range of UN entities depending on their specific interests and needs. To this end, an inter-agency task team, which included the ILO, was set up to develop a Common Approach to Due Diligence for Private Sector Partnerships. The proposed Common Approach is a synthesis of current practice for private sector engagement from across UN entities, and as such reflects the extensive due diligence procedures, particularly those of the UN funds and programmes, which are based on the Guiding Principles on Business and Human Rights and the Ten Principles of the UN Global Compact. The Common Approach acknowledges that entities will continue to have their own specific requirements as defined by respective governance structures. In the case of the ILO, these result above all from the tripartite nature of the Organization and are reflected in established public–private partnership policy and procedures,⁸ and recognize that the Office engages with a wide range of enterprises on a daily basis, including many SMEs.

33. Considering that four out of the ten Global Compact principles directly relate to the fundamental principles and rights at work, the Office advocated for specific references to international labour standards in the Common Approach as well as a comprehensive approach to responsible business practices. The Office also insisted that the risks associated with engaging with private enterprises not be linked solely to specific sectors as such, but also to the specific context in which such enterprises operate.
34. The Office will examine further the collaboration with the UN Global Compact with regard to any proposed coordinating role for it on private sector partnerships under the reform, which is currently the topic of an internal review under the leadership of the Deputy Secretary-General. In this regard, the Office may need to evaluate its role across the UN in assessing the labour principles of the Global Compact, including the capacity and resource implications. Another avenue to explore would be to suggest that UN country-level engagement with the private sector, coordinated by the UN resident coordinator, should involve representative organizations of employers and businesses as well as workers, in addition to Global Compact Local Networks.
35. In consultation with constituents, the Office will assess how the Common Approach can be followed by the ILO within its current framework, also taking into account the recommendations of the 2019 High-level Evaluation of Public–Private Partnerships. The Office will continue to assess opportunities and possible roles in this UN-wide due diligence approach, in particular regarding the labour principles and the promotion of fundamental principles and rights at work.

Funding of the resident coordinator system

36. Resolution 72/279 called for three sources of funding to cover the budget of the UN resident coordinator system of US\$281 million annually: (1) a doubling of the contributions from individual entities under the cost-sharing mechanism; (2) voluntary contributions by Member States to a dedicated trust fund; and (3) a 1 per cent levy on tightly earmarked third-party non-core contributions to individual UN entities. At its 334th Session (October–November 2018), the Governing Body approved the doubling of the ILO’s cost-sharing contribution to the resident coordinator system for 2019 that was requested in the UN General Assembly resolution of all participating UN development system entities. This brought the total ILO contribution for the year to US\$4.35 million. The Director-General’s Programme and Budget Proposals for 2020–21 include a provision to maintain this higher level of contribution. A new cost-sharing formula is under discussion and will include

⁸ See “[ILO policy and procedure relating to public-private partnerships](#)”.

additional organizations that have joined the UN development system as full members. It is not known at this time what impact this will have on the requested contribution from the ILO after 2019. It is important to note that in December 2018, the UN Administrative and Budgetary Committee approved the UN Secretariat's share of US\$13.6 million for 2019 for the first time since the cost-sharing mechanism was put in place in 2014.

37. As of publication of this document, voluntary contributions from Member States for the resident coordinator system for 2019 stood at US\$120 million. The cost-sharing contributions from UN development system entities will contribute about US\$77 million, while the 1 per cent levy is expected to generate US\$60–80 million from across the UN development system. The remaining gap is expected to be covered by additional government contributions.
38. While some donors have indicated that they will transfer the 1 per cent levy directly to the UN, others expect UN entities to collect and transfer it. The Office is currently putting in place the required legal, administrative and financial procedures and has begun consulting with donors to amend agreement templates to implement this levy. It should be noted that the levy is due from the donor on top of agreed voluntary contributions to the ILO. The following categories of contributions are excluded from the levy: humanitarian funding, joint UN and pooled thematic funding, national government cost-sharing (domestic funding) and certain types of cooperation among programme countries, such as South–South cooperation. Funding from the ILO's Regular Budget Supplementary Account is not subject to the levy, nor is lightly earmarked thematic or outcome-based funding from multiple donors, such as funds to support flagship programmes.
39. The amount of the levy resulting from tightly earmarked funding to the ILO is difficult to predict as voluntary funding fluctuates from year to year. In 2018, for example, approvals of voluntary contributions to the ILO stood at US\$307 million. Of this amount, approximately US\$200 million would have been subject to the levy based on the aforementioned criteria, resulting in an additional US\$2 million paid by donors to the UN Resident Coordinator Special Purpose Trust Fund on top of their contributions to ILO projects and programmes.

Funding compact

40. Negotiations between the UN and Member States on a funding compact, which aims to put the funding for UN development system entities on a more sustainable footing in the future with more core, pooled and thematic funding, were due to finish at the end of February 2019. The ILO is less affected than others, with its core (regular budget) funding at over 60 per cent of total budget. However, the stronger emphasis on pooled funding mechanisms and integrated programming under the reform requires the Office to adapt to this new way of working. In 2018, the ILO received US\$12.9 million, or 1.6 per cent, of a total of US\$829 million of allocations from UN multi-partner trust funds, which reflects the dominance of large UN funds and programmes as leaders in integrated interventions at the country level as well as funding for countries in crisis where the ILO is not a front-line player. The ILO received an additional US\$10.5 million directly from other UN entities seeking to work with the ILO on value chains, youth employment, health-related social protection, labour migration governance and child labour. Taken together, the ILO's overall participation in pooled and inter-agency funding last year represents 7 per cent of ILO voluntary funding, which is about half of the 15 per cent target for UN development system entities requested in the UN General Assembly resolution.
41. The new generation of pooled funds, such as the UN Joint Fund for the 2030 Agenda for Sustainable Development, calls for multi-stakeholder partnerships and also requires the Office to become more agile and position the ILO's work in a competitive environment. In

order to maximize opportunities to access pooled funds, the Office will need to comprehensively enhance its capacity in this area. Nonetheless, direct voluntary contributions to the ILO remain crucial to enabling the Office to carry out its unique mandate in support of member States.

Human resources implications of the reform

42. The Office is committed to undertaking UN reform-related activities in accordance with its established guidelines and procedures regarding change and restructuring. The human resources implications of this reform, such as the redeployment of technical capabilities, staff mobility and possible impacts of consolidated back-office functions on locally recruited staff, will be addressed through internal consultations, involving the Governing Body as necessary and in conformity with established Office rules and procedures.
43. As indicated in paragraphs 29–30, the process of full back-office consolidation will take time. Mutual recognition or further harmonization among UN entities of human resources rules and systems will be one of the more complex areas to resolve. The ILO has different contracts, entitlements, recruitment and selection processes and collective agreements from other UN entities.
44. The revised Management and Accountability Framework of the UN Development and Resident Coordinator System, to be adopted by the UNSDG Core Group, articulates the mutual reporting requirement for the resident coordinator and UN country team members. It calls for the enhanced role of the resident coordinator to be recognized in job descriptions of UN country team members. Under the Management and Accountability Framework, UN country team members are accountable to their resident coordinator for their roles as team members, but retain accountability for all programmatic, budgetary and management decisions in line with individual agency accountability frameworks. The resident coordinator will contribute to the appraisal of the performance of UN country team members conducted by the respective agency, and the UN country team members will provide inputs for the performance appraisal of the resident coordinator. The Management and Accountability Framework calls for UN country team members to have at least one performance indicator linked to UN country team results and for the resident coordinator to have a formal role in providing performance inputs into the assessment process of respective entities as a secondary reporting officer. The ILO has recognized the resident coordinator's leadership role in its job descriptions for country directors since 2010. Revisions to the job descriptions of ILO country directors to better reflect the changed relationship within the UN country team are under way. The Office will analyse in further detail in the coming weeks the changes that would be required to its performance management framework and staff regulations and commence the necessary internal consultation to consider possible further adjustments to be derived from the Management and Accountability Framework.
45. Resident coordinators are normally recruited from UN entities, and those that come from the UN development system will continue to be seconded to the UN Secretariat with the right of return to their agency of origin. As of January 2019, the ILO no longer has officials serving as resident coordinators. As this is an additional means to improve the influence and understanding of the ILO and its mandate within the UN at the country level and to raise the level of awareness of the reformed UN within the ILO, the support to ILO officials interested in becoming resident coordinators has been reinforced.

Draft decision**46. *The Governing Body:***

- (a) took note of the current status of the reform of the United Nations development system and the Office's analysis of the challenges and opportunities of the reform for the ILO;***
- (b) invited the Director-General to take into consideration the views expressed by the Governing Body in the implementation of the plan of action in the Appendix to GB.335/INS/10.***

Appendix

Office plan of action 2019–20 to maximize the opportunities of UN development system reform for the ILO and tripartite constituents

	Time frame	Paragraph reference
Component 1: Developing the capacity of national constituents to engage in UNDAF and SDG processes for greater influence in UN-supported national development for achievement of the SDGs		
1. In collaboration with ACT/EMP and ACTRAV, development of awareness-raising and training materials on working with the UN	By end 2019	17
2. Continued targeted technical training and Office support for constituent representatives to better enable them to contribute decent work perspectives and priorities in national UNDAF, Voluntary National Review and other strategic national development processes	2019–20	17
Component 2: Maximizing the opportunities of UN reform to promote tripartism and support member States in achieving decent work		
3. Revision and update of DWCP guidance to align it with the UNDAF process	By end 2019	14
4. Development of awareness-raising, training and information resources for ILO field and headquarters staff on working within the reformed UN at the country level to promote the ILO mandate and engagement of constituents	By end 2019	6
5. Training and support for ILO staff in field offices on pooled funding mechanisms to better equip them to take advantage of joint funding opportunities	2019–20	41
6. Preparation of training modules and information resources for resident coordinators in collaboration with the International Training Centre of the ILO	By end 2019	18
7. Review of the configuration of ILO technical capacities and expertise in programming, resource mobilization and partnership building to maximize contributions in view of new UNDAF and resident coordinator system arrangements (based on the Plan of Action 2019 towards the preparation of the ILO Development Cooperation Strategy 2020–25)	By mid-2020	21–24
8. Assessments of how the UN Common Approach to Due Diligence for Private Sector Partnerships can be followed by the ILO, and of further opportunities and possible roles in the UN-wide due diligence approach, in particular regarding the labour principles and the promotion of fundamental principles and rights at work	By October 2019	34–35
Component 3: Advancing the Office's operational integration with the UN at the country level with respect for ILO values		
9. Strategy to advance mutual recognition as a means to promote further integration in common services	By end 2019	31
10. Review and revision of ILO Country Director job descriptions	By end March 2019	44
11. Internal consultation on changes to performance management system and staff regulations	By end 2019	44
12. Reinforcement of the ILO's resident coordinator preparatory development programme for ILO officials interested in the resident coordinator selection process	By mid-2019	45