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Institutional Section

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## Follow-up to the resolution on the ILO Centenary Declaration for the Future of Work

Proposals aimed at promoting greater coherence within the multilateral system

### Purpose of the document

The ILO Centenary Declaration for the Future of Work, adopted by the International Labour Conference at its 108th Session (June 2019), declares that “[o]n the basis of its constitutional mandate, the ILO must take an important role in the multilateral system, by reinforcing its cooperation and developing institutional arrangements with other organizations to promote policy coherence in pursuit of its human-centred approach to the future of work, recognizing the strong, complex and crucial links between social, trade, financial, economic and environmental policies.”

This document reviews the Office’s collaborative relationships and engagements within the United Nations and the wider multilateral system at the global, regional and national levels. It highlights potential avenues for future collaboration with individual institutions, and provides proposals to advance the Declaration’s call for reinforcing cooperation and developing institutional arrangements for the consideration of the Governing Body (see the draft decision in paragraph 57).

**Relevant strategic objective:** All.

**Main relevant outcome:** All policy outcomes and Enabling outcome A: Authoritative knowledge and high-impact partnerships for promoting decent work.

**Policy implications:** Yes.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Yes.

**Author unit:** Multilateral Cooperation Department (MULTILATERALS).

**Related documents:** GB.341/INS/4; [GB.341/INS/7](#); [GB.341/POL/4](#); GB340/HL/1; [GB.340/INS/6](#); [GB.340/INS/18/6](#); [GB.338/INS/9](#); GB.338/POL/5.

## ▶ Introduction

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1. The ILO Centenary Declaration for the Future of Work, adopted by the International Labour Conference at its 108th Session (June 2019), declares that “[o]n the basis of its constitutional mandate, the ILO must take an important role in the multilateral system, by reinforcing its cooperation and developing institutional arrangements with other organizations to promote policy coherence in pursuit of its human-centred approach to the future of work, recognizing the strong, complex and crucial links between social, trade, financial, economic and environmental policies”. The accompanying resolution invited the Governing Body to “request the Director-General to submit to the Governing Body proposals aimed at promoting greater coherence within the multilateral system”. Building on past policy coherence efforts and recent experience in the context of the COVID-19 response,<sup>1</sup> this document examines prospects for the ILO to play a leading role in the multilateral system to further policy coherence on the priorities identified in the Declaration.
2. The Preamble of the ILO Constitution is one of the first statements on social and economic interdependence, demonstrating that the issue of policy coherence at the international level has always been of strong relevance and interest to the ILO and its tripartite constituents.<sup>2</sup> This constitutional mandate was reinforced and complemented by the 1944 Declaration of Philadelphia, which also highlights the relationship between international labour standards and economic, financial and trade policies<sup>3</sup> By the same token, the constitutional treaties of the major international economic, financial and trade institutions created after the Second World War – the International Monetary Fund (IMF), the World Bank, the Organization for Economic Co-operation and Development (OECD) and, more recently, the World Trade Organization (WTO) – include references to employment and/or conditions of work.
3. The rapid expansion of globalization from the 1990s through the liberalization of trade and finance and the emergence of global labour markets led to increasing calls to promote decent conditions of work, and particularly the respect of fundamental rights at work. The 1995 World Summit for Social Development saw the four categories of fundamental rights at work formally identified for the first time. In 1996, the WTO Singapore Ministerial Declaration committed to the observance of internationally recognized core labour standards and identified the ILO as the competent authority to set and deal with them.<sup>4</sup> The adoption of the Declaration on Fundamental Principles and Rights at Work by the International Labour Conference followed in 1998. In 2004, the final report of the ILO’s World Commission on the Social Dimension of Globalization called for, among other things, a shared responsibility to tackle inequality within and

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<sup>1</sup> GB.340/HL/1; [GB.340/INS/18/6](#).

<sup>2</sup> “... the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve the conditions in their own countries ...” (ILO Constitution, Preamble, third recital).

<sup>3</sup> “... it is a responsibility of the International Labour Organization to examine and consider all international economic and financial policies and measures ...” (Declaration of Philadelphia, Part II(d))

“... the fuller and broader utilization of the world’s productive resources... can be secured by effective international and national action ... to promote a high and steady volume of international trade ... and for the promotion of the health, education and well-being of all peoples ...” (Declaration of Philadelphia, Part IV).

<sup>4</sup> WTO, “[Singapore Ministerial Declaration](#)”, 13 December 1996.

between countries and contribute to eliminating poverty through decent work and a stronger and more efficient multilateral system as key to creating a democratic, legitimate and coherent framework for globalization.

4. It also called on the ILO to lead “policy coherence initiatives” involving other international organizations, specifically relevant UN bodies, the World Bank, the IMF and the WTO, with a view to contributing to a fairer and more inclusive globalization. Subsequently, the Declaration on Social Justice for a Fair Globalization (Social Justice Declaration) adopted by the International Labour Conference in June 2008 stressed again the interdependence and interlinkages between economic, financial, trade and employment policies.<sup>5</sup>
5. The 2008 global financial and economic crisis led to regular G20 gatherings at the Head of State level, with the participation of the executive heads of the IMF, World Bank, WTO, OECD, UN and ILO, as well as to the holding of annual meetings of G20 Labour Ministers. From that time to the present, G20 declarations have recognized repeatedly the importance of decent work, as well as of the need for multilateral cooperation and coherent policy responses in order to attain both quality employment growth and economic and financial stability.
6. The UN System Chief Executives Board for Coordination (CEB) adopted in April 2009, nine joint initiatives in response to the financial crisis, including one on a global jobs pact and another on a social protection floor.<sup>6</sup> At the 98th Session of the International Labour Conference (June 2009), the Global Jobs Pact was endorsed by the Conference plenary. In September 2010, the ILO and the IMF co-organized a High-level Conference on the Challenges of Growth, Employment and Social Cohesion in Oslo,<sup>7</sup> which recognized the strong existing links between financial, economic and employment policies and led to joint ILO-IMF pilot programmes in selected countries around the themes of the Conference.

## ► Challenges and opportunities for multilateralism

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7. Two UN instruments of fundamental importance that were adopted in 2015 – the 2030 Agenda for Sustainable Development, and the Paris Climate Agreement – opened up major new perspectives and an urgent need for reinforced multilateral cooperation. The ILO was proactive in aligning its programme of work to the 2030 Agenda, and to develop its advocacy and technical expertise on a just transition to climate neutrality.<sup>8</sup> More broadly, the main objective of the reform of the UN development system initiated in 2018 was greater coherence across the system for the delivery of the 2030 Agenda, which is now in its crucial last ten years, while the UN Climate Action Summit of September 2019 saw the announcement of the Climate Action for Jobs initiative spearheaded by the ILO.

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<sup>5</sup> “... As trade and financial market policy both affect employment, it is the ILO’s role to evaluate those employment effects to achieve its aim of placing employment at the heart of economic policies.” (ILO Social Justice Declaration, Part II, Section C).

<sup>6</sup> CEB, first regular session of 2009, “Summary of Conclusions”.

<sup>7</sup> The executive heads of the ILO and the IMF, the Norwegian prime minister and several other Heads of State and Government participated in the conference.

<sup>8</sup> ILO Programme of Work for 2020–21 adopted by the Governing Body at its 337th Session (October–November 2019).

8. However, these important steps have been accompanied by increased challenges to effective multilateral cooperation and growing tensions in the system caused by the threats of geopolitical fracture, rising inequality and a breakdown of the social contract, disruptions due to climate change, and digital exclusion, among others. The global response to the COVID-19 crisis has laid bare some of the short-comings, including gaps in international solidarity.<sup>9</sup>
9. The magnitude and urgency of the global challenges that require multilateral responses, including the continued efforts to recover from the global pandemic, argue strongly for a robust and determined follow-up to the Centenary Declaration. The widespread mobilizations of public opinion around the world and manifestations of anger and discontent with established institutions and actors of public life in recent years can in large measure be attributed to policy failures precisely where multilateralism has a key role to play: above all in reducing inequalities, in tackling climate change, in extending human security, in protecting human rights, in managing human mobility, and in making globalization fair. In this perspective, what looks like a rejection of multilateralism might better be understood as “We the peoples” making a pressing call for multilateralism to do its job better.
10. Rising inequalities within and among countries was a growing area of shared concern for the multilateral system before the COVID-19 crisis. It is widely recognized that inequalities have only worsened during the pandemic, reinforcing the need to examine the role of multilateral system to address this critical challenge. Increased inequalities stem in good part from a failure to view the issues that are the backbone of the ILO’s Centenary Declaration as central to core questions of growth in macroeconomic and trade policymaking, instead of subordinate to and disconnected from them. Building consensus on the urgency of reprioritizing investment in people – their employment opportunities, capabilities, transitions and basic worker and social protections – by governments and enterprises and in development assistance and international financial institution policy advice is the most important practical step that can be taken to address inequality and ensure a more broad-based and human-centred recovery from the crisis.

## ► Recent developments and current context

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11. Prior to the onset of the COVID-19 Crisis, the ILO’s engagement on future of work issues was gaining ground at the global level. In May 2019 in the run-up to the 108th (Centenary) Session of the International Labour Conference, the UN CEB adopted a UN system-wide strategy on the future of work.<sup>10</sup> In September 2019, the UN General Assembly endorsed the ILO Centenary Declaration for the Future of Work and called on UN bodies to consider integrating the Declaration’s policy proposals into their work.<sup>11</sup> The ILO was thus well-placed to take a leadership role in the UN’s socio-economic response to the COVID-19 crisis, bringing to bear robust policy advice, research and statistics on the human-centred approach to the future of work.

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<sup>9</sup> UN Secretary-General, “Secretary-General’s remarks at the Paris Peace Forum”, 11 November 2019.

<sup>10</sup> CEB, “United Nations System Strategy on the Future of Work”, CEB/2019/1/Add.2.

<sup>11</sup> UN, In resolution 73/342, “International Labour Organization Centenary Declaration for the Future of Work”, the General Assembly recognized that “full and productive employment and decent work for all is one of the key elements of sustained, inclusive and sustainable economic growth that facilitate the achievement of the internationally agreed development goals”.

12. At the ILO Global Summit on COVID-19 and the world of work held from 1 to 9 July 2020, ILO constituents expressed a strong view that the Centenary Declaration's human-centred approach was more relevant than ever in responding to the current health, economic and social crisis. This was further highlighted in the discussions at the 340th Session of the Governing Body in November 2020. As countries transition from short-term strategies to contain the crisis to addressing economic fundamentals, improve resilience to future shocks, the Centenary Declaration provides a solid framework.
13. Consensus on the human-centred approach advocated by the Declaration seems to be growing. In recent remarks to Member States, the UN Secretary-General outlined his priorities for 2021 to recover from the COVID-19 Crisis and put the world back on track to achieve the SDGs.<sup>12</sup> While ending the pandemic with affordable and accessible vaccines for all was a first order of business, tackling poverty and inequality through a New Social Contract, promoting human rights and gender equality and reducing the digital divide were deemed critical. He urged the international community to reach important milestones by the 26th UN Climate Change Conference (COP 26) in November 2021, including building the coalition to achieve carbon neutrality by 2050, meeting financing requirements and putting in place just transformation plans. Moreover, there would be no real recovery if economies continued on "life support". To this end there needed to be massive investments in health systems, social protection, green infrastructure and decent work. There was also a need for a quantum leap in financial support to developing countries, including debt relief with an extension of the G20 Debt Service Suspension Initiative and a new allocation of special drawing rights.
14. In September 2021, the UN Secretary-General will report to the General Assembly, expanding on his vision for a more inclusive and networked multilateralism and articulating ideas for promoting the New Social Contract and a New Global Deal for tackling inequality and meeting the goals of the 2030 Agenda, the Paris Agreement and the Addis Ababa Action Agenda.<sup>13</sup> The New Social Contract between Governments, people, civil society, business and more, will seek to integrate employment, sustainable development and social protection, based on equal rights and opportunities for all. It calls for greater investment in education, lifelong learning and digital literacy and spotlights labour market policies – including addressing informality – social dialogue, anti-corruption and redistributive taxation policies, including carbon taxes. The New Global Deal will enable the New Social Contract with a new governance model based on full, inclusive and equal participation in global institutions and on fair globalization, on the rights and dignity of every human being, on living in balance with nature, on taking account of the rights of future generations, and on success measured in human rather than economic terms. It will promote a more inclusive, balanced trading system, prevention of illicit financial flows and tax evasion, greener financial decision-making and reform of the debt architecture.
15. The Centenary Declaration thus provides the organization with an excellent basis for exercising leadership in rethinking the multilateral system. The question before the Governing Body is how the ILO and its multilateral partners can best contribute to the

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<sup>12</sup> UN, [Secretary-General's remarks to Member States on Priorities for 2021](#), 28 January 2021.

<sup>13</sup> UN, [Follow-up to the Declaration on the commemoration of the seventy-fifth anniversary of the United Nations](#), resolution A/RES/75/1, September 2020.

growing calls for a renewed multilateralism. A survey of current ILO activities and cooperation with those partners is the point of departure in framing that response.

## ► ILO collaboration with multilateral institutions

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### United Nations

16. With reform of the United Nations development system now in full implementation, tighter collaboration and increased joint programming among entities within the system in support of Member States' national development plans and efforts to achieve the Sustainable Development Goals (SDGs) are key tenets of the ILO's work. The opportunities and challenges for promoting international labour standards and tripartism within the reformed resident coordinator system and UN country teams have been considered at several Governing Body sessions, including the current session, and the Office has acted vigorously to exploit the reform's opportunities fully.<sup>14</sup> The Office has raised extrabudgetary resources through UN joint programmes in many countries, including through the UN Joint Fund for the 2030 Agenda and the COVID-19 Response and Recovery Multi-Partner Trust Fund.
17. The ILO was an important player in developing the UN framework for the immediate socio-economic response to COVID-19<sup>15</sup> and actively contributed to country-level UN assessments and response plans. ILO knowledge products, such as the ILO Monitor, policy and regional briefs and rapid labour market impact assessments, have raised the profile of the ILO as a key source of expertise for socio-economic recovery from the crisis.<sup>16</sup> The ILO led the drafting of the UN's policy brief on COVID-19 and the world of work.
18. With the need for upskilling and reskilling for today's rapidly changing labour market now widely recognized, a number of important opportunities have arisen for work with other UN entities. These include a revised framework on core work skills, including digital and foundation skills for employability in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNICEF, the International Telecommunication Union and other partners and the Global Skills Partnership on Migration with the International Organization for Migration and UNESCO. The ILO is represented on the Advisory and Expert Groups for the UNESCO International Commission on the Futures of Education. The ILO has concluded a memorandum of understanding (MoU) with UNICEF on Skills Development for joint programming at global, regional and country levels.
19. The ILO has taken a more active role in the UN's Financing for Development discussions in recognition of the importance of employment to creating fiscal space and the need to channel public and private investment to extending social protection, skills development and labour market policies to foster sustainable and resilient recovery to the COVID-19 Crisis. Under the multi-stakeholder Initiative on Financing for Development in the Era of COVID-19 and Beyond, launched by the UN Secretary-General and the Prime Ministers of Canada and Jamaica in May 2020, the ILO was asked to lead one of the six clusters –

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<sup>14</sup> GB.338/INS/9.

<sup>15</sup> UN, *A UN framework for the immediate socio-economic response to COVID-19*, April 2020.

<sup>16</sup> GB.340/INS/18/6.

“Socioeconomic response: social protection, gender, youth, health, education and human rights”. This leadership role focuses on guiding and optimizing continued technical and policy advisory support as needed at global, regional and country levels.

20. UN inter-agency issue-based coalitions have been growing in importance in assisting countries in achieving the SDGs both at the global and regional levels. Through its leadership roles in the UN Social Protection Floor Initiative and the Social Protection Inter-agency Cooperation Board, the Office has been successful in increasing the importance of social protection in the priority development areas of many UN agencies that are today developing their own strategies on social protection. The Office stepped up its collaboration with the World Health Organization (WHO) and has joined the SDG 3 Global Action Plan <sup>17</sup> launched in by the UN in 2019.
21. The Partnership for Action on the Green Economy (PAGE) brings together five UN agencies (the UN Environment Programme, the ILO, the United Nations Development Programme (UNDP), the United Nations Industrial Development Organization and the United Nations Institute for Training and Research) with funding partners and like-minded institutions to help countries to reframe economic policies and practices around sustainability and strengthen the ecological foundations of their economies. Currently active in 20 countries, PAGE has contributed to the creation of enabling policies, national plans, employment strategies, fiscal reforms and investment mechanisms for achieving the SDGs and the climate target of 1.5 degrees Celsius.
22. At the regional level, the reform of the UN development system has enhanced the role of regional issue-based coalitions led by UN entities and the regional economic commissions, which can include partners outside the UN. These focus on themes of mutual concern or with cross-border implications and their impact at the regional and subregional levels. The ILO is co-chairing several regional issue-based coalitions. For example, it co-leads coalitions on equitable growth in Latin America with the Economic Commission for Latin America and the Caribbean and the UNDP; on harnessing demographic dividends, gender and youth for development in Africa with the United Nations Population Fund and the WHO; and on inclusion and empowerment in Asia and the Pacific with the United Nations Children’s Fund.
23. Another avenue of collaboration being followed is updating of MoUs or other agreements with key UN entities regarding the mutually reinforcing roles each can play, especially following the intensified cooperation in response to the COVID-19 pandemic and at the country level in particular. One such agreement has been reached with the UNDP and another is nearing completion with the FAO.

## International Monetary Fund

24. At present, the ILO does not have a formal cooperation agreement or framework with the IMF, although there has been collaboration in recent years on an ad hoc basis. The ILO is one of the few international organizations to enjoy official observer status at the IMF’s International Monetary and Financial Committee. This status allows the Director-General to submit a written statement reflecting ILO perspectives on the latest economic and financial developments and their implications for decent work and social justice.

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<sup>17</sup> WHO, [Global action plan frequently asked questions](#).



25. Over the past few years, better alignment on policy issues between the ILO and the IMF in the area of combating inequality has become evident. The IMF acknowledges rising inequality as a macro-critical issue, meaning that it becomes a trigger for IMF engagement on all structural issues.<sup>18</sup> The Strategy for IMF Engagement on Social Spending, launched by the IMF Managing Director at the International Labour Conference in June 2019, is a further step in recognizing the importance of social spending<sup>19</sup> for inclusive growth, achieving the SDGs and tackling the new challenges of the world of work.<sup>20</sup> The two organizations are progressing on joint engagement on social protection issues at the country level. Within the context of the organizations' shared concern about growing inequalities, this work would aim to achieve greater respect for, and implementation of, the ILO's principles on social protection systems over the long term.

## Organisation for Economic Co-operation and Development

26. In recent years, collaboration between the ILO and the OECD has benefited from a growing convergence of views on labour market issues, social protection, responsible business conduct, collective bargaining and the role of social dialogue. Consultative representation of workers' and employers' organizations<sup>21</sup> on the OECD's Employment, Labour and Social Affairs Committee (ELSAC) provides a unique link between the two organizations. The ILO regularly participates as an observer in OECD Ministerial Council Meetings, the ELSAC sessions and various other technical bodies, and the OECD equally has observer status at the Governing Body and the International Labour Conference. The ILO and OECD have co-produced numerous policy papers for G20 and G7 meetings at the request of their respective government members. The ILO's MoU with the OECD was last updated in 2011 in the wake of the 2008 financial crisis and included 15 areas of common interest where the organizations could enhance collaboration.
27. Further to the long-standing ILO engagement with the OECD on their Guidelines for Multinational Enterprises and the strong relationship of the Guidelines with the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), the ILO and the OECD are currently partnering with the European Union (EU) in two projects related to the promotion of responsible business.<sup>22</sup> The ILO manages a Skills for Jobs database with the OECD and is a member of the OECD Group of National Experts on Vocational Education and Training. The ILO and OECD are both founding members of the Global Deal partnership.

<sup>18</sup> IMF, "In Fund-supported programs, while economic stability and poverty reduction should remain central, if high and rising inequality is assessed to have adverse implications for stability, policy recommendations would also need to address inequality, which could also take the form of conditionality, if deemed to be macro-critical for the program." IMF, *How to Operationalize Inequality Issues in Country Work*, 13.

<sup>19</sup> Defined as public spending on social protection, health and education.

<sup>20</sup> Christine Lagarde, Managing Director, IMF, "Forging a Stronger Social Contract – The IMF's Approach to Social Spending", IMF, Geneva, 14 June 2019.

<sup>21</sup> The Business and Industry Advisory Committee to the OECD (BIAC) and the Trade Union Advisory Committee (TUAC).

<sup>22</sup> In Asia, in six trading partners of the EU: China, Japan, Myanmar, the Philippines, Thailand and Viet Nam; and in Latin America (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru), in which the Office of the United Nations High Commissioner for Human Rights (OHCHR) is the third implementing partner.

28. The communiqué of the G7 Social Ministers' Meeting<sup>23</sup> as well as the G7 Social Tripartite Declaration<sup>24</sup> adopted in June 2019 on the eve of the 108th (Centenary) Session of the International Labour Conference encourage the two organizations to tighten the relationship further. The communiqué called for "concrete measures ... to ensure reinforced dialogue and closer collaboration among and between relevant international organizations, notably the ILO and OECD, to reduce inequalities". It cites three key areas of action in that regard: (1) promoting the social sustainability of international financial programmes; (2) promoting international labour standards in a global and open economy; and (3) promoting a sustainable and inclusive future of work.

## World Bank Group

29. In recent years, the ILO has pursued a range of collaborative activities with the International Finance Corporation (IFC) and the World Bank, including successful joint programmes, such as Better Work and the third-party monitoring of the cotton harvest in Uzbekistan. Opportunities for similar engagement in other countries are being explored. The ILO and the World Bank co-chair the Social Protection Inter-agency Cooperation Board and have been instrumental in the creation of multi-stakeholder partnerships, such as the Global Partnership for Universal Social Protection to Achieve the Sustainable Development Goals (USP 2030). The ILO has participated with the World Bank in joint research, inter-agency policy papers for the G20 and statistical projects. It has also implemented components of World Bank projects in the areas of employment-intensive infrastructure and the development of small and medium-sized enterprises, among others. In 2015, the ILO contributed to a World Bank manual, *Balancing Regulations to Promote Jobs*,<sup>25</sup> which represented an important step forward in policy coherence on labour market themes. The World Bank Group's World Development Indicators use data compiled by the ILO for labour market indicators. The World Bank Group and the ILO jointly published guidelines on the implementation of the standards adopted at the 19th International Conference of Labour Statisticians in different types of household surveys. Since the onset of the COVID-19 pandemic, the ILO and the World Bank have been collaborating on monitoring the employment impact of the measures implemented to contain the pandemic as well as on technical and vocational education and training .
30. The ILO does not have an overarching MoU with the World Bank, but generally holds discussions on cooperation during the annual meetings of the IMF and the World Bank. The Office is seeking to step up collaboration with the World Bank in countries on themes of mutual interest. Discussions are ongoing on collaboration to extend the reach of existing social protection systems in the Global South. Recent examples of work with the World Bank Jobs Group teams on this agenda include Bangladesh, Ecuador, Indonesia, and Jordan. Other areas of interest include the green jobs agenda (including in specific industries such as construction) and gender. Discussions have also advanced in Africa with agreement between the ILO Regional Office for Africa and the World Bank vice presidents for Eastern and Southern Africa and Central and Western Africa in the areas of social protection, skills and technological pathways or young people and the

<sup>23</sup> "G7 Social Communiqué", June 2019.

<sup>24</sup> "G7 Social Tripartite Declaration", June 2019.

<sup>25</sup> Arvo Kuddo, David Robalino and Michael Weber, *Balancing Regulations to Promote Jobs: From Employment Contracts to Unemployment Benefits* (World Bank Group).

promotion of women's employment, including joint knowledge products and potential joint interventions at country level.

## World Trade Organization

31. The ILO does not currently have an institutional collaborative arrangement, such as an MoU or equivalent, with the WTO, and while the WTO enjoys observer status at the ILO Governing Body and International Labour Conference, the ILO does not have reciprocal status at the WTO General Council or Ministerial Conference. There has been joint research and mutual participation in conferences and workshops over the years, but collaboration has not developed further. The Office continues to maintain contacts with the WTO secretariat and to participate in WTO Public Forum events.

## Regional development banks

32. The regional multilateral development banks (MDBs) have been important players in development finance for many years and are considered key actors in the response to the COVID-19 crisis and the scaling-up needed for realization of the SDGs in general. Cooperation among the regional MDBs has been on the rise since the adoption of the Addis Ababa Action Agenda in 2015, including agreements on common actions to address issues such as forced displacement, infrastructure, private investment and urbanization. They are increasingly active on climate finance and issues related to a just transition, as evidenced by a collective high-level statement at the UN Secretary-General's Climate Action Summit in September 2019, where eight regional MDBs plus the World Bank Group reiterated their commitment to helping clients deliver on the goals of the Paris Agreement.<sup>26</sup> In recent years the ILO has seen increased potential and interest in collaboration with regional MDBs. Several have put in place environmental and social safeguard policies, similar to those of the IFC, for their lending and investment operations.<sup>27</sup> These safeguards have generally included a labour and working conditions standard that is based on, or directly references, ILO core labour standards and other key standards on working conditions and occupational safety and health. They also often include a safeguard on indigenous peoples that references the ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169).

## Regional intergovernmental organizations and institutions

33. Regional intergovernmental groupings and their institutions have traditionally provided the ILO with opportunities to foster political support for the Decent Work Agenda and pursue joint programmes and projects that respond to regional priorities. In Africa, the ILO works closely with the African Union (AU) and has formal partnership agreements with five of the eight AU-recognized Regional Economic Communities,<sup>28</sup> such as the agreement with IGAD, ECOWAS, the East African Community (EAC) and the Southern African Development Community (SADC) on migration and labour mobility projects. In Asia and the Pacific and the Arab States, the ILO has formed close relationships over the

<sup>26</sup> Asian Development Bank (ADB), African Development Bank (AfDB), Asian Infrastructure Investment Bank (AIIB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), New Development Bank (NDB) and World Bank Group, "High Level MDB Statement".

<sup>27</sup> In particular, the AfDB, EBRD, EIB and IDB.

<sup>28</sup> EAC, Economic Community of Central African States (ECCAS), ECOWAS, IGAD and SADC; MoUs with the EAC and the SADC were renewed in 2018 and 2019, respectively.

years with the Association of Southeast Asian Nations, the South Asian Association for Regional Cooperation, the Pacific Island Forum, the Arab Labour Organization and the Gulf Cooperation Council, which have contributed to ensuring that tripartite social dialogue and social justice are part of policy debates. The Latin America and the Caribbean region supports technical work with the Organization of American States, among others. In Europe, the ILO has benefited from close ties with the institutions of the EU, and in particular the European Commission, which is currently one of the ILO's largest development cooperation partners. The European Commission supports the Decent Work Agenda through external and internal policies and promotes a human-centred approach to trade policies.<sup>29</sup> In October 2019, the Council of the European Union adopted conclusions to promote the ILO Centenary Declaration.<sup>30</sup>

## Multi-stakeholder partnerships

34. A key feature of the 2030 Agenda is the recognition of the intrinsic and critical role of multi-stakeholder partnerships, reaching out beyond the intergovernmental organizations in helping countries achieve the SDGs. Since the adoption of the Agenda in 2015, a number of such partnerships have been created and existing ones expanded. The ILO leads or participates in several significant ones that have important donor support. While their transaction costs can be heavy, the experience has been positive as these often serve as good entry points for promoting policy coherence and the ILO's normative and tripartite approach.
35. For example, the Global Initiative on Decent Jobs for Youth, the first comprehensive UN system-wide effort for the promotion of youth employment, has brought together the resources of the UN and other key global partners to maximize the effectiveness of investments in youth employment. The Office has strengthened the partnership between the Global Initiative and the Generation Unlimited partnership of the United Nations Children's Fund (UNICEF), leveraging the convening power of both organizations for greater impact at the country level. Alliance 8.7 to eliminate child labour, forced labour, modern slavery and human trafficking has attracted some 235 partners from across the world since its establishment, representing governments, social partners, UN and regional organizations as well as civil society. It has fostered policy coherence on critical issues across government, the UN system and beyond, and helped accelerate action in concerned countries. The Equal Pay International Coalition (EPIC), led by the ILO, UN Women and the OECD, has a diverse and growing membership of 47 entities from UN agencies, governments and employers' and workers' organizations, civil society and academia, and has become an international hub for technical knowledge and innovation on effective measures to promote pay equity and the achievement of target 8.5 of the 2030 Agenda.
36. The Climate Action for Jobs initiative, spearheaded by the ILO, generates both a major opportunity and responsibility for the Office to promote coherence in approaches based on the ILO *Guidelines for a just transition towards environmentally sustainable economies and societies for all*. The Initiative is now under way as a multi-stakeholder alliance, guided by a 2020–30 strategy aligned with the Decade of Action to accelerate action and solutions for the achievement of the SDGs, the UN cooperation frameworks, and the UN

<sup>29</sup> Such as the 2017 European Consensus for Development.

<sup>30</sup> Council of the European Union "The Future of Work: the European Union promoting the ILO Centenary Declaration – Council Conclusions", 24 October 2019.

Secretary-General six areas of action for a climate-positive recovery from the COVID-19 crisis.

37. The Global Coalition for Safety and Health at Work, chaired by the ILO, brings together regional organizations, governments, social partners and occupational safety and health experts to promote the critical contribution that safe and healthy work makes to global health, decent work and sustainability. It works towards greater policy coherence on strategies and practical solutions, engaging multiple actors to coordinate and leverage existing knowledge and resources, and covers topics such as occupational safety and health data, vision zero at enterprise level, the future of work, migrant workers, and promotion of safety and health through higher education.

## ▶ Looking ahead: Prioritizing strategic policy coherence efforts

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38. The issues on which the ILO has lead responsibility within the multilateral system are at the very top of policy agendas in the COVID-19 recovery process. This creates the opportunity and the need for the Organization to assume a more central role in international policy coordination consistent with the Centenary Declaration by reinforcing its cooperation and developing institutional arrangements with other organizations to promote policy coherence in pursuit of its human-centred approach to the future of work.
39. All steps in this regard should be consistent with the ILO's constitutional mandate and recognize the respective mandates of other entities as well as the strong, complex and crucial links between the social, trade, financial, economic and environmental policies which fall within them. More specifically, they should be integral to the delivery of the ILO's Strategic Plan for 2022–25 and the UN 2030 Agenda for Sustainable Development with which it is strongly aligned.
40. Any initiative would be introduced in a dynamic context because at the same time as confronting the COVID-19 crisis the multilateral system is moving ahead with profound reform of its development system and embarking on a critical decade of delivery of the UN 2030 Agenda. It is, and must remain, a distinctive duty of the ILO to promote and reinforce the role and capacities of its tripartite constituency in the context of its normative framework and of the operationalization of the human-centred approach of the Centenary Declaration. This would contribute to rebuilding a fairer, more inclusive and more sustainable post-COVID-19 world.
41. The Centenary Declaration sets out an agenda corresponding precisely to the new direction international economic policy must take in order for the international system to succeed in addressing the economic, social and environmental challenges of our time. As affirmed by the ILO Governing Body in November 2020 in its discussion on COVID-19 and the world of work, the ILO has a significant role in promoting a human-centred multilateralism in the COVID-19 recovery and beyond.<sup>31</sup> In so doing, it must work with other agencies to develop a more intensive and effective response for countries seeking technical and financial support for such strategies.

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<sup>31</sup> See GB.340/HL/2 and GB.340/HL/PV.

42. The Office proposes to build further upon the current substance and modalities of cooperation outlined in this document. The Office would seek to systematize, deepen and extend existing partnerships and develop new ones, as described in paragraphs 43–51 below. In addition, a renewed effort is needed to bring about greater system-level interaction and coherence in the COVID-19 recovery between those organizations whose mandates make them particularly important for the realization of the objectives of the Centenary Declaration, keeping in mind its explicit reference to social, trade, financial, economic and environmental policies in the context of reinforced cooperation and coherence. This would be distinct from and complementary to the efforts already under way through the process of UN reform. That renewed effort is addressed in paragraphs 52–56.

### Building partnerships on priority issues

43. A number of policy themes offer good prospects for enhanced cooperation in the COVID-19 response at an inter-institutional level, both because they are strongly present in the Centenary Declaration and hence in the ILO Strategic Plan 2022–25, and because they are explicit priorities of key multilateral partners. These include, but are not necessarily limited to, the following issues.
44. **Economic policies for full and productive employment:** The COVID-19 crisis has exposed existing decent work deficits as well as created an employment crisis of unprecedented scale. As countries gradually recover, they face the urgent need to create productive employment for their labour forces by investing in potential growth sectors, such as the digital and green economies, as well as to target the hardest hit groups to promote an inclusive recovery. An important area for the ILO to assume a leadership role with other international organizations and international financial institutions (IFIs) would be work on macroeconomic and other economic policies to support quality employment creation and enterprise upgrading, the transition to formality, structural transformation and economic diversification, youth employment and gender equality. The demand from Member States to work on both economic and social policy to build back better provides a key justification to work with the IFIs on those issues as well as to further explore potential collaboration on sustainable enterprises and supply chains.
45. **Social protection:** The gaps in global social protection coverage have become cruelly evident during the COVID-19 crisis. The corollary however is that there are new opportunities for inter-institutional cooperation to attain long-standing ILO objectives with regard to universal social protection and crucial improvements in social protection coverage. Accordingly, the ILO needs to reinforce its impact on social protection through the Social Protection Inter-agency Cooperation Board, the Global Partnership for Universal Social Protection (USP 2030) and the UN-wide Social Protection Floor Initiative by implementing and documenting One United Nations country programmes on social protection, developing and applying inter-agency social protection assessment tools, carrying out inter-agency research, including on financing social protection, and further extending USP 2030 to more countries. The ILO should further enhance collaboration with the IMF in the context of the Fund's Strategy for Engagement on Social Spending. The ILO will advocate for the principles established in its standards to be duly taken into account by the IMF in its recommendations on social spending, which would increase their redistributive impact, promote solidarity and reinvigorate the social contract in the COVID-19 recovery process.
46. **International labour standards:** The ILO has responsibility for across-the-board promotion of its normative instruments in the multilateral system, and in the post-

COVID-19 environment a closer working relationship with the UN and its treaty bodies both at the global and country levels would be important for reinforcing the critical links between labour rights and human rights. UN development system reform is providing new opportunities for the ILO to collaborate with the Office of the High Commissioner for Human Rights and other UN agencies in providing assistance to States in meeting their human rights obligations. Furthermore, more systematic engagement in assisting development banks with labour issues that arise in the application of their social safeguards is a promising area for future engagement.

- 47. Just transition and climate action for jobs:** As countries around the globe implement short-term responses to the COVID-19 pandemic, the declared objective of building back better places a strong emphasis on building back greener. All actors now see the importance of ensuring a just transition towards low-carbon economies as well as the considerable employment creation potential of such a transition. This creates a favourable environment for the ILO to engage with its multilateral partners on the green agenda, building on the Climate Action for Jobs Initiative. The COP26, to be held in Glasgow, UK, from 1 to 12 November 2021 will provide a key coherence moment for climate change and just transition.
- 48. Trade and living standards:** Just as the international community is starting to turn the corner on climate issues, with an increased focus on green finance, environmental concerns in trade policy and recognition that achieving the Paris Agreement's goals can create both economic growth and quality employment, the time is ripe for renewed discussion at the multilateral level of the social dimensions of trade liberalization. The ILO can play a key role in achieving greater policy coherence with regard to the contribution that trade policies can make to broad-based progress in people's living standards, based upon increased investment in the institutions of work and people's capabilities and the human-centred approach developed in the Centenary Declaration.
- 49. Skills and lifelong learning:** With the need for upskilling and reskilling for today's rapidly changing labour market recognized to be a policy priority worldwide in the recovery process, and the broad recognition that skills and lifelong learning are needed to equip workers with the necessary skills to thrive in the digital and green economies of the future, the ILO has a clear role to play and many opportunities to work with other agencies on these issues. Such cooperation increased markedly during the COVID-19 crisis at regional and multilateral levels and with the social partners.<sup>32</sup> Building on its existing engagement the Office could enhance such cooperation and explore new prospects for such collaboration, including particular focus on joint country-level operations.
- 50. Harmonization of statistics for enhanced policy coherence:** Since the onset of the COVID-19 pandemic, collaboration with other international organizations has intensified to respond to the urgent need of adapting methods of labour data collection, particularly labour force surveys.<sup>33</sup> There is potential for enhanced collaboration within the UN

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<sup>32</sup> For example, in 2020, the ILO conducted a series of global surveys on the impact of COVID-19 on skills development, in collaboration with the following: the African Development Bank, the Asian Development Bank, the European Centre for the Development of Vocational Training, the European Commission, the European Training Foundation, the Global Apprenticeship Network, OECD, UNESCO and the World Bank. The ILO, UNESCO and the World Bank started joint research on the reform of formal TVET.

<sup>33</sup> Fast and efficient joint efforts with the UN Economic Commissions, the OECD and the World Bank Group led to the establishment of rapid assessments, proxy methodologies and the use of new sources of data to monitor the employment impact of the crisis. Joint manuals, guidelines, websites and platforms, as well as the compilation of best

system and with the OECD, international financial institutions and the regional development banks, for example in data collection for monitoring the SDGs, especially through the indicators for which the ILO is custodian in the Global Indicator Framework. Both the IMF and the World Bank participate in the working group on revising the statistical framework for measuring informality that will be submitted for adoption to the next International Conference of Labour Statisticians in 2023. All of these initiatives are opportunities the ILO can build upon to drive greater policy coherence through harmonization of definitions and survey instruments as well as through coherent policy advice at the country level.

- 51. Regional partnerships and collaboration with intergovernmental groups on employment and social issues:** The ILO's past record with regard to regional level partnerships is somewhat uneven, and new efforts to develop such linkages on a more systematic basis could be particularly timely given that the issue of the optimal use of the UN's regional assets is under ongoing examination in the UN reform process. Furthermore, over the last decade the ILO has established itself as a valued partner to a number of intergovernmental groupings, notably the G20, the G7 and the BRICS group of countries (Brazil, the Russian Federation, India, China and South Africa), which has had the additional result of consolidating its cooperation with other international organizations that offer similar support. While continuing to offer its services to those groups, the Office could, together with other multilateral institutions, provide technical and coordination support to a process of policy dialogue and peer review among their member governments on the different dimensions of the human-centred agenda to build back their economies faster and better.

## Strengthening institutional arrangements in the multilateral system

- 52.** It is clear from the above analysis that the identification of partners for cooperation in the COVID-19 recovery process would depend very much on the policy themes to be pursued and their own interest in working together with the ILO.
- 53.** Over and above such issue-based cooperation, a renewed effort towards greater system-level interaction and coherence is justified and necessary in the light of the nature of current global challenges, particularly the response to the COVID-19 crisis, given the instructions embedded in the Centenary Declaration.
- 54.** The discussions at the 340th Governing Body of COVID-19 and the world of work highlighted the role of international leadership that is required of the ILO in building back better from the social and economic crisis brought about by the COVID-19 pandemic. It emphasized the need for a common effort across the multilateral system to restart the global economy and to set it on a more sustainable, inclusive and resilient long-term trajectory.
- 55.** Further proposals on this topic need to be considered in conjunction with the Governing Body document on COVID-19 and the world of work.<sup>34</sup> In particular, it is envisaged that the Conference would aim to adopt an outcome document on a global response for a human-centred recovery from the COVID-19 crisis that is sustainable and resilient, through the accelerated and focused implementation of the ILO Centenary Declaration.

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practices on the COVID-19 emergency were developed and published jointly. One example is the two- volumes series on "How COVID-19 is changing the world: a statistical perspective" published by more than 35 international organizations.

<sup>34</sup> GB.341/INS/4.



56. An important and timely opportunity for follow-up to the document to be adopted by the Conference would be for the ILO to convene, towards the end of 2021, a major policy forum on human-centred recovery from the COVID-19 crisis. In order to examine further and operationalize ways of further promoting international policy coherence the heads of relevant international organizations could be invited to participate. Discussion might focus on how joint initiatives and possible new institutional arrangements could reinforce coherence in the COVID-19 recovery process. It would allow important links to be forged between the ILC discussions on COVID-19 and the world of work and the priorities of other multilateral agencies, while creating momentum within the membership of the ILO to fully assume responsibility to implement the Centenary Declaration on the Future of Work.

## ▶ Draft decision

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57. **The Governing Body requested the Director-General to take the necessary action in accordance with its guidance to enhance the ILO's role in the multilateral system by reinforcing its cooperation and developing institutional arrangements with other organizations to promote policy coherence in pursuit of its human-centred approach to the future of work.**