

**FOR DEBATE AND GUIDANCE**

## FIFTH ITEM ON THE AGENDA

**The Decent Work Agenda in Poverty Reduction Strategy Papers (PRSPs): Recent developments**

1. Since the beginning of the ILO's engagement with the Poverty Reduction Strategy Papers (PRSPs) process in 2001–02, the Committee has periodically examined progress and impact.<sup>1</sup> At the 2006 International Labour Conference, the Committee on Technical Cooperation reviewed and emphasized the close relationship between the Decent Work Agenda, Decent Work Country Programmes (DWCPs) and PRSP processes.<sup>2</sup>
2. This paper provides an update on recent developments in the PRS<sup>3</sup> process worldwide and the related policy debate. It also reports on progress in integrating the Decent Work Agenda into the PRS process across countries, highlights some of the more innovative outcomes of ILO's engagement with the PRS process including integration with the DWCP process. It concludes by drawing lessons for future work.

**PRSPs remain central to debt relief and for accessing concessional lending and development aid**

3. By January 2006, 52 countries had prepared full PRSPs, of which 26 were in Africa, 11 in Asia, nine in Europe and Central Asia, five in Latin America and the Caribbean, and one in the Arab States.<sup>4</sup> Several more were under preparation. In addition, in some ten other countries, mostly affected by or emerging from conflict, an Interim Poverty Reduction

<sup>1</sup> GB.285/ESP/2; GB.289/ESP/3; and GB.294/ESP/5.

<sup>2</sup> *The role of the ILO in technical cooperation (general discussion)*, Report of the Committee on Technical Cooperation, *Provisional Record* No. 19, ILC, 95th Session, ILO, Geneva, 2006.

<sup>3</sup> PRSs and PRSPs are currently used interchangeably by the development community.

<sup>4</sup> World Bank data.

Strategy Paper (I-PRSP)<sup>5</sup> had been prepared but the process of its completion has been either halted or slowed down.

4. For the low-income countries eligible for the Heavily Indebted Poor Countries (HIPC) Initiative,<sup>6</sup> the successful implementation of a full PRSP for at least one year is one of the prerequisites for access to debt relief. Since the introduction of the Multilateral Debt Relief Initiative (MDRI) in June 2006,<sup>7</sup> 16 countries in Africa and four in Latin America that had reached HIPC Completion Point (HIPC CP)<sup>8</sup> were granted MDRI relief in 2006.<sup>9</sup> The MDRI will effectively double the volume of debt relief already expected from the enhanced HIPC Initiative. PRSPs are also essential to access World Bank and International Monetary Fund (IMF) concessional lending.
5. However, as had been pointed out earlier,<sup>10</sup> a number of countries beyond the HIPC Initiative have undertaken the formulation of a PRS following the same broad principles of the PRSP process, i.e. a multi-stakeholder participatory process through which governments develop strategies for overcoming poverty, including policy and expenditure targets, and encourage accountability to their domestic constituencies and to international development partners. On the other hand, development partners commit to provide sustained and coordinated financial flows towards the national goals defined, essentially through support to national budgets.
6. Therefore, in 2007, in some 70 countries across regions, the PRS process remains the central piece of the financial and aid architecture that guides the national development planning and budget allocation as well as the alignment of the development aid by international financial institutions (IFIs) and major donors. In these countries, PRSPs and PRSs are the overarching policy framework towards which the development assistance by all partners, including by the United Nations (UN) system, should converge.

<sup>5</sup> A I-PRSP summarizes the current knowledge and analysis of a country's poverty situation, describes existing poverty reduction efforts, and lays out the process for producing a fully developed PRS paper in a participatory fashion.

<sup>6</sup> The HIPC Initiative is a comprehensive approach to multilateral debt reduction for countries pursuing the IMF and World Bank-supported adjustment and reform programmes. The principal objective is to bring the country's debt burden to sustainable levels, subject to satisfactory policy performance and to ensure that adjustment and reform efforts are not put at risk by continued high debt and debt service burdens.

<sup>7</sup> In 2006, following the 2005 Gleneagles Summit of the G8 group of nations, the World Bank joined the IMF and the African Development Bank in implementing the MDRI, forgiving 100 per cent of eligible outstanding debt owed to these three institutions by all countries reaching the completion point of the HIPC Initiative.

<sup>8</sup> The HIPC CP equals the actual point in time when debt relief is granted. Certain preconditions need to be fulfilled, namely a country has to maintain an IMF-supported macroeconomic programme under the Poverty Reduction Growth Facility (PRGF) of at least three years, implement a PRSP for at least one year and comply with the structural reform conditions determined at the so-called HIPC Decision Point (HIPC DP) when embarking on the HIPC process.

<sup>9</sup> Benin, Bolivia, Burkina Faso, Cameroon, Ethiopia, Ghana, Guyana, Honduras, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Senegal, United Republic of Tanzania, Uganda and Zambia.

<sup>10</sup> GB/294/ESP/5.

7. Since its introduction in 1999, there have been numerous internal and external evaluations<sup>11</sup> and criticisms of the PRS process. The latter have underscored, inter alia, the uneven and incomplete application of the participatory process; the tilted balance between donor-driven agendas and nationally owned home-grown initiatives; the conditionality attached to concessional lending and lack of emphasis on investment in the productive sectors. Similarly, there have been calls and efforts to mainstream and better coordinate the Millennium Development Goal (MDG) and the PRS processes at the country level.

## The new generation of PRSs more sensitive to the Decent Work Agenda

8. The point of entry for the ILO's engagement with the process was the lack or limited participation of the ILO tripartite partners in the process and the invisibility of employment and other dimensions of decent work in the goals, strategies and budget allocations adopted through the PRS process. Since 2001–02, with extra-budgetary funding support, the ILO developed a systematic approach to influence the PRS process and to integrate a decent work perspective. This approach, implemented first through a pilot ILO/DFID project funded by the United Kingdom and covering five countries, is now being applied in some 35 countries, i.e. in over half the total number of countries engaged with the PRS process. Table 1 in the appendix provides a detailed list.
9. The ILO strategy consists of four interconnected elements:
- *Empowering the constituents* (ministries of labour, employers' and workers' organizations) by strengthening their capacity to influence the drafting, implementation and monitoring of national PRSs.
  - *Incorporating employment and other relevant dimensions of the Decent Work Agenda into PRSs* by identifying appropriate entry points and country-specific priorities and by articulating a visible and marketable platform for action.
  - *Influencing and developing partnerships through strategic communication at the country level*: seeking to influence, other government ministries and departments (especially ministries of finance/planning) driving the design and implementation of PRSs, and development organizations (including multilaterals, bilaterals and civil society organizations) to embrace the decent work route out of poverty.
  - *Maintaining critical dialogue at the global and regional levels with the IFIs, regional commissions, regional development banks and the United Nations Development Programme (UNDP)* on the overall assessment of the content and process of PRS strategies.
10. The application of the strategy at the country level was backed up by the development of comprehensive tools connecting the Decent Work Agenda across its strategic objectives with the multilayered PRS framework.<sup>12</sup> These tools have been widely used for

<sup>11</sup> The latest evaluation by the World Bank is summarized in the *2005 PRS Review – Balancing accountabilities and scaling up results*, PREM Poverty Reduction Group, World Bank, Washington, DC, Sep. 2005. The ILO's comments and views were solicited and provided in the process.

<sup>12</sup> *Decent work and Poverty Reduction Strategies (PRS): A reference manual for ILO staff and constituents*, National Policy Group, Policy Integration Department, ILO, Geneva, 2005; *Decent work and Poverty Reduction Strategies (PRS): An ILO advocacy guidebook (A supplement to decent work and PRS: A reference manual for ILO staff and constituents)*, National Policy Group, Policy Integration Department, ILO, Geneva, 2005; *Decent work and Poverty Reduction Strategies*, Employment Policy Department, Employment Sector, ILO, Geneva, 2005.

capacity-building programmes with tripartite partners, as well as to develop competencies of ILO staff (field and headquarters). They have inspired further research deepening specific aspects of decent work and the PRS process highlighted in the subsequent section.

11. ILO (constituents and Office) engagement at the country level, the converging assessments of the first round of PRSs and the strong commitments made recently at the global and regional levels on the Decent Work Agenda have resulted in making the new generation of PRSs<sup>13</sup> much more sensitive to decent work goals. The United Nations Economic and Social Council (ECOSOC) Ministerial Declaration on employment and decent work<sup>14</sup> and the latest Ministerial Statement by African Ministers of Finance, Planning and Economic Development,<sup>15</sup> reaffirming the centrality of decent employment in the second generation of PRSs, reflect the evolving mindset amongst a broad spectrum of government agencies beyond the ILO constituency.
12. The integration of decent work goals is achieved in many different ways across the range of PRSs and with varying depth. It is not static and has been continuously evolving over time. Increasingly, employment is treated as a cross-cutting objective, emphasizing action on productive sectors where the poor are engaged, i.e. mostly agriculture and rural development and small business development. The systematic focus on governance issues has been tapped into for introducing decent work issues relating to the governance of labour markets including labour law reform and minimum wage policies. Elimination of child labour, focus on youth and gender have been given prominence in strategies and, sometimes, in the monitoring indicators. Increased attention is paid to issues related to HIV and AIDS at the workplace.
13. Some PRSs include a more thorough analysis of growth targets and projected poverty reduction goals, others a more narrow focus on sectoral targets without an in-depth analysis of the macroeconomic policy framework. Table 1 in the appendix provides a condensed synopsis of some of the priorities set at the national level through the PRS process and the bridges that have been built through ILO action with the Decent Work Agenda in 35 countries (18 in Africa, nine in Asia, four in Europe and Central Asia, and three in Latin America and the Caribbean). It shows that the ILO's engagement has definitely moved from a pilot phase to a mainstream strategy.
14. The participation of tripartite partners, as highlighted in table 1, has generally improved, although a country-specific assessment is more pertinent. Access to timely information by social partners remains an issue. Similarly, if their participation is more readily invited in the design stage, it seems to weaken during the implementation and monitoring processes. This is particularly true in countries that do not have established practices of social dialogue and strong tripartite mechanisms for follow-up. Prior advocacy and capacity-building support to social partners has proven an important element of the overall ILO strategy, determining the quality and content of participation. An encouraging development is that ministries of finance and/or planning are becoming more proactive in making the employment strategy a key element of the PRS process.

<sup>13</sup> Including through the annual revision and periodic reviews of earlier PRSs.

<sup>14</sup> Ministerial Declaration of the High-Level Segment on "Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development", ECOSOC, July 2006.

<sup>15</sup> Ministerial Statement, 39th Session of the Commission/Conference of the African Ministers of Finance, Planning and Economic Development on "Meeting the challenge of employment and poverty in Africa", Ouagadougou, May 2006, available at [http://www.uneca.org/cfm/2006/ministerial\\_statement.htm](http://www.uneca.org/cfm/2006/ministerial_statement.htm).

15. These positive developments should be assessed in the light of the challenges that remain. These are:
- in countries that have moved into the implementation phase, difficulties are still faced for the integration of employment targets and/or targets related to other aspects of decent work in policy matrices;
  - building capacities and sustaining interest by the tripartite partners throughout a cumbersome, repetitive and lengthy process is not easy;
  - moving from pilot to scale increases demands on ILO support, field and headquarters included; and
  - new tools and methodologies need to be continuously developed, for example, in order to analyse policy matrices developed for the PRS and the corresponding national budget allocations from the decent work perspective.

## DWCPs and PRSPs increasingly connected

16. Knowledge-sharing across sectors and regions has been a feature of the ILO's work on PRSPs, through meetings of the PRSP Internal Advisory Group and annual staff seminars held at the ILO's International Training Centre in Turin.
17. With the introduction of decent work country programming, the ILO's work with respect to PRSPs has been progressively integrated in the DWCPs. From the outset, the guidelines for the design of DWCPs emphasized the importance of linking the DWCPs to major policy frameworks including the PRS. In addition, a specific effort was made during the second half of 2005 and in preparation of DWCPs, with the organization of capacity-building and knowledge-sharing workshops for directors and programming staff of ILO offices in all regions.<sup>16</sup> This proved an excellent opportunity to feed in the lessons learned from the ILO pilot engagement in the PRSP process.
18. Table 1 in the appendix, drawn for the purpose of this paper, shows the close integration and strong linkages of the two processes in some 17 countries where both PRSPs and DWCPs were evolving.<sup>17</sup>

## Selected country experiences

19. In previous reports, several country experiences have been analysed. This time four illustrative examples are presented. First, the United Republic of Tanzania and Mali, where the PRS process and ILO engagement are older and the cycle has matured. The United Republic of Tanzania is a good example of the coordination and alignment processes of all policy frameworks into a single PRS framework. Mali is a good and rather innovative model where HIPC funds have been mobilized for national programmes and implemented with ILO support. Liberia and Zambia are good practice examples of more recent engagements at the country level.

<sup>16</sup> Workshops were held in Bagamoyo (United Republic of Tanzania), Bangkok, Budapest, Dakar, Lima and Moscow.

<sup>17</sup> The table does not reflect DWCPs that are under preparation. It highlights only those which had been completed according to the information available at the time of the preparation of this paper.

### The United Republic of Tanzania: Scaling-up, aligning national policy processes, development aid and the DWCP

The United Republic of Tanzania has been at the forefront of applying new reform agendas to improve aid effectiveness and harmonization, donor coordination and increase national ownership of poverty reduction policies and programmes.

In June 2002, the Government initiated a series of discussions with its development partners and launched the Tanzania Assistance Strategy (TAS). The TAS set out the principles to guide the Government's relationship with development partners.

In 2000, the first PRS, PRS 1 2000–04, was adopted, but the breadth and depth of the consultations were questioned including the limited participation by social partners. During the course of implementation in 2000–04, the space for country ownership and effective participation of civil society was enlarged, including through comprehensive and public annual progress reviews.

Lessons learned from the first PRS process were used in the elaborate preparatory process of the second PRS. The consultations and preparation extended over 12 months and led to the adoption in January 2005 of PRS 2 or "Mkukuta", 2005–10. Consultations were held at central, regional and district levels. PRS 1 focused on key priority sectors (education, health, water, agriculture, rural roads, the judiciary and lands) and linked action to the budgeting process. The main reported achievement was in education, substantially enhancing primary school enrolment by increasing the number of classrooms and by removing user fees.

The "priority sector approach" in PRS 1 shifted in PRS 2 to an "outcome orientation", embracing growth and identification of cross-sectoral action by stakeholders under each outcome. PRS 2 identifies three major clusters of poverty reduction outcomes: (1) growth of income and poverty reduction; (2) improvements to quality of life and social well-being; and (3) good governance.

The ILO has been actively supporting PRS 1 and PRS 2 processes through its multilayered approach including by promoting participation of tripartite partners. PRS 2 gives recognition to employment and social protection as integral components of PRSs and growth. The ILO also contributed to the governance cluster of the strategy, especially working with the Ministry of Labour and social partners on the reform of labour law and institutions. Tripartite constituents are regularly participating in the consultative processes and the Government has set a specific target of creating 1 million new jobs over the 2005–10 period.

In spite of substantial progress made under the TAS, the Government and development partners agreed that a broader framework was needed to capture all international commitments concerning aid effectiveness, in particular the 2002 Monterrey Consensus on Financing for Development, the 2003 Rome Declaration on Aid Harmonization, the 2004 Marrakech Memorandum on Managing for Results, and the 2005 Paris Declaration on Aid Effectiveness. The Joint Assistance Strategy Tanzania (JAST) was formally approved in October 2006.

The United Nations Development Assistance Framework (UNDAF) 2007–10 is aligned with the priorities defined by "Mkukuta". UNDAF identifies UN agencies' joint contributions to each of the three clusters. The UN system has committed itself to support the capacities of government and non-state actors to undertake pro-poor, employment-driven and gender-sensitive policy research and analysis.

The process of harmonization and alignment of development assistance to national priorities is leading over time to a general shift away from aid projects run by development partners to scaled-up, sector-wide reforms and large-scale programmes with national impact and to consistently increasing contributions to the Government's budget by bilaterals and the IFIs. Development partners are requested to designate lead agencies for each sector, and reduce individual projects. The general budget support is becoming the main funding modality for development assistance in the United Republic of Tanzania. The United Republic of Tanzania has been recently selected as one of the pilot countries for the implementation of the UN reform, "Delivering as One".

The ILO has been an active partner in all the above processes. Its Decent Work Country Programme (DWCP 2006–10) is fully aligned with the PRS ("Mkukuta") process.

Furthermore, long-standing ILO engagement on employment-intensive investment programmes on the one hand and on elimination of child labour on the other, enabled upscaling of these strategies in the PRS process. The ILO supported the Government in developing a White Paper on "Taking local resource-based approaches to scale", which resulted in the adoption of this methodology, on a large-scale and mainstreamed approach in the PRS. New donors have, as a result of the PRS process, engaged in supporting the technology, including Japan which is now financing a major capacity-building programme under the Appropriate Technology Training Institution, originally set up under an ILO-supported project.

Similarly, the International Programme on the Elimination of Child Labour (IPEC) played an active advocacy role for giving prominence to child labour in the PRS 1 and PRS 2 processes. The introduction of a module on child labour within the National Labour Force Survey (2000–01) helped quantify the nature and scale of the problem and therewith its inclusion in the poverty diagnosis. Child labour is also adopted as one of the indicators in the PRS monitoring mechanism.

### **Mali: Accessing HIPC funds for youth employment and for labour-intensive infrastructure development**

The Government of Mali had decided to make the PRSP the unique framework for its mid-term policies and strategies as well as for engagement with technical and financial partners. The ILO acted speedily and strategically in influencing the new programming framework through the Decent Work Agenda. Mali was one of the five countries participating in the pilot ILO/DFID/WB project in support of PRSPs initiated in 2001.

The ILO's engagement was welcome and certainly helped by its long-standing presence through technical cooperation programmes – especially in the field of employment and the solid relations with the national partners. One of the thematic working groups set up under the PRSP focused on “decent work”. Following two years' intensive efforts, the intersectoral nature of employment and the important consultative role of employers' and workers' organizations could be effectively promoted in the PRS framework. Moreover, through this process and with the support of the ILO, the Malian authorities made youth employment one of the central priorities of government policies.

In turn, the ILO committed to align its own interventions on the national priorities retained in the Mali PRSP. The entry point of youth employment has allowed for the development of an integrated approach centred on multidimensional employment promotion programmes, combining interventions in the areas of micro-enterprise and microfinance, cooperative development, employment intensive methods, skills development and employability, as well as mutual health insurance.

Tangible results have not only been achieved on the strategic and operational fronts but more interestingly with respect to resource mobilization. The ILO was able to secure government funding for two national programmes through the resources released following the HIPC debt relief in 2003. The first is the National Employment Action Programme for Poverty Reduction (PNA/ERP), focusing on youth employment, fully funded by the Mali Government to the tune of US\$4,373,000. A technical assistance component executed by the ILO is funded through UNDP for US\$256,000. The second is the multisectoral programme on labour-intensive investment in rural and urban areas, also targeting youth, financed by the Government to the tune of US\$2.3 million. The corresponding technical assistance component executed by the ILO is funded bilaterally by the Government of Luxembourg for the amount of US\$1.5 million. In this process, the ILO is currently working with the constituents to enhance and scale up coherent and integrated action on youth employment, which includes the preparation of a dedicated national action plan.

The two programmes are direct and concrete outcomes of the long-standing and continuous engagement of the ILO with national partners, and the integration of the employment dimension in the Mali PRSP. The commitments of the Ouagadougou Summit further motivated the Government to place decent work at the heart of its PRS and the two programmes above are to be seen as concrete follow-up to those commitments.

### **Zambia: A lead role for the Ministry of Labour**

One of the most recent good practices is from Zambia, where the development of the second PRSP and the Fifth National Development Plan (FNDP) have just been finalized. As recently as in May 2006, employment and other decent work issues were overlooked in the draft FNDP. Following considerable lobbying and a joint approach by the ILO and the Ministry of Labour (MOL), a new chapter on employment and labour was included, with a linkage to the National Employment and Labour Market Policy (NELMP), which itself is a product of MOL–ILO collaboration. Through the NELMP linkage, the ILO's DWCP is also clearly connected to the FNDP.

In addition, the MOL has recently been designated as an “economic ministry”, thereby placing it more centrally in the national development process. Based on this new “Chapter”, the Government will form a new Sector Advisory Group (SAG) to coordinate Government and cooperating partner support to it.

Government leadership will be with the Ministry of Labour, whereas the UN and cooperating partners are likely to be led by the ILO. These developments are strategically very important as the PRSP sets out the national priorities around which the JAS is formulated; national budget and direct budget support are allocated and external resources at the country level can be mobilized. This applies to both bilateral and multilateral approaches. Thus from a rather dismal starting point, the ILO has been able to make a significant impact on the process, particularly in cooperation with MOL and social partners.

### Liberia: Jobs, the priority for reconstruction and I-PRSP

The ILO was invited by President Ellen Johnson Sirleaf to contribute towards the preparation of the I-PRSP for Liberia, as the policy envelope for the country's post-conflict reconstruction. An extended ILO mission to Monrovia engaged with the tripartite constituents, the Ministries of Planning, Finance, Statistics and Public Works and the development partners, to analyse its tremendous challenges and potential opportunities, and to propose a comprehensive action plan. The resulting ILO policy contribution setting employment and decent work at the heart of post-conflict recovery has been taken into account in the Government of Liberia's I-PRSP document.

Liberia has gone from a pre-conflict middle-income country to a post-conflict State of extreme and widespread poverty. While the cause of this poverty has been the decade and a half of conflict, the immediate manifestations are the tremendous loss in employment, work, livelihoods, incomes and the deterioration in the conditions of work of the mass of the working poor. The main argument that the ILO contributed, incorporated into the central message of the I-PRSP, is one of policy sequencing. This requires that, in Liberia, in the short to medium term, employment be generated through public sector spending. Greater reliance can be placed on the private sector in the longer term as domestic savings manage to turn from negative to positive, making the sector more sustainable. The I-PRSP contribution is accompanied by a range of specific proposals for employment and income generation through infrastructure development, support to skills and small business development and institution building.

## Regionalizing poverty reduction strategies: A new feature

20. Another recent and innovative development in Africa is the regional PRS Initiatives. In 2003, the two main subregional organizations in Western Africa – the Economic Community of Western African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU) – engaged in the formulation of a Regional Poverty Reduction Strategy (RPRS) – the first exercise of its kind, conducted by regional economic communities (RECs).
21. The RPRS concerns the 15 countries covered by ECOWAS/WAEMU among which 12 have been ranked among the poorest in the world. Its objective is to address the increasing number of cross-border challenges that national strategies have not been able to tackle. It is developed as a tool for improving the effectiveness of countries' PRSPs through integration of the regional dimensions of poverty and provision of a framework for dialogue between the member States and the partners.
22. The ILO was invited to participate in the validation workshop and the RPRS Development Partners meeting.<sup>18</sup> This proved an excellent opportunity to advocate for the centrality of employment in the four major strategic areas of the PRS, namely: good governance; establishment of a REC; improvement of infrastructure; and social inclusion. Moreover, the regional PRSP provides the opportunity for the ILO to strengthen constituents' participation and to ensure that decent work goals are better reflected in the process of regional economic and political integration.
23. Recognizing the importance of these elements, ECOWAS and WAEMU invited the ILO to participate in the follow-up mechanisms of the strategy as well as to help by building their capacities to better integrate decent work in the regional integration process. Consultations are under way for the identification of strategic focuses and to ensure adequate support for capacity building and regional leadership.
24. The regionalization of PRSPs is gaining ground in other regions too. The East African Community (EAC) member States – Kenya, the United Republic of Tanzania and Uganda

<sup>18</sup> Workshop on the Regional Strategy for Poverty Reduction, November 2006.



- are currently in the process of discussing with the World Bank the possibility of developing a RPRS for the EAC.

## Joint communication with the European Commission

25. In June 2006, upon the initiative of the European Commission (Directorate General Development – DGDEV), a joint EU/ILO letter was sent to some 60 EU country delegations introducing the ILO approach and forwarding the ILO tools for integrating employment and decent work goals in the PRS process. This communication encouraged country delegations to support the integration of decent work goals in respective country PRS processes, as a follow-up measure to the May 2006 EU Communication on decent work.

## Knowledge and capacity building

26. As noted before, the ILO's engagement in the PRS process included a major investment in capacity building at the country level and among ILO staff, including the development of comprehensive tools and advocacy guides that connect two multifaceted frameworks, the Decent Work Agenda (including the Global Employment Agenda (GEA)) and the PRS process.<sup>19</sup> Moreover, research and reviews have been initiated on specific dimensions, the more recent among these are highlighted below.
27. The Bureau for Workers' Activities (ACTRAV) held an International Workers' Symposium on "The role of trade unions in the global economy and the fight against poverty", in October 2005 in Geneva, where PRSP was a major issue for discussion. The conclusions included:
- the principle of country ownership of PRSPs as well as full involvement of social partners in that process. However, the ownership process is constrained by the conditionalities which are still linked to World Bank and IMF funding;
  - the quality of participation in PRSPs remains an important concern;
  - a range of policy issues were identified as being important: policy space, aligning PRSPs with medium-term expenditure frameworks and budgetary processes and the importance of making the creation of decent work a central preoccupation of PRSPs;
  - the lack of coherence between PRSPs and other policies, notably trade policy, was also identified as an issue of major concern, as was alignment of donor policies to national PRSPs; and
  - finally, participants stressed the importance of trade union engagement in PRSPs and the necessity to work towards the institutionalization of social dialogue for broader socio-economic policy.
28. ACTRAV continued its efforts to build up research capacity for trade unions at national level. These have shown the need for longer term and sustained capacity-building efforts. The Indonesian example is one such initiative.

<sup>19</sup> The comprehensive list is available in *Decent work and Poverty Reduction Strategies*, Employment Policy Department, Employment Sector, ILO, Geneva, 2005, op. cit.

**Indonesian Labour Research and Training Institute (ILRTI)**

The importance of strengthening the trade unions' capacity to clearly articulate labour and employment linkages with broader socio-economic development and PRSPs became apparent in the PRSP process. Supported by the ILO, a trade union network on the PRSP is being established to represent workers' concerns and opinions in the national PRS formulation process in Indonesia. At the end of the process, there was consensus among the unions to continue the Trade Union PRSP Network under a more formal and unified platform. The ILRTI aims at strengthening the trade unions' capacity for social dialogue, through research and knowledge sharing with the employers' organizations and the Government. The priority research themes identified include employment and PRS, and gender equality and mainstreaming.

- 29.** In July 2006, the Bureau for Employers' Activities (ACT/EMP) completed a project aiming at enhancing the capacity of employers' organizations to participate in the PRSP process. The activities included research papers on obstacles to small and medium-sized enterprise (SME) development including policy recommendations by employers' organizations in Albania, Bolivia, Honduras, Indonesia and the United Republic of Tanzania, and one feasibility study of a guarantee fund for SMEs in Cameroon. Following up on this work, in Honduras, Indonesia and the United Republic of Tanzania, the employers' organizations were effective in initiating policy reform processes.
- 30.** Furthermore, ACT/EMP's guide entitled: "Poverty Reduction Strategy Papers (PRSPs) – A guide for employers' organizations", was published in 2006.<sup>20</sup>
- 31.** Specific efforts have been made to examine the indigenous and tribal people's issues in PRSPs, through an "ethnic audit" of 14 PRSPs and case studies of country processes in Bolivia, Cambodia, Cameroon, Guatemala and Nepal.<sup>21</sup> The research clearly showed that, although indigenous peoples are disproportionately represented among the poor, their needs and priorities are generally not reflected in the strategies employed to combat poverty. The research produced by the ILO has been crucial in generating debate at the 2005 and 2006 sessions of the United Nations Permanent Forum on Indigenous Issues and within the Inter-Agency Support Group. Subsequently, the World Bank organized an International Conference on Indigenous Peoples and Poverty Reduction (New York, May 2006) and committed to work towards the practical inclusion of indigenous peoples' concerns in the PRSPs in a selected number of pilot countries in Africa, Asia and Latin America. The ILO programme on Convention No. 169 has secured additional technical cooperation funding for 2007 to continue and deepen its work on inclusion of indigenous peoples in the PRSP processes in Cambodia, Cameroon and Nepal. This work is expected to generate experiences and lessons that can inform the inclusion of indigenous peoples in the PRSPs at a more general level.
- 32.** Gender is a mainstream priority in ILO/PRSP work. Specific capacity-building efforts have in particular been made in Bolivia, Brazil, Ecuador, Ethiopia, Honduras, Paraguay, Peru, Uruguay and Yemen to influence PRSPs at the formulation stage. A more in-depth process has been recently launched to further consolidate gender and employment in three country PRS processes, namely in Burkina Faso, Liberia and the United Republic of Tanzania. This integrated approach includes enhancing the capacity of constituents for mainstreaming gender equality in employment; facilitating gender budgeting of projected employment programmes in the PRS action plans; building partnerships with other

<sup>20</sup> The guide is available in English and French at [http://www.ilo.org/public/english/dialogue/actemp/papers/2006/poverty\\_guide.pdf](http://www.ilo.org/public/english/dialogue/actemp/papers/2006/poverty_guide.pdf) and [http://www.ilo.org/public/french/dialogue/actemp/papers/2006/poverty\\_guidef.pdf](http://www.ilo.org/public/french/dialogue/actemp/papers/2006/poverty_guidef.pdf).

<sup>21</sup> M. Tomei: *Indigenous and tribal peoples: An ethnic audit of selected Poverty Reduction Strategy Papers*, ILO, Geneva, 2005.

organizations at national and international levels, which are involved in promoting gender equality in PRS.

33. A recent study of some 30 PRSs in Africa by the ILO reviewed conceptual and operational issues in linking PRSPs to microfinance promotion.<sup>22</sup> Another ILO publication analysed the different experiences of social dialogue in planning and implementing PRSs, including country case studies.<sup>23</sup>
34. An ex-post study of three country processes, Cambodia, Ethiopia and Indonesia, reviewed the employment and growth linkages in the PRS process and the ILO's contribution towards this. The study proposed a step-by-step methodology linking employment growth with poverty reduction.<sup>24</sup>
35. Finally, an external evaluation of the ILO engagement with the PRS process including field visits and interviews in five pilot countries was completed in September 2005. Recommendations have been widely disseminated and discussed, inter alia, by the internal ILO Advisory Group on PRSPs.<sup>25</sup>

## **Integrating the Decent Work Agenda in the PRS: Some lessons**

36. Looking back at the experience five years after the first pilot initiative, the following lessons can be drawn. Some relate to the content of policies, others to the process at the country level including tripartite participation and a few raise organizational and capacity issues.
  - The new generation of PRSs are definitely more employment friendly and the ILO can claim its share in this positive outcome. Many spell out the principal policies and programmes conducive to employment creation – such as agricultural and industrial growth, infrastructure, micro-enterprises, SMEs, upgrading of the informal economy, vocational and technical training, provision of credit and special measures for productive youth and women's employment. While this is a major breakthrough, employment and poverty linkage, considered within all dimensions of the development policy such as macroeconomic, trade, financial and investment policies, are present in very few PRS processes. Nor are systematic efforts made to determine the employment intensity of different patterns and rates of growth and impact on poverty. The latter is seldom put forward for public policy debate and within the participatory space underlying the PRS, even when such analysis is contained in the technical contribution by the ILO or others.

<sup>22</sup> D. Cassimon, J. Vaessen: *Linking debt relief to microfinance*, Social Finance Programme, ILO, Geneva, 2006, at <http://www.ilo.org/public/english/employment/finance/download/wp42.pdf>.

<sup>23</sup> ILO: *Social dialogue and Poverty Reduction Strategies*, G. Buckley and G. Casale (eds.), Geneva, 2006.

<sup>24</sup> A.R. Khan: *Integrating employment growth into the PRSP process. An analysis of issues and a suggested methodology*, Employment Working Paper (forthcoming).

<sup>25</sup> D. Ghai: *ILO participation in PRSPs, An independent evaluation*, National Policy Group, Policy Integration Department, ILO, Geneva, 2005, at <http://www.ilo.org/public/english/bureau/integration/departme/national/prsp/download/evaluation.pdf>.

- PRSs are one of the three-tiered instruments that shape the debt relief and lending operations at the country level. The other two are Poverty Reduction and Growth Facility (PRGF) and Poverty Reduction Support Credit (PRSC).<sup>26</sup> The PRGF sets the macroeconomic parameters and PRSC, the conditions for disbursement of credits. Both frameworks, that are not subject to the same participatory and transparent national review as the PRS, do have implications for the Decent Work Agenda. Potential conflict and lack of coherence between the objectives of these processes have been underscored by critics.
- There is general recognition of the importance of social protection in PRSs and most PRSPs identify specific vulnerable and risk-prone groups and regions and contain a good discussion of the dynamics of different types of vulnerabilities. The notion of an integrated strategy to provide social protection to all is receiving increasing attention, but PRSPs have rarely developed an operational long-term strategy for attaining the goal of social protection for all.
- Rights at work are not discussed systemically in PRSP documents. But some core rights such as gender equality and abolition of child and forced labour receive prominence.<sup>27</sup>
- The PRS cycle, including its periodic reviews and revisions, require sustained interest by tripartite partners over a long period and continued capacity-building and advocacy efforts. While at the design stage, this attention is more readily mobilized, it becomes more challenging when moving into implementation and monitoring. The depth and range of technical issues call for longer term solutions to capacity building.
- The ILO is seen increasingly as a credible and visible partner and its engagement invited in support of numerous PRS processes at the country level and in global forums. Meeting this growing demand, including in the context of DWCPs, is challenging. This is particularly demanding in countries where there are no ILO offices. Moreover, higher impact is obtained, when field and headquarters support regular budget and extra-budgetary resources<sup>28</sup> have been mobilized and provided in a timely and integrated manner, over a full cycle and within an agreed and coherent workplan.

<sup>26</sup> The PRGF is the IMF's low-interest lending facility for poor countries. Established in September 1999 as a replacement for the Enhanced Structural Adjustment Facility, it makes the objectives of poverty reduction and growth more central to lending operations in its poorest member countries. Poverty Reduction Support Credits (PRSCs) were introduced by the World Bank in May 2001 to support operationalization and implementation of PRSPs. They focus on poverty reduction as the central objective of development assistance with the goals of enhancing country ownership, facilitating partnerships with other institutions, and building on rigorous analytical underpinnings for fiduciary, social, structural, and sectoral reforms.

<sup>27</sup> There has recently been an increased acceptance by the IFIs of the ILO's fundamental rights. The World Bank has recently pledged to include core labour standards requirements in project lending of the Bank's public sector lending arms. The International Finance Corporation (IFC) has moved on this issue and so have the Inter-American Development Bank and the Asian Development Bank.

<sup>28</sup> Technical cooperation funding was made available by the UK Department for International Development (DFID) and the Netherlands during the 2001–05 period. This has been reduced in the current biennium. Only a Danish International Development Agency (DANIDA)-funded project supports the ILO/PRS work. A newly approved project, funded by France and starting in 2007, in follow-up to the Ouagadougou Summit, includes a component in support of the PRS process.

- The ILO/PRS experience is yielding valuable lessons for the ILO’s participation in the proposed United Nations reform “Delivering as One”<sup>29</sup> including work in selected pilot countries.
  - Finally, the ILO’s own knowledge, methodologies and rules of engagement need to be continuously renewed and adapted to the rapidly evolving development context.
- 37.** The Committee on Employment and Social Policy may wish to comment on this progress review for integrating the Decent Work Agenda in the PRS process and provide guidance for ILO’s follow-up work.

Geneva, 2 February 2007.

*Submitted for debate and guidance.*

<sup>29</sup> *Delivering as One: Report of the Secretary-General’s High-Level Panel*, A/61/583, United Nations, New York, Nov. 2006.



## Appendix

Table 1. Linking the Decent Work Agenda to national poverty reduction strategies  
(Synoptic table on PRSP status, priorities, the Decent Work Agenda and DWCPs)

The highlighted countries in grey indicate where DWCP documents have been formulated and aligned with the national PRSPs. The table however does not reflect countries where DWCPs were still under preparation in December 2006.

### Acronyms

HIPC CP	Heavily Indebted Poor Country (debt relief) Completion Point
I-PRSP	Interim Poverty Reduction Strategy Paper
MDRI	Multilateral Debt Relief Initiative
PRSP	Poverty Reduction Strategy Paper
PRSP II	“Second Generation” Poverty Reduction Strategy Paper

### Africa

Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents’ participation in the PRS process
Burkina Faso PRSP II (2004) HIPC CP (2002) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Accelerating broad-based growth</li> <li>■ Access to basic social services</li> <li>■ Income-generating activities for the poor</li> <li>■ Good governance</li> </ul>	<ul style="list-style-type: none"> <li>■ Placing employment at the centre of economic and social policies through the formulation of the National Employment Policy and Action Plan</li> <li>■ Gender equality</li> <li>■ Target action for youth employment</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>
Burundi I-PRSP (2003) (Full PRSP under elaboration)	<ul style="list-style-type: none"> <li>■ National reconciliation</li> <li>■ Repatriation of refugees</li> <li>■ Infrastructure rehabilitation</li> <li>■ Re-establishing economic stability and growth</li> <li>■ Social services</li> </ul>	<ul style="list-style-type: none"> <li>■ Strengthening of social dialogue</li> <li>■ Employment creation for ex-combatants</li> <li>■ Focus on reforestation, microfinance and social protection</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
Cameroon PRSP (2003) HIPC CP (2006) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Infrastructure development</li> <li>■ Employment creation and inclusion of vulnerable groups</li> <li>■ Development of social policies and strategies</li> </ul>	<ul style="list-style-type: none"> <li>■ Intersectoral action plan on employment creation and poverty reduction</li> <li>■ Maximize employment creation in infrastructure development</li> <li>■ Labour market information; SME; gender equality</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
Congo, Democratic Republic of the PRSP (2006)	<ul style="list-style-type: none"> <li>■ Employment creation</li> <li>■ Special focus on youth</li> <li>■ Development of cooperative enterprise</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment and income programme</li> <li>■ Youth employment</li> <li>■ Cooperative enterprise development</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
Congo I-PRSP (2004) (Full PRSP under finalization)	<ul style="list-style-type: none"> <li>■ Employment creation, focus on youth</li> <li>■ Governance of labour market</li> </ul>	<ul style="list-style-type: none"> <li>■ Technical assistance on employment, vocational training and social protection</li> <li>■ Youth employment</li> <li>■ Enhancement of social dialogue</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>

Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents' participation in the PRS process
<b>Ethiopia</b> PRSP II (2005)	<ul style="list-style-type: none"> <li>■ Strengthen private sector growth and development</li> <li>■ Develop industry as means for off-farm employment</li> <li>■ Raise employability of labour resources</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment-intensive and pro-poor growth, targeting youth and women</li> <li>■ Focus on two export sectors: textile and garments, and cut flowers: compliance with standards and agreements</li> <li>■ Strengthening of labour and social dialogue institutions</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Ghana</b> PRSP II (2005) HIPC CP (2004) MDRI ((2006)	<ul style="list-style-type: none"> <li>■ Accelerated private sector led growth</li> <li>■ Human resource development</li> <li>■ Good governance and civic responsibility</li> </ul>	<ul style="list-style-type: none"> <li>■ Effective coordination of youth employment programme (YEP)</li> <li>■ Employment, productivity and incomes in selected areas</li> <li>■ Risk and vulnerability among informal workers, children, PWDs and PLWHA</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>
<b>Kenya</b> PRSP (2004)	<ul style="list-style-type: none"> <li>■ Economic recovery strategy for wealth and employment</li> </ul>	<ul style="list-style-type: none"> <li>■ Policies to stimulate remunerative and productive employment</li> <li>■ Focus on youth employment, child labour and HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> </ul>
<b>Lesotho</b> PRSP (2005)	<ul style="list-style-type: none"> <li>■ Employment creation and income generation</li> <li>■ Improved agriculture</li> <li>■ Infrastructure</li> <li>■ Governance and public service delivery</li> <li>■ Health and Social welfare</li> <li>■ Education; HIV/AIDS; gender, youth and children</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment strategy for the implementation of the PRSP</li> <li>■ Improved competitiveness, productivity and conditions of work in the textile/garment sector; mitigation of HIV/AIDS</li> <li>■ Youth employment</li> <li>■ Social security reformed in conformity with ILO standards</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Liberia</b> I-PRSP (2006)	<ul style="list-style-type: none"> <li>■ National security</li> <li>■ Revitalizing the economy</li> <li>■ Strengthening governance and the rule of law</li> <li>■ Rehabilitating infrastructure and delivering basic services</li> <li>■ Create jobs</li> </ul>	<ul style="list-style-type: none"> <li>■ Policy sequencing</li> <li>■ Public sector employment – employment-intensive infrastructure</li> <li>■ Focus on gender equality, SME, wage conditions, trafficking and child labour</li> </ul>	<ul style="list-style-type: none"> <li>■ Marginal involvement, to be enhanced during the full PRSP development</li> </ul>
<b>Madagascar</b> PRSP II (2006) HIPC CP (2004) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Responsible governance</li> <li>■ Connected infrastructure</li> <li>■ High growth economy, including full employment</li> <li>■ Rural development</li> <li>■ Education and health</li> <li>■ National solidarity</li> </ul>	<ul style="list-style-type: none"> <li>■ Formulation and integration of national employment action plan</li> <li>■ Strengthen employment governance and labour legislation for decent work</li> <li>■ Focus on local development, strengthening employability, microfinance and improving productivity</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>
<b>Mali</b> PRSP II (2006) HIPC CP (2003) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Employment mainstreamed in the economy and sectoral policies</li> <li>■ Employment creation and productivity increase</li> <li>■ Employment intensity in public works</li> <li>■ Promotion of gender equality</li> </ul>	<ul style="list-style-type: none"> <li>■ Promotion of decent work for youth (multidimensional programme):</li> <li>■ Institutional framework; SME; cooperative development; microfinance; mutual health insurance; employment-intensive methods; skills development and employability</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>



Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents' participation in the PRS process
<b>Nigeria</b> PRSP (2004)	<ul style="list-style-type: none"> <li>■ Empowering people (incl. employment, social protection and gender balance)</li> <li>■ Promoting private enterprise</li> <li>■ Better governance</li> </ul>	<ul style="list-style-type: none"> <li>■ Job creation for women and youth: self employment, cooperatives and enterprise development</li> <li>■ Human trafficking; child labour</li> <li>■ HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> </ul>
<b>Rwanda</b> PRSP II (2006–07) HIPC CP (2005) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Rural and human development</li> <li>■ Economic infrastructure</li> <li>■ Governance</li> <li>■ Private sector development</li> <li>■ Institution building</li> </ul>	<ul style="list-style-type: none"> <li>■ SME development in rural areas</li> <li>■ Productivity improvement in the informal economy</li> <li>■ Extension of social protection</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Sudan</b> I-PRSP (2004)	<ul style="list-style-type: none"> <li>■ Peace</li> <li>■ Macro stability</li> <li>■ Sustaining growth revival</li> </ul>	<ul style="list-style-type: none"> <li>■ Rights at work</li> <li>■ Pro-poor growth strategy</li> <li>■ Reviving public investment</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved (government)</li> </ul>
<b>Tanzania (the United Republic of)</b> PRSP II (2005) HIPC CP (2001) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Growth and reduction of income poverty</li> <li>■ Improvement of quality of life and social well-being</li> <li>■ Governance</li> </ul>	<ul style="list-style-type: none"> <li>■ Youth employment for poverty reduction</li> <li>■ Reduce child labour</li> <li>■ Mitigate socio-economic impact of HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>
<b>Uganda</b> PRSP II (2005) HIPC CP (2000) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Economic management and governance</li> <li>■ Enhancing production, competitiveness and incomes</li> <li>■ Human development</li> </ul>	<ul style="list-style-type: none"> <li>■ Creation of decent work opportunities for young women and men for poverty reduction</li> <li>■ Reduce child labour</li> <li>■ Mitigate socio-economic impact of HIV/AIDS</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> </ul>
<b>Zambia</b> PRSP II (2006) HIPC CP (2005) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Macroeconomics</li> <li>■ Social protection</li> <li>■ Private sector development</li> <li>■ Education</li> <li>■ Employment and labour (incl. NELMP)</li> </ul>	<ul style="list-style-type: none"> <li>■ Implementation of the National Employment and Labour Market Policy (NELMP) under the leadership of the Ministry of Labour and Social Security and supported by the social partners</li> </ul>	<ul style="list-style-type: none"> <li>■ MOL involved</li> <li>■ Social partners initially involved through ILO</li> <li>■ Capacity-building planned</li> </ul>

## Arab States

Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents' participation in the PRS process
<b>Yemen</b> PRSP II (2006)	<ul style="list-style-type: none"> <li>■ Sustained economic growth</li> <li>■ Human resource development</li> <li>■ Access to basic infrastructure, services and social safety nets</li> </ul>	<ul style="list-style-type: none"> <li>■ Formulation of National Employment Agenda: growth and employment generation</li> <li>■ Education and women's empowerment</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>

## Asia and Pacific

<b>Bangladesh</b> PRSP (2005)	<ul style="list-style-type: none"> <li>■ Employment</li> <li>■ Nutrition</li> <li>■ Education</li> <li>■ Local governance</li> <li>■ Maternal health</li> <li>■ Sanitation and safe water</li> <li>■ Criminal justice</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment and social protection programmes</li> <li>■ Support to post-MFA ready-made garment industry</li> <li>■ Fundamental principles and rights at work</li> <li>■ Vocational training system</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Cambodia</b> PRSP II (2006)	<ul style="list-style-type: none"> <li>■ Good governance</li> <li>■ Enhancement of agriculture</li> <li>■ Infrastructure</li> <li>■ Private sector development and employment generation</li> <li>■ Capacity building and human resource development</li> </ul>	<ul style="list-style-type: none"> <li>■ Increasing agricultural productivity, incomes and employment</li> <li>■ Employment-intensive methods in public investment</li> <li>■ Reducing the vulnerability of excluded</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Indonesia</b> PRSP (2005)	<ul style="list-style-type: none"> <li>■ Broad rights-based approach</li> <li>■ Stress on employment</li> </ul>	<ul style="list-style-type: none"> <li>■ Macro policy to generate growth and employment</li> <li>■ Youth employment</li> <li>■ Enterprise development</li> <li>■ Labour market governance</li> <li>■ Core labour standards</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>
<b>Lao, People's Democratic Republic</b> PRSP (2004)	<ul style="list-style-type: none"> <li>■ Broad rights-based approach</li> <li>■ Stress on employment</li> </ul>	<ul style="list-style-type: none"> <li>■ National socio-economic development plans</li> <li>■ Labour-based rural infrastructure</li> <li>■ Child labour and anti-trafficking policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> </ul>
<b>Mongolia</b> PRSP (2003)	<ul style="list-style-type: none"> <li>■ MDG priorities</li> </ul>	<ul style="list-style-type: none"> <li>■ Jobs and employment creation for youth; Informal economy policy</li> <li>■ Linking child labour and education</li> <li>■ Reducing vulnerabilities – disabled, migrants</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Nepal</b> PRSP (2003)	<ul style="list-style-type: none"> <li>■ Industrial competitiveness</li> <li>■ Infrastructure</li> <li>■ Education and training</li> <li>■ Stress on employment</li> </ul>	<ul style="list-style-type: none"> <li>■ Restoring competitiveness in agriculture and garments</li> <li>■ Youth employment</li> <li>■ Reduction of child labour and bonded labour</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Pakistan</b> PRSP II (2006–07)	<ul style="list-style-type: none"> <li>■ Macro stability</li> <li>■ Revived investment</li> <li>■ Targeted poverty programmes</li> <li>■ Growth nodes for employment</li> </ul>	<ul style="list-style-type: none"> <li>■ Macro policy reversal from cyclical to counter cyclical</li> <li>■ Address increased competitiveness in cotton sector</li> <li>■ Role of minimum wage in poverty reduction</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Sri Lanka</b> PRSP (2002)	<ul style="list-style-type: none"> <li>■ Conflict-related poverty</li> <li>■ Opportunities for pro-poor growth</li> <li>■ Invest in people</li> <li>■ Pro-poor governance and empowerment</li> </ul>	<ul style="list-style-type: none"> <li>■ Support the strengthening of tripartite consultative mechanisms for dialogue on labour and social policy issues, including the PRS process</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Viet Nam</b> PRSP (2003)	<ul style="list-style-type: none"> <li>■ Sustained economic growth</li> <li>■ Infrastructure</li> <li>■ Strengthening human resources and social safety nets</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment policies</li> <li>■ Social security reform</li> <li>■ Strengthening dialogue</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>

## Europe and Central Asia

Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents' participation in the PRS process
<b>Albania</b> PRSP (2001)	<ul style="list-style-type: none"> <li>■ Sustained high economic growth rates</li> <li>■ Improved governance</li> <li>■ Infrastructure</li> <li>■ Health and education</li> </ul>	<ul style="list-style-type: none"> <li>■ National employment policy</li> <li>■ Strengthening of trade unions in areas of active and passive labour market policies, vocational training, youth employment and women in the labour market</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Azerbaijan</b> PRSP (2003)	<ul style="list-style-type: none"> <li>■ Increase income-generating opportunities</li> <li>■ Economic development and macroeconomic stability</li> <li>■ Health and education</li> <li>■ Social protection to better protect vulnerable groups</li> <li>■ Gender equality and youth</li> </ul>	<ul style="list-style-type: none"> <li>■ Implementation of employment strategy and policies towards increasing youth employment</li> <li>■ Strengthening social dialogue</li> <li>■ Improved application of international labour standards</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Bosnia and Herzegovina</b> PRSP (2004)	<ul style="list-style-type: none"> <li>■ Macroeconomy and fiscal reform</li> <li>■ Private sector growth</li> <li>■ Labour market reform</li> <li>■ Agriculture and infrastructure</li> <li>■ Education and health</li> <li>■ Social assistance</li> <li>■ Stabilization and Association Agreement with the EU</li> </ul>	<ul style="list-style-type: none"> <li>■ Improved and effective social dialogue at national level</li> <li>■ Employment and labour market policies and programmes based on national needs and adapted to EU standards</li> <li>■ Improved social security policy</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved: Government and workers' organizations</li> </ul>
<b>Moldova</b> PRSP (2004)	<ul style="list-style-type: none"> <li>■ Sustainable and inclusive economic growth</li> <li>■ Poverty and inequality reduction and increased participation of the poor</li> <li>■ Human resource development</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment and labour market policies</li> <li>■ Social protection</li> <li>■ Strengthening of social dialogue</li> <li>■ Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>■ Fully involved</li> <li>■ Capacity building provided</li> </ul>

## Americas

Country and status	PRSP – Priority focus	Decent work strategic entry points and actionable areas	Constituents' participation in the PRS process
<b>Ecuador</b> Frente Social (2003)	<ul style="list-style-type: none"> <li>■ Basic social agenda</li> <li>■ Employment</li> <li>■ Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>■ Employment</li> <li>■ Gender, work and poverty reduction</li> <li>■ Strengthening of tripartite structures</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Honduras</b> PRSP (2001) HIPC CP (2005) MDRI (2006)	<ul style="list-style-type: none"> <li>■ Equitable and sustainable growth</li> <li>■ Rural and urban poverty</li> <li>■ Education and health</li> <li>■ Social inclusion</li> </ul>	<ul style="list-style-type: none"> <li>■ Macro framework and policy</li> <li>■ Employment policy</li> <li>■ Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>
<b>Peru</b> Acuerdo Nacional (2002, update 2005)	<ul style="list-style-type: none"> <li>■ Medium-term plan for investment and decent work</li> </ul>	<ul style="list-style-type: none"> <li>■ Wages policy in SMEs</li> <li>■ Social protection in SMEs</li> <li>■ Strengthening of tripartite structures</li> </ul>	<ul style="list-style-type: none"> <li>■ Involved</li> <li>■ Capacity building provided</li> </ul>