

Meeting on ILO's Voluntary Core Funding, Thursday, 01 November 2016

SUMMARY NOTE¹

Mr. Hougbo, Deputy Director General for Field Operations and Partnerships welcomed the participants to the regular informal meeting on RBSA, organised in the margins of the Governing Body. He noted the increase in the number of participants, which he noted as a sign of the interest the representatives from the RBSA donors in engaging with the Office. Mr. Hougbo thanked the donor representatives for having confirmed their 2016 contributions to RBSA, with some countries already engaging in multi-annual commitments.

I. Update on the MOPAN assessment (Wiebren van Dijk, the Netherlands)

Mr. van Dijk welcomed the materials received ahead of the meeting but indicated that these must be made available earlier to allow the different donors to consult and prepare for the meeting.

He then gave a brief update on the MOPAN assessment for ILO, for which the Netherlands is the lead partner. Initially, there were some delays in the overall MOPAN timeline, due to the late approval of the new methodology and postponements in the identification of country leads. The ILO had consistently provided the requested inputs on time, be it for the desk review, the country survey or the organisation of the interviews of ILO staff.

The Netherlands recently received the 'draft report' of the ILO assessment and was currently reviewing it for any possible factual rectifications required. The draft would then be shared with the members of the MOPAN network and the ILO, with a discussion on the findings foreseen in early 2017.

II. Update on RBSA allocations (André Bogui, Director, PROGRAM)

Referring to the update on the follow-up given by the ILO to the recommendations of the 2014 RBSA review, Mr. Bogui recalled how the allocation process in 2016 had been streamlined and the lead role of the regional offices in determining priorities strengthened. This had been accompanied by revised tools and guidance to ensure a strong results focus, supported by a thorough appraisal mechanism.

The financial threshold for proposals has been increased (to avoid small, fragmented interventions) with a minimum threshold of USD 200,000 up to a maximum of USD 500,000 each. During the period January to July 2016, allocations for a total amount of approximately USD 24 million has been released based on the revised allocation criteria and appraisal process. (See the attached presentation for further details). Specific questions raised and answers provided in the ensuing discussions are highlighted below.

What are the allocation criteria, in particular on the use of RBSA for so-called Global Products and for work in (Upper) Middle Income Countries?

The allocation criteria for 2016-17 were decided at the ILO's Senior Management Team level. The focus is on results at country level. Accordingly, global products are potentially eligible to RBSA, provided they are explicitly yielding to country results in line with the allocation criteria. It was explained through an example of funding related to the social protection floor which received RBSA for results at country level. No RBSA allocation has been approved for Global Products in 2016 as they did not meet the RBSA allocation criteria but other sources of funding were available.

In line with earlier guidance, the Office has strongly concentrated RBSA use on LDCs and fragile States, including countries impacted by the Syrian Refugee Crisis. Nevertheless, the Office continues to allocate a modest part of RBSA resources to Middle Income Countries (MICs), in line with the list of ODA-eligible countries of the OECD/DAC. Release of such RBSA for MICs is

¹ See agenda and list of participants in annex

contingent upon a clear commitment from government counterparts to complement RBSA funding with domestic resources.

What is the distribution across P&B Outcomes and across regions, what is it based on and how this compared with the resources from the Regular Budget?

In the P&B 2016-17, RBSA is not broken down a priori, precisely because it complements other resources within an overall integrated resource framework. Demand for additional funding is high in the areas of employment and social protection; the Office is keen to use RBSA in areas where such investments can lead to future programme development and leverage of other resources. Currently, RBSA represents 6-7% of ILO voluntary funding; it is essential to use the flexibility provided by this funding modality to leverage other resources and take advantage of opportunities.

It appears resource levels are down in 2016-17 as compared to 2014-15?

As of 31 October 2016, the level of funds received was actually higher than 2 years earlier. The amount of USD 18.5M reflects agreements signed and payments made to date and is in line with the end-of-biennium target of USD 30M. Countries such as Luxembourg and Belgium are making new multi-annual commitments, others which previously had to reduce their allocations to cover for refugee-related domestic costs are considering to increase their funding.

Based on funds received in 2016 and forecasted payments in the coming period, PROGRAM foresees a next round of RBSA allocations following the Office-wide Outcome-Based Work Planning exercise in February 2017.

What is the strategy to expand RBSA?

The outreach to other potential supporters of RBSA is a priority for PARDEV, in line with the Development Cooperation Strategy approved by the GB, which requests the Office to expand the level of un-earmarked or lightly earmarked funding.

However, some donors find it difficult to reduce their earmarking, others still need to gain greater familiarity with ILO's governance and allocation mechanisms. This is true for certain OECD/DAC members but also for emerging donors. The discussions around the findings of the MOPAN assessment may provide an opportunity to further potential partners, alongside further honing the 'value proposition' of RBSA and improved communication on results.

What follow-up is foreseen on the earlier presentation of WHO's Structured Finance Dialogue?

The experience of other agencies on SFD is being looked into within the Business Process Review currently under way in the Office. The ILO's Senior Management Team will discuss the findings of this review later in November.

The ILO closely follows the experience of other agencies, keeping in mind the specific ILO governance structure and the break-down between voluntary and assessed contributions of the ILO. There is clear potential to draw upon experience of others, the QCPR review and the engagement with the RBSA donors to further innovate.

To ensure continued political and even public support for the ILO in donor countries, a certain balance might be needed between voluntary core funding, which represents good donorship and reduced transaction costs, on the one hand, and soft-earmarking to specific themes, which allows for greater donor visibility, ownership and technical engagement, on the other hand.

III. Update by ILO Regional Director for the Arab States, Ruba Jaradat

Ms Jaradat set out how for the Arab States region, the allocation of RBSA had been critical to position the ILO early on in the Syria refugee crisis. Allocations for Lebanon and Jordan allowed the ILO to combine pilot interventions with the research on the precise scope and scale of the labour market impacts of the refugee influx, the policy prescriptions possible etc. Such evidence was often not available to national policy makers and allowed for instance the ILO to become a trusted advisor to

the Government of Jordan on mechanisms and policies to roll-out a work-permit system for Syrian refugees.

As an example, the ILO recommended to include the agricultural sector in the work-permit system and to delink the permits from employers (which require to provide for one year work permits whereas work is seasonal in the sector). This allowed workers the freedom to be engaged through cooperatives, contributing to a surge of 30,000 in work permits issued.

Using RBSA, the ILO has further been able to strengthen its partnership with other UN agencies and leverage resources for large-scale programmes now underway (employment intensive infrastructure work, work against child labour, vocational training etc.). Advanced discussions with the World Bank and the European Commission are underway to further scale up assistance under the Jordan Compact.

The experience on the ILO response to the Syria Refugee Crisis is of great interest, can the office do more to bring out such success stories?

Ms. Jaradat confirmed printed and on-line materials will be made available. The ILO also convenes partner meetings in the region, recently in Amman a meeting saw participation from many of the RBSA donors' local representatives. The field visit to Amman will provide a further opportunity.

IV. Communicating results achieved through RBSA

PARDEV presented the latest RBSA factsheet, which provides an overview of funding received and allocations made, as well as highlighting a series of results from around the world.

PARDEV has also requested all ILO field offices to brief local representations from each of the 8 RBSA donors for the countries where RBSA allocations are being used. Early feedback is that indeed local Embassies have no idea of this central channel of funding and that it provides a useful opening to initiate further exchanges on possible cooperation.

RBSA is now fully integrated in Development Cooperation Dashboard as 'source of funds' separate from individual donor contributions. Information comes from IRIS and is currently limited to expenditure figures. Work is ongoing to expand dashboard with more comprehensive information.

Following extensive consultations, PARDEV proposes a field visit in the 3rd week of January to Amman, Jordan. Formal invitations will be sent to the Permanent Missions shortly. PARDEV recognizes that some had preferred the alternative location (Yangon) or a francophone country in Africa. While ad-hoc individual visits can be arranged any time, it is proposed to keep this in mind for a possible further group visit late 2017 or early 2018.

The information on the DC Dashboard is useful but incomplete, is it possible to also provide summaries of the projects funded and evaluation reports? Some information on use of RBSA is hard to understand?

PARDEV confirmed that the functionality of the Dashboard is gradually being expanded, as part of the Office's overall commitment to comply with transparency standards such as IATI. Some of the data shown regarding for instance evaluation result from specific allocations made across the RBSA portfolio for monitoring and evaluation and other functions. This may result in such specific allocations being shown as co-financing Office-wide evaluation initiatives of a DWCP, an Outcome or otherwise. Ways to clarify this information are being reviewed and will be presented at the next meeting.

It is difficult to find through the DC Dashboard or otherwise a comprehensive overview of the evaluation of work funded by RBSA, can this be made available?

While RBSA is imbedded into the overall ILO evaluation arrangements, often contributing a part of the overall resources for a particular intervention or outcome, PARDEV will work with EVAL to provide an overview and access to the relevant reports in collaboration with EVAL.

What more can the Office do to position and communicate about the strategic importance of RBSA in a way that the donors themselves can become Ambassadors for RBSA?

Mr. Hougbo confirmed the Office's keen interest to further develop its efforts in this area, building on the factsheet, the outreach to local Embassies, the field visit etc. PARDEV will improve the website on RBSA and further initiatives developed, in close consultation with the partners.

V. Follow-up

PARDEV will circulate a summary note of the meeting and other materials presented. Formal invitations will be sent on the Jordan field visit in January 2017. A number of internal follow-up actions in terms of the questions raised at the meeting will be taken forward. A next meeting is planned for March 2017.