

**FOR DEBATE AND GUIDANCE**

THIRD ITEM ON THE AGENDA

Preliminary consultation on the Strategic Policy Framework for 2010–15**Introduction**

1. In November 2007, the Governing Body decided that the next Strategic Policy Framework (SPF) would cover the years 2010–15 and provided some preliminary guidance on its role and content.¹ In February 2008, the Office organized an informal consultation to obtain preliminary informal advice from ILO constituents prior to the discussion in the Committee at the current session of the Governing Body.
2. This document sets out proposals for preparing the next SPF. The Office is committed to open and extensive exchanges with constituents as well as staff during all stages of the development of the SPF. The advice and guidance of the Committee are sought on the key issues that should be addressed in the next SPF as well as on the proposed process to prepare it.
3. The document is divided into four sections. Section I highlights briefly the key role of the SPF as the ILO's core planning document and points to advantages and opportunities compared to previous SPFs. Section II develops the three main building blocks of the next SPF, with the support and results attained so far as a basis and taking account of emerging developments and needs. Section III provides a brief overview of the resource situation, which has implications for shaping a realistic SPF. Section IV describes the process proposed to prepare the SPF.

**I. Purpose and role of the SPF:
An avenue of opportunity**

4. The SPF is the ILO's major planning document within a results-based programming cycle. It identifies the context in which the ILO will work over the planning period, the strategies and programmes it will implement to achieve results, and the capacities required to deliver these results. The next SPF should, therefore, identify the economic, social, environmental

¹ GB.300/PFA/9/1 and GB.300/12/1, paras 79–105. It is also useful to refer to the Programme and Budget for 2008–09 for details on the ILO's programme of work.

and labour market trends that are likely to affect ILO priorities and means of action. Specific developments such as UN reform should be part of the analysis. Account should also be taken of ongoing processes to strengthen ILO action, in particular the Strengthening the ILO's Capacity (SILC) outcome and the field structure review.

5. The SPF is meant to be a “living” and responsive document that sets out medium-term priorities and core strategies to pursue the ILO’s mandate, and that is flexible enough to adapt dynamically to new developments and priorities emerging from discussions and decisions of the Governing Body and the International Labour Conference, including through SILC. It should provide a stable framework, without being a straitjacket. Therefore, the SPF must strike the right balance between stability and predictability, on the one hand, and flexibility and adaptability, on the other, to allow the Organization to respond and adjust to changing realities and demands.
6. The next SPF will span a six-year period, unlike previous SPFs which covered periods of four years. The extended planning period will permit alignment with the Millennium Development Goals (MDGs) and the Decent Work Decades established in several regions. It will thus provide an opportunity to put in place a longer-term strategic planning framework. At the same time, it will contain a stable results framework for the planning period, including the intermediate and immediate outcomes as well as the indicators to be used. This will allow greater continuity and comparability over time, including the use of baselines. Lessons emerging from past performance and evaluations, including Decent Work Country Programmes (DWCPs) and the programme implementation report for 2006–07,² will be used to make changes aimed at a more dynamic, effective and results-based approach to planning.
7. The SPF will move towards better structured and more thorough outcome strategies. It will therefore provide a solid foundation for the development of programme and budget documents each two years, which will contain more detailed immediate outcome strategies, results, targets and resources. It will include a standard format for each strategy covering topics such as collaboration with constituents and tripartism, international labour standards, knowledge base and sharing, communication, partnerships within the UN system and with donors, gender, poverty and globalization.
8. Finally, the SPF will clarify linkages among core management strategies (i.e. human resources, information technology, knowledge, evaluation and results-based management). This will allow greater integration across strategies with a view to enhancing the quality of delivery of results and operational effectiveness.

II. The building blocks of the next SPF: Increased coherence for more effective delivery and higher impact

Strategic context

9. There is uncertainty about the exact developments that will shape the world of work in the medium term, but it is important to identify the main challenges and opportunities that are likely to face the ILO, and to set priorities accordingly.
10. The previous two SPFs (2002–05 and 2006–09) set “Consolidating the Decent Work Agenda” and “Making decent work a global goal”, respectively, as the strategic themes for

² GB.301/PFA/2

the ILO. The period 2010–15 is a crucial further step. It coincides with the overall UN effort to help countries achieve the MDGs, of which decent work is now an integral part.

11. In recent years, decent work has received increasing global support and endorsement, exemplified among others by its inclusion as a new target under the MDGs. At the country level, considerable progress has been made in achieving decent work results, particularly through DWCPs. This gives the ILO a unique opportunity but also a huge responsibility to deliver on its promise that the goal of decent work is central to development and progress. The way through 2015 calls upon the ILO to accelerate the translation of this globally agreed goal into tangible improvements in the day-to-day lives and working lives of women and men in diverse national and local realities, including through high quality policy advice and increasingly operational products.
12. Meeting this commitment brings with it the need to reflect on the main economic, social, environmental and labour market trends and how they will affect the ILO's priorities and effectiveness. In this context, it is proposed that the SPF addresses strategic questions related to trends in international development, the architecture of global governance and the ILO's mandate built on tripartism and international standards.

Regional priorities

13. The Decent Work Agenda has received strong support in the regions. This is evidenced by the adoption of the Decent Work Decades in the Americas (2006), Asia (2006) and the "Decent Work Agenda in Africa" (2007). In Europe and Central Asia, decent work objectives have been promoted through measures such as the formulation and implementation of a number of DWCPs, strengthened regional cooperation on employment policy in South Eastern Europe and the adoption of regional objectives on youth employment in South Eastern Europe and CIS countries. In the Arab States, collaboration with regional and subregional bodies has strengthened the promotion of the decent work objectives, particularly in areas such as occupational safety and health and labour inspection.
14. It is proposed that the SPF be informed by priorities identified in the Decent Work Decades and the DWCPs and their connection with (sub)regional integration processes. It should address ways of how best to respond to these priorities. Emphasis should be placed on approaches and means to adapt and develop the ILO's policy tools to fit the specific circumstances and priorities of constituents in member States, while advancing the integration of the Decent Work Agenda into the programming framework of the UN system.

Strategic objectives, common principles of action and joint outcomes

15. The four strategic objectives of standards and fundamental principles and rights at work, employment promotion, social protection and social dialogue reflect the ILO's mandate and provide the organizing framework for the decent work policy portfolio. Cross-cutting issues are addressed in two distinct ways. On the one hand, five common principles of action guide all ILO action across the four strategic objectives. These are: fair globalization; working out of poverty; gender equality; the policy content of international labour standards for development, and expanding the influence of social partners and tripartism. On the other hand, the Programme and Budget for 2008–09 introduced for the first time joint immediate outcomes in five areas that require intensive coordination and that draw on multiple technical fields. These areas are: coherent economic and social policies; informal economy; labour inspection; gender equality; and microfinance. The

overall focus is on strengthening coherence and leveraging resources to maximize the contribution the Organization can make to decent work for all.

16. The integration of the range of policies required for the creation of decent work opportunities for women and men has been and will continue to be a major challenge. Increasing coherence and convergence across the decent work objectives, policies and programmes pursued by the ILO, and between them and the broader economic and social policy environment in which they are applied, will continue to be critical for improving the effectiveness of the ILO's work. This calls for further integration and focus of ILO action, on the one hand, and deepened coherence across the multilateral system in delivering decent work-friendly policies and programmes, on the other.
17. The Strategic Framework for 2008–09 (see appendix) indicates the priorities agreed by constituents to pursue decent work objectives over the biennium. Looking forward, it would be important to reflect on whether the expected trends and emerging challenges through 2015 will require the ILO to place more or less emphasis on these priority results areas. It will also be important to decide if some new priorities should be added (for example, green jobs) or removed.
18. Related considerations should focus on ways to enhance coherence and integration across policies, programmes and policy tools to deliver on these areas. Special emphasis on these areas will not mean that work will not be carried on in others, although some might be discontinued to free up resources for the highest priority areas. However, it could help sharpen the focus of the SPF on key issues where the ILO has the best knowledge, capacity and tools to make a substantive change in national and local realities.

Capacities

19. To achieve results, the Office will need to strengthen both its institutional capacities (i.e. extending partnerships, communication strategy for decent work, capacity development of constituents, extending and sharing ILO knowledge and strengthening statistical capacity) and its management practices. The Office is likely to be confronted with a mismatch between the priorities identified by constituents globally and the resources that will be available. However, there are now better means to identify and prioritize the Office's work, especially through DWCPs.
20. The capacities that will be needed for the ILO of 2015 are in many cases covered by existing Office strategies on human resources, knowledge, information technology, gender, results-based management, evaluation and resource mobilization. Progress has been made in all these areas in recent years, although they will require revision and updating to meet the requirements of the new SPF framework.
21. A discussion on other areas to support the Office in delivering decent work will be equally important. These include: the future of IRIS and its extension to field offices; continuous improvement of internal governance and administration processes and procedures; rehabilitation and modernization of the headquarters building; restructuring field services and improving security in the field; and increasing visibility and strengthening partnerships within the UN family, with other multilateral organizations and with donors. Such a discussion would be important to identify the core strategy elements that should be set out in the SPF, building on the ongoing Office efforts to improve transparency, accountability and efficiency.

III. Resources

22. The Director-General has proposed a discussion of resource issues outside the constraints of the consideration and adoption of the programme and budget.³ Such a discussion could help to build the SPF on a realistic view of the resources that are likely to be available. Some considerations relevant to an exchange of views on resource issues are therefore outlined below.
23. The overall trends in ILO resources have been discussed on numerous occasions, most recently in the discussions that led to the decision to set up the Regular Budget Supplementary Account (RBSA) within the Programme and Budget for 2008–09. Briefly:
- The ILO regular budget has shown a long-term decline in real terms and a larger decline relative to UN budgets, development assistance, or national income in almost all countries, while at the same time membership has gone up from 140 to 181 countries.
 - Extra-budgetary resources have increased steadily over the last decade, but have not yet reached the real levels of two decades ago.
 - Demands for ILO action as shown in DWCPs considerably exceed available resources.
 - Resources for flexible use, as called for in the Paris Declaration, have accelerated since the RBSA was established, but remain a very small proportion of total resources.
24. A number of budgetary concerns have been expressed in the Governing Body, in particular:
- the need to raise the level of resources available to serve constituents, especially in the regions;
 - the need to maintain the ILO's knowledge base and its critical mass of expertise on core issues, in particular at headquarters;
 - the need to reduce dependence on extra-budgetary resources;
 - the real difficulties faced by some member States in making available contributions, especially when exchange rates are unfavourable;
 - the need to concentrate resources on the highest priorities, and to achieve the highest levels of effectiveness and efficiency in the use of the resources available.
25. These resource challenges are made more difficult by the immediate need to invest in the renovation and modernization of the headquarters building. In addition, resources should be set aside to finance future refurbishments and renovations of other ILO property.

³ GB.298/8/3(Rev.) and Report II, draft Programme and Budget for 2008–09 and other financial questions, International Labour Conference, 96th Session (June 2007).

IV. The process for the preparation of the SPF

- 26.** The Director-General has called for the broadest possible consultation process with constituents and staff throughout all the stages of preparation of the next SPF. Such a process is critical to making the most of existing expertise and knowledge, as well as ensuring wide consensus and buy-in.
- 27.** Inputs to the SPF will be gathered from a variety of sources. The regions will be at the forefront of the process and will contribute input on the basis of DWCPs, the Decent Work Decades as well as consultations with constituents. Guidance and directions stemming from discussions and decisions at the International Labour Conference, the Governing Body and regional meetings will be reflected in the SPF. Within the Office, relevant sectors and units are expected to make important contributions on matters under their responsibility. In addition, a broad consultation of staff was launched in February 2008 through a knowledge-sharing process and is ongoing. This consists of an electronic forum with moderators to stimulate discussion on the key issues outlined in section II above.
- 28.** Constituents have already provided considerable inputs to the SPF through discussions at the International Labour Conference, the regional meetings and the Governing Body. Having regard to the Conference's discussions and decisions, issues of particular relevance for the next SPF are addressed in the strengthening of the Organization through the SILC process, standards, conclusions and resolutions adopted by the Conference, as well as through plenary debates on reports of the Director-General. The adoption of Decent Work Decades and agendas provides a specific regional dimension, as does the development of DWCPs. The Governing Body and its committees have had discussions and decisions on programme priorities, means of action, strategies, budgets and programme implementation. In addition, the Governing Body has focused specifically on strengthening the programming cycle and better defining the place of the SPF within that cycle.
- 29.** More specific preliminary discussions on the SPF took place at the November 2007 session of the Governing Body as well as at this session. These will be followed by the in-depth discussion in November 2008 when the Governing Body will consider the SPF together with the preview of the Programme and Budget for 2010–11.
- 30.** In parallel to the more formal process of consultations of constituents and decision-making by the Governing Body, additional consultations will take place informally. Following the informal consultation held in February 2008, individual, group or regional briefings will be held by the Office in Geneva. Similar consultations of constituents will be conducted by the regional structure. A dedicated side event, tentatively scheduled for the third week of the International Labour Conference in June 2008, will provide an additional opportunity to discuss and reflect on the ILO of the future and the underpinnings to its future action.
- 31.** To further support a transparent and frank exchange with constituents on the SPF, in February 2008, the Bureau for Programming and Management set up a dedicated web-based portal. The portal will permit constituents to access internal information on the development of the SPF, including summaries of the internal staff consultation. Constituents are also invited to provide inputs for posting on the portal on what should feed into the SPF.
- 32.** To sum up, it is proposed that the main milestones of the consultation process are as follows:

- *February 2008*: informal consultation on the SPF with constituents; launch of the internal staff consultation; setting up of the web portal for constituents.
 - *March 2008*: preliminary discussion of SPF at Governing Body Session.
 - *March to August 2008*: constituents receive and post information on SPF through portal and address specific requests to PROGRAM@ilo.org; informal individual, group and regional briefings with constituents.
 - *June 2008*: side event at the International Labour Conference.
 - *September to October 2008*: informal individual, group and regional briefings with constituents.
 - *November 2008*: in-depth discussion of the SPF and the preview of the Programme and Budget for 2010–11 at the Governing Body session.
- 33.** It is expected that the ideas generated by this open and extensive consultation process will be extremely valuable not only for the drafting of the SPF, but also as inputs to the wider ILO programming process in 2008, including among others the Programme and Budget for 2010–11.
- 34.** The Programme, Financial and Administrative Committee may wish to invite the Governing Body to request the Office to go forward with the development of the Strategic Policy Framework 2010–15, taking account of the proposals contained in this paper as well as its discussion in the Committee.

Geneva, 3 March 2008.

Submitted for debate and guidance.

Appendix

Strategic Framework for 2008–09

Strategic objective	Immediate outcome
Promote and realize standards and fundamental principles and rights at work	<p>(1a.1) Increase member States' capacity to develop policies or practices reflecting fundamental principles and rights at work.</p> <p>(1b.1) Increase constituent and development partner capacity to develop or implement policies or measures focused on reducing child labour.</p> <p>(1c.1) Increase member States' capacity to ratify and apply international labour standards.</p>
Create greater opportunities for women and men to secure decent employment and income	<p>(2a.1) Increase constituent capacity to develop policies and policy recommendations focused on job-rich growth, productive employment and poverty reduction.</p> <p>(2a.2) Increase member States' and development partner capacity to develop and implement policies and programmes on employment-intensive investment focusing on infrastructure.</p> <p>(2a.3) Increase member States' capacity to develop policies or programmes focused on youth employment.</p> <p>(2b.1) Increase member States' and constituents' capacity to develop or implement training policies.</p> <p>(2b.2) Improve member States' capacity to develop or implement employment services.</p> <p>(2c.1) Increase the capacity of constituents and other organizations to develop policies or regulations that generate more and better jobs in sustainable enterprises and cooperatives.</p> <p>(2c.2) Increase the capacity of constituents and other organizations to develop programmes for local economic development and upgrading of value chains and enterprises that generate more and better jobs.</p> <p>(2c.3) Increase the capacity of member States to develop post-crisis recovery programmes.</p>
Enhance the coverage and effectiveness of social protection for all	<p>(3a.1) Increase member States' capacity to develop policies focused on improving social security systems.</p> <p>(3a.2) Improve member States' capacity to manage social security schemes and to implement policies focused on improving social security systems.</p> <p>(3b.1) Increase constituents' capacity to develop or implement policies and programmes on improving working conditions and safety and health at work.</p> <p>(3c.1) Increase member States' capacity to develop policies or programmes focused on the protection of migrant workers.</p>

Strategic objective	Immediate outcome
Strengthen tripartism and social dialogue	(3d.1) Increase tripartite constituents' capacity to develop policies and programmes that address the HIV/AIDS epidemic in the world of work and within the framework of the promotion of decent work.
	(3d.2) Improve member States' implementation of policies and programmes that address the HIV/AIDS epidemic in the world of work and within the framework of the promotion of decent work.
	(3d.3) Increase the participation of employers' and workers' organizations in policy development and in accessing national and international funding.
	(4a.1) Increase the value of employers' organizations to existing and potential membership.
	(4a.2) Increase the value of workers' organizations to existing and potential membership.
	(4b.1) Increase the capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy.
	(4c.1) Increase member States' capacity to develop policies and labour legislation through more tripartite dialogue between constituents.
	(4c.2) Improve the capacity of the tripartite constituents to implement labour policies and programmes, including through coordination at regional and subregional levels.
	(4d.1) Increase the level of consensus on social and labour issues in specific economic sectors.
	(4d.2) Increase constituents' capacity to develop policies or programmes focused on improving labour and social conditions in specific sectors.