



Governing Body

310th Session, Geneva, March 2011

GB.310/TC/1

Committee on Technical Cooperation

TC

FOR DECISION

FIRST ITEM ON THE AGENDA

Operational strategies for capacity development for constituents in Decent Work Country Programmes and technical cooperation

Overview

Issues covered

Possible strategies to strengthen capacity development for constituents through Decent Work Country Programmes (DWCPs) and technical cooperation in follow-up to a discussion on this topic in November 2010.

Policy implications

Adoption of strategies on capacity development in DWCPs and technical cooperation.

Legal implications

None.

Financial implications

Depending on capacity needs identified, more work on capacity development will be integrated into DWCPs and technical cooperation, which will require additional funding. Global knowledge management on the effectiveness of capacity-development approaches might require additional funding as well. These needs will be integrated into the outcome-based workplan.

Decision required

Paragraph 19.

References to other Governing Body documents and ILO instruments

GB.309/TC/1; GB.309/PFA/2; GB.310/PFA/2.

ILO Declaration on Social Justice for a Fair Globalization.

Introduction

1. At the 309th Session of the Governing Body in November 2010, the Committee on Technical Cooperation discussed a paper on capacity development for ILO tripartite constituents.¹ During the discussion it was agreed that:
 - (a) capacity development, in line with the principles set out in the ILO Declaration on Social Justice for a Fair Globalization (2008), was critical for allowing the constituents to carry out their institutional mandates and to implement the Decent Work Agenda;
 - (b) capacity development should focus both on technical and institutional capacity;
 - (c) topics covered by capacity development should include the organizational capacity of constituents to deliver services to their members and clients, technical capacity to implement the mandate of the Organization, and capacity to effectively participate in wider economic and social policy debates at national, regional and international levels;
 - (d) the ILO International Training Centre in Turin (Turin Centre) played a key role in delivering training as part of capacity development;
 - (e) capacity development should be both the object of dedicated programmes for the constituents and mainstreamed into DWCPs and technical cooperation;
 - (f) capacity development should be based on a careful assessment of needs and selection of recipients, focused on results and subject to rigorous monitoring and evaluation, with a view to assessing, where possible, long-term impact;
 - (g) in relation to the social partners, capacity-development initiatives should be carried out with the Bureaux of Employers' and Workers' Activities (ACT/EMP and ACTRAV);
 - (h) the Office should highlight to donors the value of supporting the strategic role of the constituents and of providing funding for capacity-development measures.

Operational strategies for capacity development

2. Taking into account the above, the following strategies could be developed to strengthen the delivery of results-based capacity development in technical cooperation and DWCPs.

Ensuring the development of relevant capacity

3. The success of capacity development depends on the clear identification of capacity assets and needs, and the appropriate means of delivering capacity building. Proper capacity assessment can identify gaps in technical knowledge, which can include, in addition to specific areas of the Decent Work Agenda, also wider policy-making areas such as the social dimension of macroeconomic policy, finance and trade. Capacity assessment should

¹ GB.309/TC/1.

also identify institutional needs with regard to such areas as institutional arrangements (such as processes, roles and responsibilities, coordination); leadership (vision, results-based management); knowledge (research, knowledge-sharing tools); and accountability (audits, governance).² Institutional capacity can also include the advocacy and bargaining skills needed to have an impact on economic development policy, including the United Nations Development Assistance Frameworks and Poverty Reduction Strategies. Careful capacity assessment can prevent “cut-and-paste” solutions from being imposed and support the development of capacity-building solutions which are contextually appropriate and sustainable after the end of the intervention. Assessment also ensures that capacity building takes into account the gender dimensions of participants and institutions, and works in synergy with the capacity-building efforts of other development actors on the ground. While training remains a key strategy for capacity development, capacity assessment will also encourage the deployment of other capacity-development modalities which might be more effective, such as blended learning, coaching and mentoring, experiential learning, knowledge management, partnership and network building, and organizational strengthening.³

4. There are several steps the ILO can take to ensure the proper identification of capacity development needs and approaches in its technical cooperation. The preparation of DWCPs, especially through its stakeholder consultation process, should also include measures to assess constituents’ capacity assets and needs, so as to ensure capacity development in line with constituents’ needs and priorities. The same should be carried out for technical cooperation project proposals that contain significant capacity-building components. Such preparatory steps, however, have often been difficult to implement in technical cooperation since ILO rules prohibit advance funding of projects. Better strategic planning of projects in support of DWCP outcomes would allow available resources to be used to undertake capacity assessment and needs analysis with constituents. The use of inception phases, whereby a project initially funds the development of a project document, thereby allowing for in-depth stakeholder analysis, is also a promising modality that has been used in some large-scale projects.

Promoting institutional capacity development and integrating capacity into technical cooperation and DWCPs

5. One of the greatest challenges in capacity development for ILO constituents is the establishment and maintenance of effective and sustainable programmes which can provide institutional and technical capacity in an integrated and sustained manner. ACT/EMP and ACTRAV maintain dedicated capacity-development programmes for social partners, and the majority of technical programmes, including the Labour Administration and Inspection Programme, support a number of institutional capacity-development initiatives for governments in cooperation with the Turin Centre. Such programmes are critical to the success of technical cooperation, as results can only be obtained if the three essential partners for delivery at national level have the institutional capacity to provide sustained support to decent work outcomes. Constituents with capacity are the best guarantee for delivery and sustainability of ILO development cooperation. For this reason, global products on sustained institutional capacity development could be further developed and supported through appropriate funding mechanisms.

² Categories of capacity development drawn from the United Nations Development Programme (UNDP): *Measuring capacity* (New York, 2010).

³ Organisation for Economic Co-operation and Development (OECD): *Seeking better practices for capacity development: Training and beyond*, OECD DAC–LenCD paper (Paris, Feb. 2010).

6. With regard to technical issues, capacity building is essentially mainstreamed in the ILO's approach to technical cooperation. Indeed, the vast majority of DWCPs and technical cooperation programmes and projects contain capacity-development elements. As noted in the paper of November 2010, however, these efforts are often uncoordinated and piecemeal within projects, and they do not constitute a capacity-building programme as a whole.
7. A number of approaches could be taken to address this challenge. The Office could increase its own capacity on designing and implementing proper capacity-development interventions. Such efforts could be integrated into existing training modules and guidance on project design and the preparation of DWCPs.⁴ One important step would be to map ILO capacity-building approaches, drawing on good practices such as the strengthening of workers' and employers' organizations as partners in the Better Work Programme, in which both social partners are essential in ensuring oversight and quality in factories. The work of the International Programme on the Elimination of Child Labour (IPEC) on providing technical capacity to governments and the social partners on child labour could also serve as an example.
8. Guidance on capacity development should also note the importance of the proper sequencing of dedicated capacity development for constituents, which usually involves separate initiatives to address particular institutional needs, followed by capacity development in a tripartite setting so that it is accompanied by social dialogue. ACT/EMP and ACTRAV have particular roles to play in capacity development in technical areas, as they can help assess and mobilize partners.
9. Finally, more attention could be paid to developing bona fide technical cooperation programmes behind ILO outcomes. While a number of technical cooperation programmes exist, only a few enjoy sustained and predictable core funding to allow for knowledge and experience to be accumulated, shared and evaluated in a consistent manner. Strategic long-term capacity development requires global capacity and knowledge management, an area which many global products are designed to strengthen. More attention could be paid to developing core programmes that strengthen capacity-development approaches in technical areas, and to supporting them through available funding and through donor contributions.

Leveraging the advantages of the Turin Centre

10. One of the ILO's unique advantages in the UN system is that the ILO Turin Centre already supports and develops a number of innovative training approaches in support of capacity development of ILO constituents, from blended learning and distance learning to degree-level study. The ILO's quality-assurance mechanism for DWCPs and the appraisal procedure for technical cooperation already verify that the advantages of the Turin Centre are maximized in programmes and projects where large training components are included. Nonetheless, more could be done to ensure that Turin Centre training offers are more widely available. Larger investment in field-based training courses would be one approach to tackling this issue. Specific mechanisms and incentives to enhance knowledge- and experience-sharing activities among constituents through the Turin Centre could also be envisaged.

⁴ The draft revised Decent Work Country Programme Guidebook already contains guidance on capacity-development components in the programmes. Two guidance notes, *Capacity development in technical cooperation* and *Capacity assessment for technical cooperation*, are under development.

Monitoring, evaluating and communicating the results of capacity development

11. At the discussion of the November 2010 paper, there was also an emphasis on ensuring that capacity development was results-oriented and provided clear outcome-level changes. There was also a call to better communicate the importance of capacity development for constituents to donors and potential donors.
12. With regard to developing results-based capacity-development interventions, the Office is developing guidelines on capacity-development indicators, based on system-wide work led by UNDP, to encourage performance criteria beyond numbers of constituents trained or workshops held. Additional training included in the Office's training programme on DWCPs and project design could further address this issue. Measuring institutional capacity changes presents specific challenges, since the results often appear after the end of a project, and measuring such identifiable results as strengthened performance, stability and adaptability of institutions is cost-intensive and complex. Nonetheless, the integration of guidance on measuring capacity development in the current design, monitoring and evaluation activities would constitute a great step forward in strengthening the ILO's capacity-development approaches.
13. The more systematic reporting of outcome-level results in relation to capacity development would also allow for greater understanding of the role of the constituents in the complex and dynamic process of economic and social policy-making. While more research in this area is needed, the general importance of strong labour institutions in the wider development process, especially in the context of the current economic and social crisis, has already gained recognition.⁵
14. Governments, and in particular labour administration systems, bear a heavy responsibility for delivering decent work and promoting sound and efficient economic and social policies. The economic crisis drew attention to the fact that many national systems of labour administration, and ministries of labour in particular, are institutionally and technically unprepared to face such urgent policy challenges. Developing the capacity of labour administrations is crucial for overcoming these weaknesses and improving the ability to independently design, implement and monitor decent work policies and services for constituents, grounded where applicable in the framework of DWCPs, and which can contribute to wider national development goals.
15. There is also growing empirical evidence suggesting that business membership organizations, including employers' organizations, contribute to sustainable social and economic development overall.⁶ Such organizations promote good governance by enabling member enterprises to participate in making decisions on economic and social policy, to push for greater accountability of public administrations and policies, and to put pressure on governments to strengthen the rule of law. They also support the functioning of the market by promoting an enabling business environment and the development of financial and physical infrastructure, education and skills. Research covering several

⁵ ILO: *Employers' organizations responding to the impact of the crisis*, Working Paper No. 2 (Geneva, 2010); F. Hoffer: "The Great Recession: A turning point for labour?", in *International Journal of Labour Research* (Geneva, ILO), Vol. 2 (2010), No. 1, pp. 99–117.

⁶ A 2007 ILO report assessed the potential contribution of business organizations (along with workers' organizations) in creating indispensable basic conditions for the emergence and growth of sustainable enterprise, such as governance, economic efficiency and social equity. ILO: *The promotion of sustainable enterprises*, Report VI, International Labour Conference, 96th Session, Geneva, 2007.

countries in South-East and East Asia and sub-Saharan Africa shows up to a 4 per cent differential in positive correlation between economic growth and effective business associations.⁷ Employers' organizations also complement market activities by setting and enforcing industry standards and upgrading management practices, workforce skills and technology, and lowering the cost of information at the enterprise level. Some studies indicate that membership in a business association improves total factor productivity in the range of 25–38 per cent.⁸

16. Workers' organizations also play a key role in supporting the development process by enabling members to participate in the formulation of economic and social policy, by pushing for fairer income distribution, and promoting human and labour rights. Some studies suggest that well-organized collective bargaining and viable labour market institutions are especially important to macroeconomic performance in the context of rapid economic and social change, and can ensure better income distribution.⁹ Trade unions have played a key role in certain countries in mitigating the employment effects of the current economic crisis, despite large declines in production. And the potential of trade unions to facilitate the participation of informal workers is increasingly recognized as a potent means of improving livelihoods, including in such important sectors as agriculture.¹⁰

Conclusion

17. Strengthening the capacity of the ILO's constituents is not only a central tenet of the ILO Declaration on Social Justice for a Fair Globalization, it makes good development sense. By strengthening the ILO's ability to deliver more meaningful capacity development to its constituents, the ILO can ensure the participation of the actors of the real economy in the development process and thereby more effective and sustainable development results. The operational strategies above would be among the first practical steps in implementing a wider commitment to capacity development set out in the Programme and Budget proposals for 2012–13.¹¹

⁷ See for example K. Sen and D. te Velde: *State business relationships and economic growth in sub-Saharan Africa*, Research Programme Consortium on Improving Institutions for Pro-Poor Growth (IPPG) Discussion Paper 8, June 2007; M. Qureshi and D. te Velde: *State business relations and firm performance in Zambia*, IPPG Discussion Paper 5, Mar. 2007.

⁸ R. Doner and B. Schneider: "Business associations and economic development: Why some associations contribute more than others", in *Business and Politics* (Berkeley, The Berkeley Electronic Press, 2000) Vol. 2, No. 3; R. Bennet: "Business associations and their potential contribution to the competitiveness of SMEs", in *Entrepreneurship and Regional Development*, Vol. 10 (1998), No. 3.

⁹ T. Aidt and Z. Tzannatos: "Trade unions, collective bargaining and macroeconomic performance: A review", in *Industrial Relations Journal*, Vol. 39 (2008), No. 4, pp. 258–295; S. Hayter: "Collective bargaining and income inequality in an integrating world", in *Labour education: Paying attention to wages* (Geneva, ILO), No. 128 (2002).

¹⁰ FAO–ILO: *Guidance on how to address rural employment and decent work concerns in FAO country activities* (Rome, 2011); P-S. Ahn: *The growth and decline of political unionism in India: The need for a paradigm shift* (Bangkok, ILO, 2010).

¹¹ GB.310/PFA/2.

18. Within the scope of DWCPs and technical cooperation, the implementation of the above strategies could be monitored as follows:

| Outcome | Indicator | Milestones |
|---|--|--|
| 1. DWCPs and technical cooperation provide for relevant assessment of capacity needs and, as appropriate, relevant institutional and technical capacity-development outcomes and outputs. | 1.1. Percentage of DWCPs that contain clear capacity assessment and development outputs. | Baseline: to be set by March 2012. Target: 80 per cent by 2013. |
| | 1.2. Percentage of assessed technical cooperation projects with capacity-development components which meet quality criteria. | Baseline: to be set by March 2012. Target: 95 per cent by 2013. |
| 2. Office's internal guidance and procedures on capacity assessment and development improved. | 2.1. Guidance on "capacity development" and "capacity assessment" produced. | Revised by June 2011. |
| | 2.2. Guidance notes on CD produced. | |
| | 2.3. QAM and project appraisal requirements revised. | |

19. *The Committee may wish to recommend that the Governing Body endorse the operational strategies for capacity development for constituents in DWCPs and technical cooperation outlined above, taking into account the views expressed during its discussion.*

Geneva, 4 February 2011

Point for decision: Paragraph 19