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Policy Development Section

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SEVENTH ITEM ON THE AGENDA

ILO's technical cooperation programme: Trends and perspectives since 2000

Purpose of the document

This paper: (a) traces the evolution of the ILO technical cooperation (TC) programme since the adoption of the Millennium Development Goals (MDGs) in 2000 in light of the profound changes in the international development context; (b) contributes to the revision of the TC strategy to be discussed during the 322nd Session of the Governing Body; and (c) discusses the ILO's role in development cooperation and its TC policy in the post-2015 period. The Governing Body may wish to request the Office to: (a) enhance the participation of constituents in DWCP and TC programming; and (b) ensure active ILO participation, and involvement of the constituents, in global development partnerships (draft decision, paragraph 38).

Relevant strategic objective: Effective and efficient utilization of ILO resources.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: The Office will revise the TC strategy by November 2014 (GB decision, March 2013).

Author unit: Partnerships and Field Support Department (PARDEV).

Related documents: GB.297/16(Rev.), GB.306/TC/1, GB.310/TC/1, GB.310/TC/2, GB.317/WP/SDG/1, GB.319/INS/2, GB/319/INS/4, GB.319/INS/5.

I. Introduction

- 1. Since the adoption of the Millennium Declaration in 2000, the international community has increasingly recognized the Decent Work Agenda as central to sustainable development, the eradication of poverty and the response to the global jobs crisis. The ILO's technical cooperation (TC) programme, as well as the Office's and constituents' involvement in shaping the international development agenda, has contributed to this effect. Profound changes in the international development context have greatly influenced the ILO's TC programme, policy and partnerships. ¹ The Governing Body ² and the International Labour Conference ³ have guided the ILO's provides perspectives for the ILO's ongoing reform review on TC, the revision of the ILO's TC strategy by the Governing Body in November 2014 and the ILO's role in existing and new global partnerships.
- **2.** The context in which the ILO designs and implements TC has changed profoundly over the last 13 years, since the adoption of the Millennium Declaration. The principal drivers of these change are:
 - (a) a greater recognition of the Decent Work Agenda in international development;
 - (b) the outcome and impact of the global development effectiveness debate;
 - (c) the reform of the United Nations (UN) development system and approach; and
 - (d) the emergence of new development actors and modalities.
- **3.** This paper analyses the impact of these developments on the ILO's TC programme, and outlines the future of this programme in the context of the next Strategic Policy Framework (SPF 2016–21).

II. The international development context since 2000

Decent work in the international development agenda

4. Through the Millennium Declaration in 2000, 189 nations committed "to develop and implement strategies that give young people everywhere a real chance to find decent and productive work". However, it was only in 2005 that achieving "full and productive employment and decent work for all, including women and young people" was included as

¹ TC is understood as a means of action to implement the Decent Work Agenda that can be funded from different sources, e.g. regular budget (RB), regular budget for technical cooperation (RBTC), Regular Budget Supplementary Account (RBSA) and extra-budgetary technical cooperation (XBTC). TC statistics in this paper relate to XBTC funding only.

² See GB/316/INS/6 and GB.317/WP/SDG/1.

³ In particular: *The role of the ILO in technical cooperation*, Report VI, International Labour Conference, 95th Session, Geneva, 2006; *Towards the ILO centenary: Realities, renewal and tripartite commitment*, Report of the Director General, Report I(A), International Labour Conference, 102nd Session, Geneva, 2013; and *Sustainable development, decent work and green jobs*, Report V, International Labour Conference, 102nd Session, Geneva, 2013; and Sustainable development, decent work and green jobs, Report V, International Labour Conference, 102nd Session, Geneva, 2013.

a sub-target (1.B) under Millennium Development Goal (MDG) 1 to eradicate extreme poverty and hunger by 2015. In support of this target, the High-Level Committee on Programmes (HLCP) of the UN System Chief Executives Board for Coordination (CEB) adopted in 2007 a Toolkit for Mainstreaming Employment and Decent Work. The Toolkit is used by relevant UN agencies to incorporate decent work strategies into their own programmes.

- **5.** In 2009, the HLCP of the CEB endorsed nine UN system joint crisis initiatives in response to the global financial and economic crisis, including a Global Jobs Pact and a social protection floor, respectively led and co-led by the ILO. That same year at the Pittsburgh Summit the G20 leaders affirmed that "we cannot rest until the global economy is restored to full health, and hard-working families the world over can find decent jobs". ⁴ At its 42nd plenary meeting, the UN Economic and Social Council (ECOSOC) adopted a Resolution (2008/18) entitled "Promoting full employment and decent work for all". In 2012, ECOSOC adopted a Ministerial Declaration on "promoting productive capacity, employment and decent work to eradicate poverty in the context of inclusive, sustainable and equitable economic growth at all levels for achieving the Millennium Development Goals". "Jobs that reduce poverty, connect the economy to global markets, or foster trust and civic engagement can do more for development than others" was also the main message of the *World Development Report 2013: Jobs.* ⁵
- 6. Sustainable development in its three dimensions (environmental, social and economic) is now recognized as being a global concern. The Johannesburg Declaration and Plan of Implementation adopted at the 2002 World Summit on Sustainable Development established specific and time-bound goals including a commitment to increase decent employment and equal opportunities for women and men. At the 2012 UN Conference on Sustainable Development (Rio +20), Member States laid the foundations for a future development agenda based on sustainable development and reaffirmed the importance of full employment and decent work for all, including effective social policies and social protection floors.

Development effectiveness

- **7.** Since 2000, the global community has endeavoured to reform policies and processes to create an environment conducive to the achievement of equitable development for all, guided by MDG 8 Develop a global partnership for development. The 2002 Monterrey Consensus brought commitments from donors to increase resources and set a framework for mobilizing finance for development.
- **8.** A series of High Level Forums (HLF) on Aid Effectiveness organized by the Organisation of Economic Co-operation and Development (OECD) took place in Rome (2003), Paris (2005), Accra (2008) and Busan (2011) to reach a consensus on aid delivery for results. Three principal documents have been adopted in this process: the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008) and the outcome document of the Fourth High Level Forum on Aid Effectiveness in Busan (2011). Together, these documents constitute the international aid and development effectiveness framework with its principles of ownership, alignment, harmonization, results, mutual accountability, inclusive partnerships and capacity development. The UN system reaffirmed those

⁴ G20 Leaders' statement, Pittsburgh Summit, 24–25 September 2009.

⁵ Word Development Report 2013: Jobs, World Bank (2012).

principles in the 2008 Doha Declaration on Financing for Development. ⁶ At the Busan HLF, a Partnership for Effective Development Cooperation was established as a forum to drive implementation of the effectiveness and financing principles. Coordinated by the UN Development Programme (UNDP) and the OECD, the partnership includes developing and donor countries, civil society, business and other development stakeholders. The ILO participates through its membership in the UN Development Group.

UN system-wide coherence

- **9.** The UN reform is meant to improve the delivery of results, strengthen efficiency, effectiveness and the coherence of its actions, and increase accountability. Common Country Assessments and UN Development Assistance Frameworks (CCA/UNDAF) have enhanced system-wide coherence. The emphasis on country ownership and mutual accountability means that targets set in UNDAFs must reflect national priorities, as well as goals in poverty reduction strategy papers (PRSPs). The ILO participates actively in CCA/UNDAF/PRSP processes and promotes the involvement of the social partners. An ILO assessment in March 2013 found that 44 countries where the ILO was the (co-)leader of a joint programme (and in which an UNDAF or One Programme had been signed over the period 2007–12) had mainstreamed at least three pillars of the Decent Work Agenda.⁷
- **10.** In 2006 the UN launched the "Delivering as One" approach in eight pilot countries to encourage UN system members to harness synergies and complementarities in support of national development. These pilot countries, plus 24 so-called "self-starters" seek to achieve system-wide coherence at the country level through the principles of "One Programme, One Leader, One Budgetary Framework, and One Office". The UN system has made increasing use of pooled funding mechanisms, administered by the Multi-Partner Trust Fund Office (MPTF) of the UNDP, to implement joint programmes under common country programming frameworks.
- 11. On the basis of the 2012 "Delivering as One" independent evaluation and of the Secretary-General quadrennial comprehensive policy review (QCPR) report, ECOSOC (resolution E/2013/L.17) reiterated the need to fully implement the "Delivering as One" modality. The QCPR Resolution ⁸ might have important implications on the ILO operational activities as it aims to strengthen the One Programme framework and to reinforce the role of the Resident Coordinator Offices in programming and resource mobilization on behalf of the UN system.

New partners and trends in modalities of development cooperation

12. Due to the financial crisis and Eurozone turmoil, Official Development Assistance (ODA) has fallen by 6 per cent in real terms since 2010, the year it reached its peak. Excluding 2007, which saw the end of exceptional debt relief operations, the fall in 2012 is the largest since 1997. This is also the first time since 1996–97 that aid has fallen in two successive years. ⁹ The international community is witnessing new forms of cooperation that reflect

⁶ www.un.org/esa/ffd/doha/documents/Doha_Declaration_FFD.pdf.

⁷ Background to GB.317/PFA/4.

⁸ http://undocs.org/A/RES/67/226.

⁹ http://www.oecd.org/dac/stats/aidtopoorcountriesslipsfurtherasgovernmentstightenbudgets.htm.

today's geopolitical landscape where, among others, emerging economies, the private sector and civil society have become dynamic actors in development cooperation.

- **13.** The role of the private sector in development ¹⁰ is not just recognized in financial terms but also "in advancing innovation, creating wealth, income and jobs, mobilising domestic resources and in turn contributing to poverty reduction", as was stated at the Busan Forum. ¹¹ The Rio +20 Conference also recognized that "... the private sector can contribute to the achievement of sustainable development, including through the important tool of public–private partnerships". ¹²
- 14. Geopolitical changes have enhanced the role that the Global South is playing in international development, especially after the financial crises. South–South and triangular cooperation (SSTC) based on the principles of solidarity and non-conditionality has gained greater visibility and relevance, as has been reaffirmed at several UN events. In 2007, the UN Secretary-General called on the international development community to help to scale up the impact of South–South cooperation.¹³
- **15.** The abovementioned developments are echoed in the call by the High-level Panel of Eminent Persons for a "transformative shift towards a new spirit of solidarity, cooperation, and mutual accountability that should underpin the post-2015 agenda". ¹⁴ It states that "this partnership should involve governments but also include others: people living in poverty, those with disabilities, women, civil society and indigenous and local communities, traditionally marginalized groups, multilateral institutions, local and national government, the business community, academia and private philanthropy". ¹⁵

III. Impact on the ILO's technical cooperation 2000–13

16. Since 2000, the ILO's TC strategy and modus operandi have evolved in response to the contextual changes described above, with the objective of better responding to constituents' needs. Notably, the conclusions of the 2006 International Labour Conference ¹⁶ and the Governing Body decision of November 2009 on the ILO's TC

¹⁰ See: GB.319/INS/5, on ILO engagement with the private sector.

¹¹ Outcome Document, Fourth High-Level Forum on Aid Effectiveness, Busan, 29 November – 1 December 2011, http://publishwhatyoufund.org/files/OUTCOME_DOCUMENT_-_FINAL_EN1.pdf. Cited in: GB.316/POL/6.

¹² Report of the UN Conference on Sustainable Development, Rio de Janeiro, Brazil, 20–22 June 2012, A/CONF.216/16, para. 46, http://www.uncsd2012.org/content/documents/814UNCSD% 20REPORT%20final%20revs.pdf, Cited in: GB.316/POL/6.

¹³ Report of the UN Secretary-General to the 62nd session of the General Assembly (A/62/295).

¹⁴ A new global partnership: Eradicate poverty and transform economies through sustainable development. The report of the High-level Panel of Eminent Persons on the Post-2015 Development Agenda, UN, 2013.

¹⁵ The post-2015 debate is discussed in GB.319/INS/4.

¹⁶ ILO: Report VI, *op. cit.*; and *Provisional Record* No. 19, International Labour Conference, 95th Session, Geneva, 2006.

strategy ¹⁷ have provided policy orientations and concrete proposals for action related to TC priority setting, quality, measurability, effectiveness, evaluation, predictability, resource mobilization, partnerships, knowledge sharing and tripartite involvement.

Decent work as a development goal

- **17.** With the introduction of decent work as the ILO's primary goal in 1999, the Decent Work Country Programmes (DWCPs) in 2004 and the SPF 2010–15, the strategic fit of the ILO's TC programme in the overall ILO programming framework has been strengthened. DWCPs are governance and programmatic documents offering increased constituent ownership of decent work outcomes at the country level and opportunities for cooperation within the UN system and with other development partners. However, almost ten years of experience show that there is scope for further enhancing the results-based management (RBM), the integrated resource base for achieving defined outcomes, as well as participation of national tripartite constituents in the design, funding, implementation, monitoring and evaluation of DWCPs.
- **18.** Increased global recognition of decent work as a development goal has attracted interest in the ILO among development partners, and may have contributed to the positive trend in TC approvals and expenditures since the year 2000.

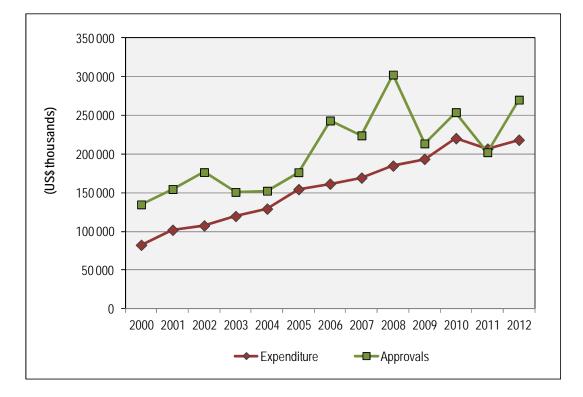


Figure 1. Extra-budgetary technical cooperation expenditure and approvals, 2000–12

¹⁷ GB.306/TC/1.

A more detailed analysis of approvals and expenditures reveals considerable geographic and thematic variations and trends. The decrease in standards-related expenditures is principally due to falling approvals for the International Programme on the Elimination of Child Labour, whereas higher employment-related expenditures, particularly in Africa and Asia, reflect the growing recognition of full employment as a development goal. In particular, youth employment has become a priority in the wake of the Arab Spring in North Africa.

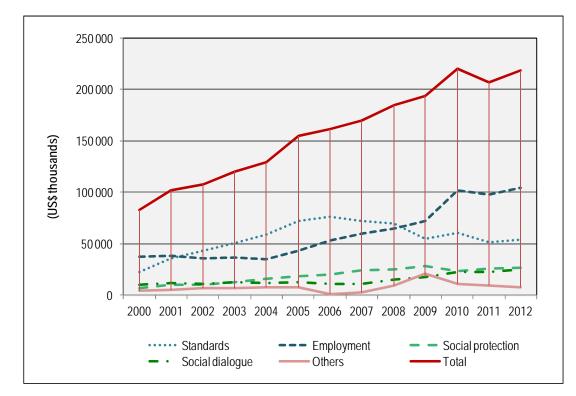
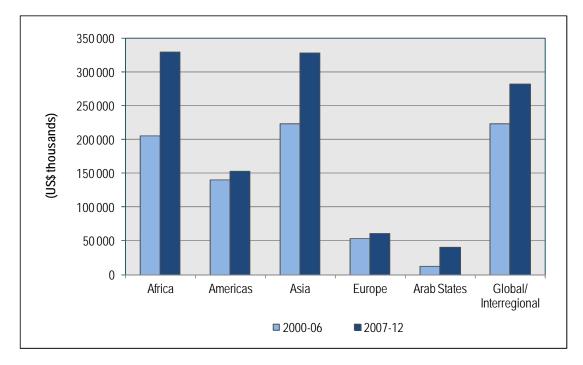


Figure 2. Extra-budgetary technical cooperation expenditure by strategic objective, 2000–12

Figure 3. Extra-budgetary technical cooperation expenditure by region, 2000–12



19. The period under review has seen a diversification of development partners, as well as a welcome trend towards larger projects.

	2000	2012
Annual TC expenditure in US\$ millions	82.5	218.2
No. of projects	1 319	750
No. of development partners	84	115

Table 1. TC portfolio 2000–12, number of projects and development partners

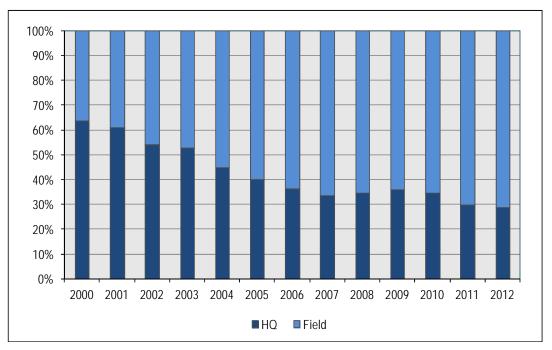
ILO and development effectiveness

- **20.** Recent donor reviews ¹⁸ of the ILO have highlighted areas for action that are well aligned with the development effectiveness debate. Key recommendations include: (i) enhancing the application of RBM across all funding sources; (ii) improving results reporting; (iii) strengthening delivery capacity at the country level; (iv) advancing monitoring, evaluation and institutional learning; (v) increasing accountability, transparency and public disclosure of data; and (vi) improving intervention logic and programme design.
- **21.** In 2000 the ILO introduced RBM as an approach that directs organizational processes, resources, products and services towards the achievement of measurable outcomes, supported by DWCPs and the SPF 2010–15. RBM applies to all stages of the ILO's TC programme cycle, including design, planning, implementation, reporting and evaluation. Since 2006, all TC projects are linked to the overall RBM framework through the Integrated Resource Information System (IRIS). The TC appraisal mechanism set up in 2010 ensures that TC projects meet technical and design standards, apply RBM principles, and contribute to achieving programme and budget, and DWCP outcomes. The Office notes consolidated compliance with the appraisal procedure. This is reflected in the number of projects that are appraised (534 during 2010–12), as well as by the increased and Office-wide participation in the appraisal process. An evaluation found that the appraisal quality contributes to the overall quality of project design. ¹⁹ In addition, a range of training programmes and tools on project cycle management and resource mobilization have been developed for ILO staff.
- **22.** Since 2000, there has been a trend towards the decentralization of decision-making, closer to the delivery of services. Country office directors have been given more responsibility in managing TC projects.

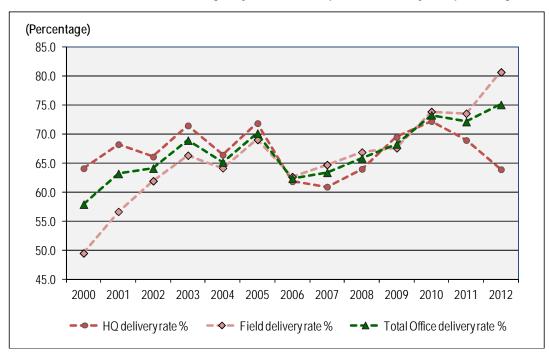
¹⁹ ILO: Annual evaluation report 2011–12, Governing Body, 316th Session, Geneva, Nov. 2012, GB.316/PFA/7/1.

¹⁸ Recent broad assessments of the ILO carried out by donor institutions including the Multilateral Organization Performance Assessment Network (MOPAN) 2006, the United Kingdom's Department for International Development (DFID) 2011 and the Australian Government Overseas Aid Program (AusAID) 2012, and partnerships reviews by Irish Aid, and the Governments of the Netherlands and Sweden.

Figure 4. Percentage share of extra-budgetary technical cooperation expenditure by administrative responsibility



- **23.** In line with these decentralization efforts, the Office has engaged more systematically in local resource mobilization, which has strengthened the local resource base and fostered closer coordination with recipient governments, social partners and local communities. During the period 2003–07, local funding accounted for 28.8 per cent of total funding; during 2008–12, this percentage rose to 35.6 per cent. Local resource mobilization will become more important in the future since many donors are decentralizing decision-making powers to their local offices. In terms of extra-budgetary technical cooperation (XBTC) delivery, the field is performing significantly better than headquarters, which reaffirms the validity of the ILO's decentralization policy.
- Figure 5. HQ, field and total Office extra-budgetary technical cooperation delivery rate percentage



- **24.** The principle of promoting greater national ownership of development processes is applied by the ILO through the involvement of local constituents in donor consultations, resource mobilization, and the design, implementation and monitoring of DWCPs and TC. This is particularly relevant in countries where the ILO is a non-resident agency. Regional resource mobilization strategies ²⁰ allow for more systematic engagement of constituents. Domestic funding of ILO TC (paragraphs 29–30) further strengthens national ownership.
- **25.** In order to enhance effectiveness and transparency, the ILO was the first specialized UN agency to become a signatory, in 2012, to the International Aid Transparency Initiative (IATI). The ILO subscribes to the idea that a common, open, international standard for publishing more and better information about aid will help to better track what contributions are used for and what they are achieving, and help constituents manage aid and develop plans more effectively. In line with IATI requirements, the existing "donor dashboard" has been modified to allow open access by the general public. This is also in line with the public information disclosure policy of the ILO, which was issued in 2012 to ensure that information concerning ILO policies, strategies and operational activities is available to the widest possible audience.
- **26.** In addition, the Office is developing a TC information sharing and knowledge management system for staff. The Office also maintains a comprehensive website (www.ilo.org/pardev) and publishes brochures of TC results.

ILO, TC and system-wide coherence

- **27.** The ILO's active involvement in UN system-wide coherence and "Delivering as One" has led to renewed partnerships and joint programmes with the UN, including through the MDG Achievement Fund and participation in Multi-Partner Trust Funds (MPTF). Since 2000, the ILO has participated in 161 MPTF projects, mainly in Africa (63 projects), Asia and the Pacific (39) and the Americas (35), mobilizing a budget of some US\$103 million by 2013. All four strategic objectives were addressed, with particular focus on employment promotion, skills development and sustainable enterprises. Out of the eight countries piloting the One UN approach, the ILO has been particularly active in implementing projects in Mozambique, the United Republic of Tanzania and Viet Nam.
- **28.** As a result of closer cooperation within the UN system, the UN share of ILO XBTC approvals has risen from 6.5 per cent during 2000–06 to 14.5 per cent during 2007–12. The "Delivering as One" pilot phase led to a sharp increase in UN funding (2007–11), followed by a decline in 2012 due to the closure of the Expanded Funding Window for "Delivering as One" countries and declining disbursements for One UN funds at the local level. The ILO's participation in "Delivering as One" has had, of course, more implications than just providing funds for joint projects. The discussion of these would, however, exceed the scope of the present paper.

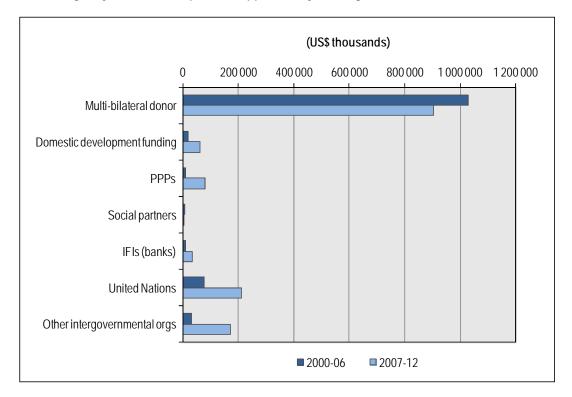
Trends in development cooperation modalities and new partners

29. The ILO's XBTC funding sources reflect the abovementioned changes in the international development context. The period 2000–12 saw a relative decrease in the share of multibilateral donors and an increase in contributions from the UN and other intergovernmental organizations, namely the European Commission. Public–private partnerships (PPPs), as

²⁰ Developed upon request of the Governing Body for Africa, and forthcoming for Asia.

well as domestic development funding (national governments financing ILO TC in their country), have grown in importance since 2006. ²¹ Such diversification of development partnerships must be pursued in times of shrinking "traditional" ODA.

- **30.** More partnerships have been concluded with emerging and developing countries both through domestic development funding and SSTC. In 2000, the ILO had TC agreements with three developing countries, contributing 0.26 per cent of TC. In 2012, 16 emerging and developing countries had signed agreements with the ILO, contributing 4 per cent to overall TC approvals. It is important to note, however, that funding is only one aspect of South–South cooperation; equally important is knowledge and experience-sharing between countries of the Global South. The ILO's result-based SSTC strategy ²² and the integration of SSTC in its Programme and Budget for 2012–13 and 2014–15 facilitate achieving such results. The ILO has also published a good practices guide on SSTC. ²³
- **31.** The Office has enhanced its efforts to conclude partnerships with private sector entities, not only in financial terms but also to advance strategic collaboration in knowledge-sharing, innovation, research, etc. While in the 2000–01 biennium PPP approvals accounted for 0.8 per cent of overall approvals, this percentage rose to 1.4 per cent in 2008–09 and to 5.7 per cent in 2010–11.
- Figure 6. Extra-budgetary technical cooperation approvals by funding source, 2000–12



32. Some 13 years ago, TC was mostly implemented through country-based, time-bound and stand-alone projects; in line with the principles of aid effectiveness and the recommendations of several ECOSOC resolutions, the Office has encouraged development partners to move towards long-term, predictable funding arrangements through different

²¹ Figure 6 and Appendix.

²² GB.313/POL/7, GB.316/POL/5.

²³ http://www.ilo.org/pardev/south-south/WCMS_211770/lang--en/index.htm.

types of partnership agreements. As of August 2013, the ILO had long-term partnership agreements with 14 countries, whereas in 2000 only seven partnership agreements were active, most of which were project-based. Long-term partnerships provide a platform not only for funding but also for strategic cooperation between the ILO and its development partners, which has facilitated the mainstreaming of decent work in their own development policies. Since 2011, three partnerships fund programme and budget outcomes (not TC projects), allowing for greater alignment with ILO priorities and flexibility.

33. In response to the principles of the Paris Declaration on Aid Effectiveness, in 2008, the ILO introduced the Regular Budget Supplementary Account (RBSA) as a means to channel voluntary, untied contributions to support decent work priorities and country programme outcomes in member States. The RBSA complements the ILO's regular budget and its traditional TC programme. Outcome-based workplans provide the framework for RBSA allocations and RBSA funds can only be used to support DWCP priorities and outcomes with measurable and reportable results. From 2008 to August 2013, contributions to RBSA amounted to approximately \$132 million (in addition to the XBTC approvals quoted earlier).

IV. Perspectives and conclusions

- **34.** TC remains indispensable for the implementation of DWCPs and the newly defined Areas of Critical Importance, and for the achievement of programme and budget outcomes. It contributes to RBM and provides opportunities for delivering ILO expertise in an integrated manner, while promoting social dialogue and tripartism. The development of results-based TC intervention models, which are based on evaluation findings and lessons learned from TC projects, will further enhance the contribution of TC to the ILO's overall RBM framework.
- **35.** The international development context has become more complex during the period under review, with more stringent requirements in terms of results, effectiveness, ownership, transparency and visibility, the emergence of new partners, actors, and aid modalities, and the push for UN system-wide coherence. ODA from traditional sources has been shrinking, and is expected to shrink further in the wake of the euro crisis. The Office has responded to these developments by embracing the principles of development effectiveness, enlarging its donor base, introducing new funding windows such as the RBSA, and participating actively in "Delivering as One".
- **36.** Collaboration with the multilateral system has resulted in mainstreaming the Decent Work Agenda. This effort needs to be continued in the context of the future sustainable development agenda and the post-2015 debate. ²⁴ Special attention still needs to be given to the inclusion of ILO constituents in setting and implementing the future development goals allowing for continued focus on the social partners' core mandates. In some cases this will require building on their existing knowledge, expertise and experience, in others it means further developing the capacities of workers' and employers' organizations.

²⁴ GB.319/INS/4.

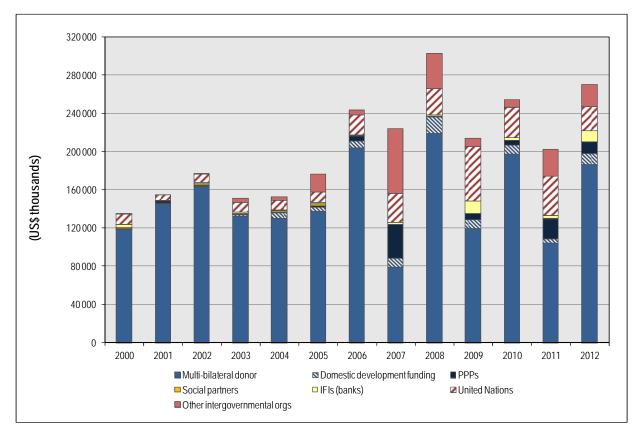
37. The findings of the ongoing field operations and TC review will be an important contribution to updating the Technical Cooperation Strategy of 2006, when most of the changes described in this paper had not yet taken place. A proposal for a general discussion on TC at the 104th Session of the Conference (2015) has been submitted to the Governing Body.²⁵

Draft decision

- 38. The Governing Body requests the Office to:
 - (a) enhance the participation of the constituents in the design and implementation of DWCPs and TC programmes formulated in the new context outlined in paragraphs 4–15; and
 - (b) ensure active ILO participation, and facilitate the constituents' involvement in the Global Partnerships for Effective Development Cooperation and the emerging Global Partnership for Sustainable Development.

²⁵ GB.319/INS/2.

Appendix



Extra-budgetary technical cooperation approvals by funding source, 2000–12