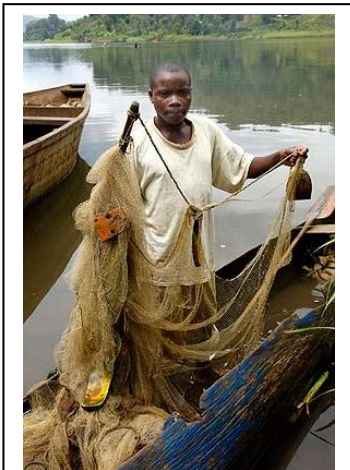


Response by the ILO to the UK-DFID Multilateral Aid Review Report



Muhindo, a beneficiary of the ILO's International Programme on the Elimination of Child Labour, which in DRC has reintegrated former child soldiers into civilian life, shares the tools and benefits from fishing activities in a cooperative established by the programme.
Lake Kivu, Democratic Republic of the Congo.

"We agree on the importance of building an employment-oriented framework for future economic growth. In this context, we reaffirm the importance of the London Jobs Conference and Rome Social Summit. We also welcome the recently-adopted ILO Resolution on Recovering from the Crisis: A Global Jobs Pact, and we commit our nations to adopt key elements of its general framework to advance the social dimension of globalization. The international institutions should consider ILO standards and the goals of the Jobs Pact in their crisis and post-crisis analysis and policy-making activities."

"We recognize the importance of addressing the concerns of the most vulnerable. To this end, we are determined to put jobs at the heart of the recovery, to provide social protection, decent work and also to ensure accelerated growth in low-income countries."

G20 Leaders' Statements, Pittsburgh,
September 2009 and Seoul, November 2010

"I would like to thank ILO for your support to our struggle for the restoration of democracy and human rights in Nepal. Now we need to consolidate the gains of the democratic movement."

The Hon. Girija Prasad Koirala, Prime Minister of Nepal

"I would like to thank the ILO for the attention that it is paying to the global jobs situation and for its commitment to address the related economic, social and political issues."

– Her Excellency Tarja Halonen, President of Finland

"I was just thrilled to get the job offer from the company."

– Nikodemus Nisa, 18, Kupang, Indonesia,
Beneficiary of an ILO youth employment programme

"The Bill and Melinda Gates Foundation is proud to partner with the ILO in efforts to serve millions of people with great needs and few resources. [...] Through the ILO, their grantees, and the Micro-insurance Innovation Facility, we are committed to learning more about the impact and value of insurance for people in developing countries."

– Bob Christen, Director of the Financial Services for the Poor Initiative,
The Bill and Melinda Gates Foundation

"ILO's role and core mandate of promoting Decent Work is increasingly important. The PFA 2006–09 established an ambitious agenda. While the internal reforms have moved more slowly, overall there has been considerable success in the last three years. ILO has largely met most of the PFA commitments and is receiving increasing demand for its contribution to global development."

– DFID external review of the DFID-ILO
Partnership Framework Arrangement (PFA), 2010

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Executive Summary

On 1 March 2011 the United Kingdom Government's Department of International Development (DFID) published its Multilateral Aid Review (MAR). The Review assessed a number of international organizations to determine DFID's financial contributions to them. On the basis of its findings, DFID decided not to renew its partnership arrangement with the ILO.

The ILO welcomes scrutiny of its work by its Member States and seeks all opportunities to cooperate with them to improve the impact of its activities. It also acknowledges the prerogative of all governments to allocate voluntary funding to international organizations in line with their own political priorities.

But it does not share the findings of the MAR concerning the significant weaknesses it alleges in the ILO's work. Nor can it agree with the conclusion that the ILO represents "poor value for money".

This response to the MAR explains why the ILO disagrees with it. Just as importantly it proposes a way forward through dialogue with the UK Government and social partners so that the partnership with the ILO can be resumed to better the lives of millions of people in the future as it has in the past.

2. Assessing development effectiveness

For the ILO, the problem with the MAR is that its analytical framework precludes from the outset any positive assessment of standard-setting and policy-making organizations such as the ILO. Measurement of "value for money" is by reference to costs, inputs, outputs, and outcomes. The twelve examples given in the MAR of "results from some multilateral organizations" are exclusively a series of immediate tangible outputs, such as roads built, people fed, and vaccines delivered. The MAR's emphasis on aid outputs of this type is a legitimate choice. But its inevitable consequence is that organizations like the ILO which focus on development outcomes, standard setting and policy will be found to be ineffective no matter how well they do their work.

The specific approach to aid embodied in the MAR values above all the delivery of immediate humanitarian aid and poverty relief. This is indeed valuable and needed development assistance. But three decades of international development policy making, including the so-called "aid effectiveness" debate, have also recognized the importance of rights-based and capacity development approaches, to enable people in poor countries to play a full role in designing and implementing their own solutions to poverty. The creation of an enabling environment for development – through legal instruments, through social and economic policies, and through better functioning institutions – has won wide acceptance as an approach which, in the long run, is more sustainable and more apt to promote local solutions to development challenges.

Indisputably, the UK Government enjoys the prerogative of using for the MAR the analytical framework which best reflects its chosen development priorities. But it cannot reasonably claim that such an approach provides the basis for a balanced and even-handed assessment of the performance of multilateral organizations with widely diverging mandates. Investment in rights-based approaches and capacity development as practised by the ILO through its Decent Work Agenda can be seen as strategies to promote long-term sustainable development, leading eventually to an end to dependence on international aid. That would be great value for money. But it does not show up in the MAR's analytical framework.

Of the 43 international organizations examined in the MAR, the ILO is unique for the tripartite composition of its decision-making bodies which are made up of representatives of workers and of employers as well as governments. This has generally been seen as a key

comparative advantage and a source of real added value in the ILO's work. The ILO is therefore concerned that the MAR finds that the tripartite composition of the ILO makes its decision-making bodies cumbersome and unable to adopt necessary reforms. Quite explicitly the MAR says that tripartism "can be a great strength in many areas but can also be [the ILO's] greatest weakness".

That view, based on uncited evidence, is not only a critique of the ILO's aid effectiveness, but also of its tripartite character. The ILO is proud of its 90-year record of bringing the actors of the real economy – governments, employers and workers – into decision making on economic and social policies that affect the lives of working people around the globe. It is not always simple, but it has shown its worth nationally and internationally.

3. Working out of poverty: the decent work approach to development

On this basis, the ILO disagrees strongly with the MAR conclusion that its work is not relevant to poverty reduction and international development goals.

The ILO has had a clear impact on meeting the Millennium Development Goals (MDGs), especially MDG 1, for which it provides upstream assistance in the form of vocational education and training and labour market analysis, as well as macroeconomic policy advice targeted at the best employment outcomes.

Directly or indirectly, the Decent Work Agenda is of relevance to each and every one of the MDGs: the elimination of child labour and discrimination (MDG 2), fighting discrimination at work (MDG 3), maternity protection and work-life balance (MDGs 4 and 5), combating HIV and AIDS and related discrimination at the workplace (MDG 6), promoting green jobs (MDG 7), and promoting social justice in trade and finance (MDG 8).

The ILO's leadership role on labour issues and decent work is recognized not only in the inclusion of a target on employment under MDG 1, but also in the acknowledgement of decent work and productive employment as an international development goal in their own right in the Outcome Document of the UN World Summit of 2005. In addition, the Global Jobs Pact adopted by the International Labour Conference in June 2009 was endorsed and recommended as a model by G20 leaders at their meeting in Pittsburgh in September 2009. A job remains the best way out of poverty.

This report also includes evidence and concrete examples of how the ILO's work is relevant to the six international development priorities that DFID set out in its Business Plan 2011-2015.

4. Management and financial control

The MAR raises several points concerning alleged inefficiencies in the management and financial control of the Office. The ILO has continuously upgraded the quality and independence of its oversight machinery in recent years, and has increased substantially resources for both evaluation and audit within a zero real growth budget. Most of the evidence cited for these shortcomings stems from public ILO documents submitted to its Governing Body and the International Labour Conference on performance challenges. Such information, while indicative of areas for improvement, is also a clear sign of an organization that is transparent and is taking serious steps to tackle shortcomings.

Further evidence provided by recent initiatives to improve organizational performance appears also to have been overlooked. The MAR did not take into account –

- an improved ILO results framework, which now specifies outputs for all but five of the more than 100 countries in which the ILO has Decent Work Country Programmes;
- the fact that the ILO's Governing Body has been working intensively to improve its own functioning through a special Working Party set up for this purpose which addressed oversight and supervision of the operation of the ILO; the functioning and strategic governance of the Organization; and the efficiency of its own working

methods, including follow-up on programme implementation and resource allocation. This resulted in the adoption of a major reform package by the Governing Body in March which was welcomed by all of its members.

- the recent independent external evaluation of the ILO's evaluation function– one of only three UN agencies that have been so evaluated – and the revised evaluation strategy in a results-based format that was discussed by the Governing Body in March;
- that a well-defined process of audit and audit follow-up exists, with regular reporting to both governments and oversight bodies. The ILO has continued to develop and strengthen its oversight bodies, which contribute to improvements in management, effectiveness and efficiency in line with best practices. Internal bodies include the Independent Oversight Advisory Committee, the Office of Internal Audit and Oversight, the Evaluation Unit and the Ethics Office. There is also an External Auditor (the Auditor General of Canada) and the United Nations Joint Inspection Unit. Together, they contribute to high standards of accountability and transparency in the context of the ILO's continuing commitment to results-based management;
- the constant attention given by the ILO to cost-effectiveness. In the current biennium (2010-11) it has set a target for efficiency savings of nearly US\$ 8 million. In the previous biennium (2008-09) it achieved efficiency savings of US\$ 5.3 million.

A full examination of the MAR findings on organizational performance is contained in the body of this report.

5. An uneven methodology

While the ILO welcomes scrutiny of its work, it believes that it should be based on objective and appropriate criteria. In the view of the ILO, the MAR methodology did not use such criteria.

The MAR is based on visits to 10 countries and desk reviews of a small number of selected documents. Out of some 800 active projects in 100 countries worldwide, the ILO was assessed in only four least developed countries (Bangladesh, Nepal, Sierra Leone and Tanzania). The evidence base of the review was therefore narrow.

The MAR admits it was *“hampered in [its] search for evidence of impact by ... the inherent difficulty of quantifying the difference that work such as advocacy, policy guidance, technical expertise and co-ordination makes to the lives of poor people”*. The review also acknowledges occasional subjective assessments and that methods were not applied equally across all organizations. For example, the ILO was not included in certain country level studies, so it is unclear how “partner country views” were solicited.

The ILO also has concerns regarding the methodology that was used to collect data. The report itself says that: *“As with the country visits, the [consultation] exercises were impressionistic rather than systematic”*. This is not a trivial point. It is through systematic examination that bias and error are minimized and eliminated.

Lastly, with regard to methodology, inappropriate data analysis techniques may have been used. All components were scored using a four-point Lickert scale. The means of these scores were later used to compute composite indexes. However, such statistical techniques are based on the assumption that the data were measured on at least an interval scale. It is doubtful whether complex issues such as “playing a critical role in meeting international development objectives” can be measured with such statistical precision.

Despite these limitations, the MAR concludes with sweeping negative statements about the ILO's performance. Even more striking is the fact that the conclusion reached is in direct contradiction to the DFID final external evaluation of its partnership with the ILO in

2010. That external evaluation highlighted the significant accomplishments of such ILO programmes as: the Global Alliance against Forced Labour; promoting greater access to social security in Africa; the protection and promotion of decent work for migrant workers; and enabling the establishment of a cooperative movement in Africa.

6. Conclusions

The ILO believes that detailed examination of its work by Member States is important as an instrument of accountability and as a means to promote improvement in the Organization. It had hoped that the MAR would contribute substantially in both areas.

It therefore regrets that, for the reasons explained in this report, the MAR does not provide an accurate assessment of the ILO's work. The analytical framework used in the MAR, its uneven methodology, and its selective treatment of evidence on organizational performance, compounded by a negative view of the contribution of decent work to effective development assistance, have led the MAR to conclusions which the ILO believes are mistaken and to the termination of its partnership with DFID.

The ILO considers that a more objective evaluation of its work would show it to be an effective agent for development assistance on issues at the top of today's policy agenda: decent work for all women and men who seek it; social protection and a safe workplace; social dialogue to improve industrial relations; and fundamental rights on child labour, forced labour, discrimination at work and freedom of association. The ILO's mandate and work are based on the belief that "universal and lasting peace can be established only if it is based upon social justice". It is essential in the current crisis to avoid the social and employment roots of economic instability which can lead to conflict and poverty, as has been amply demonstrated by the current crisis in a number of North African States.

An objective evaluation would also, no doubt, have helped to pinpoint those areas in which the ILO can do better. That would have been welcome, and the ILO regrets the opportunity missed. Hopefully, this can be corrected.

The ILO presents this reply and the detailed report on the MAR's findings in the hope that by a straightforward presentation of its views, it can help bring the resumption of its positive cooperation with DFID, which has been valuable to the ILO in many ways, including in improving results-based management.

The ILO can be a key partner to advance DFID's priorities in the next four years, because it shares DFID's adherence to principles of transparency, accountability and results. It also shares its aim of reforming the United Nations system to make it more efficient and effective, as shown by the role of the ILO's Director-General as Chair of the UN High-Level Committee on Programmes from 2008 to 2010.

The ILO would therefore invite DFID, other relevant Departments of the UK Government, and the UK Workers' and Employers' organizations – the Trades Union Congress and the Confederation of British Industry – to engage in discussion with the ILO on how the ILO and the UK can continue to work together to improve the performance of the ILO in contributing to common goals in a way which offers the best value for money in improving the lives of millions of people around the world.

31 March 2010.

Introduction

This report offers a reply by the International Labour Organization (ILO) to the DFID Multilateral Aid Review published on 1 March 2011.

The United Kingdom is highly valued as an historical founder Member and vigorous supporter of the ILO. In what is now almost a century of existence the ILO has steadfastly upheld the rights of working people, and has consistently worked to promote socio-economic development through democratic means. The ILO's current efforts to bring about the effective abolition of forced labour in Myanmar (Burma) and to eradicate child labour are examples of the value of its goals and principles, which the United Kingdom has consistently supported.

The United Kingdom is at the same time highly valued as an influential donor that has played a key role in shaping the ILO's activities and furthering its goals and principles over the past nine decades.

The ILO fully appreciates the commitment of the UK Government to maximize the impact of its contributions to multilateral organizations, especially in the current economic climate, and supports its aim of ensuring the fullest possible transparency in the use of such aid. At the same time the ILO recognizes the major financial crisis affecting the British economy and the Government's prerogative to rationalize its expenditure according to its priorities and objectives.

As this report shows, the ILO gives good value for money in a wide range of areas that are together crucial to genuine long-term socio-economic development in the real economy. To discontinue the partnership arrangement is to terminate a successful period of engagement with the ILO, during which DFID has supported major technical programmes and helped bring about progress on results-based management. DFID, alongside other key donors, has been at the origin of some of the ILO's most successful field programmes, including the International Programme on the Elimination of Child Labour (IPEC), which has rescued millions of children from labour or prevented them from falling into it and placed them in education, with indirect benefits for nearly a hundred million people, and the Employment-Intensive Investment Programme (EIIP), which has provided work for millions in building much needed infrastructure, not to mention the ILO's continuing campaign against forced labour and human rights abuses in Myanmar, and its historic role in helping bring about major political and democratic change in South Africa and Poland.

▪ ***Marked departure from DFID's 2010 final evaluation of the Partnership with the ILO***

The MAR review followed closely a rigorous external evaluation of the DFID-ILO 2006-2009 Partnership Framework Arrangement (PFA), which involved an extensive desk review and interviews with many different actors, and concentrated on three specific country-level reviews, of Ethiopia, Tanzania and Nepal. DFID published that final evaluation report in April 2010. Those findings clash strongly with those in the MAR review, since the 2010 evaluation concluded:

ILO's role and core mandate of promoting Decent Work is increasingly important. The PFA 2006-09 established an ambitious agenda. While the internal reforms have moved more slowly, overall there has been considerable success in the last three years. ILO has largely met most of the PFA commitments and is receiving increasing demand for its contribution to global development.

That evaluation gave three examples to illustrate ILO's increasing profile –

- The ILO Declaration on Social Justice for a Fair Globalization, which has provided the impetus for a series of reforms.
- Generalized recognition among the international community that decent and productive work for all is central to achieving the MDGs.

-
- The ILO's active participation in the April 2009 London G20 Summit, where G20 Leaders welcomed the ILO's Global Jobs Pact and announced the first ever G20 Employment and Labour Ministers Conference, held in April 2010.

The 2010 review concluded that change is happening and that the ILO's work is relevant to the achievement of international goals, and acknowledged that the ILO has played a major role in shaping the international response to the world financial and economic crisis. All these findings are overlooked in the summary statements emerging from the MAR.

The 2010 review also concluded "that based on the PFA 2006-09 performance and common interests in international development, DFID should consider funding support to the ILO in the post-PFA period". It is hence difficult to understand why funding is being denied the ILO, especially during a continuing global jobs crisis and the worldwide risk of jobless growth.

- ***Value for money and transparency***

The ILO is proud of what it has helped its constituents to achieve by providing timely advice, training and support. The priorities of governments, employers and workers are reflected in Decent Work Country Programmes to ensure the relevance of our work. The resources made available – some £5 million per year in the case of DFID – are used for *strategic low-cost interventions in a number of countries, not for large-scale development programmes*. We believe that they should not be judged on size and volume but in terms of their value for money in key areas of policy making on labour market issues, standard setting, enterprise development and institution building of priority to our constituents. Value for money and transparency form the basis of our contractual relationships and ethical standards.

The ILO is primarily a policy and standard-setting institution. It operates within social, economic and political processes that are central to the possibilities of implementing its vision and policy proposals. Thus its knowledge development function is primarily geared to enhancing the Organization's capacity both at headquarters and in the regions to provide advice on policies relevant to national, regional and global contexts in areas within its mandate and to influence policy-making at all levels. The ILO's technical cooperation activities are set within this overall approach. While the ILO has been active in providing assistance and analysis in crisis situations, its main focus is on development, not aid – on the policies and practices that produce sustainable and productive employment, which is decent work.

International labour standards are central to this effort. When work is carried out in the kind of decent conditions promoted by international labour standards, it is less likely to be done in conditions of discrimination, with forced or child labour, or in situations of danger to the health and safety of workers. Work that is done in these conditions is more productive, more inclusive of women and minorities, and more likely to promote social justice. Among other things, respect for international labour standards will help to avoid the kinds of exclusion and social injustice now fuelling the unrest in countries across North Africa and the Middle East. The original mandate of the ILO is to promote peace through social justice – to equalize the terms of trade deriving from labour costs and social conditions. If world economic growth is to continue through further globalization, then international labour standards will be essential to ensure that competition is fair and does not lead to conflict.

Evidence of the impact of the ILO standards system can be seen through the work of its supervisory bodies, which actually monitor cases of progress. The annual report of the ILO Committee of Experts on the Application of Conventions and Recommendations – a standard world reference – would have been a useful source for the MAR on this point, but it was not used. Nor were the annual reports issued since 2000 on follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, which report in detail on the application of the eight fundamental Conventions, concerning freedom of association and collective bargaining, discrimination, child labour and forced labour. Nevertheless, the MAR acknowledges that the ILO has achieved progress in numerous cases of abuses of workers' rights, such as Burma, Colombia and Belarus.

“We were formed from the ashes of a ruined world, imbued with the determination of our founders to never again make the mistakes of the past – mistakes that led to economic nationalism and war. Our overarching goal is fostering better relations between countries, and avoiding the economic roots of instability and conflict. Our role begins with economic stability, but it ends with the goal of all multilateral institutions – a stable and peaceful world.”¹

“The crisis has again put before our eyes something that we all know: good jobs, quality jobs, decent work are, everywhere, central to the lives of women and men. Decent work is a source of personal dignity. Stability of family and households. Peace in the community. Trust in government and business and overall credibility of the institutions that govern our societies. Labour is much more than just a cost of production. This simple aspiration to have a fair chance at a decent job is at the top of the political agenda, on top of opinion surveys; yet, policies are not delivering.”²

¹ D. Strauss-Kahn (Managing Director, IMF): “Crisis and beyond – The next phase of IMF reform”, Presentation at the Peterson Institute for International Economics, Washington, DC, 29 June 2010.

² J. Somavia (Director-General, ILO): “Achieving and sustaining an employment-based recovery: United States and global strategies for governments, businesses, workers and families”, Address for a panel discussion at the Brookings Institution, Washington, DC, 26 Feb. 2010.

Quoted in: [The Challenges of Growth, Employment and Social Cohesion](#). Joint ILO-IMF conference in cooperation with the office of the Prime Minister of Norway, September 2010.

While the ILO disagrees with many of the criticisms, it recognises the need to continue to improve the Office’s performance and ensure best management practices. This report will address some of the key policies and mechanisms in place at the ILO that are achieving greater impact and efficiency. The ILO welcomes an open dialogue with the Government of the United Kingdom on addressing the perceived inadequacies and re-establishing a productive relationship of trust with the ILO.

1. DFID and the ILO

1.1 Trends in donor funding

A founder member of the ILO since 1919, the Government of the United Kingdom has voluntarily provided additional funding for ILO technical cooperation and other projects since 1991. During the first decade of the 21st century the UK was the sixth largest contributor in terms of voluntary contributions for the Decent Work Agenda, after the United States, the United Nations, the European Commission, the Netherlands, and Denmark. Many key ILO donors have recently stepped up their support for the ILO, at a time when there is a greater need for decent jobs than ever before. This includes Australia, Denmark, the Netherlands, Norway and the United States.

The UK has used its generous support in a strategic way to help the ILO achieve its highest objectives. DFID was among the first donors to move away from an ad-hoc, project-by-project approach and towards a multi-annual, thematic partnership approach, fully aligned with the goals of the ILO. In line with the Paris Declaration on Aid Effectiveness, DFID was also the largest contributor to the first Regular Budget Supplementary Account (RBSA).¹

As a member of the so-called “like-minded donor group”, DFID has further worked closely with other key ILO donors to promote the Decent Work Agenda and strengthen the ILO’s focus on results, transparency and alignment of voluntary contributions with its strategic objectives through Outcome-Based Workplans. DFID has thus been able to punch above its weight in monetary terms, and was a leading donor and supporter of the ILO.

The ILO takes note of the letter it received on 1 March 2011 from the Rt Hon Andrew Mitchell, Secretary of State for International Development, in which he reassures the ILO of DFID’s interest in continuing to fund what it regards as effective ILO field offices. The ILO has indeed

¹ The RBSA is the ILO’s response to a call for a more cost-effective approach to finance decent work for more men and women through Decent Work Country Programmes (DWCP).

already noted that DFID has again begun funding stand-alone ILO projects in the field. The challenge before us is to avoid a situation where the ILO and DFID revert to a costly, unpredictable, and ad-hoc project-by-project approach. This would run counter to the Paris Declaration on Aid Effectiveness and DFID's support for the "One UN" agenda. We must also find innovative ways to contain the transaction costs associated with a project-by-project approach if we are to achieve greater "value for money".

1.2 Policy dialogue

As a policy development institution, the ILO's focus is on long-term development, and its technical cooperation serves this function.

The essence of the ILO is to work with constituents and other international organizations in countries, regions and globally, to turn values into policies and policies into change, improving the working lives of women and men. As a tripartite organization, the ILO involves not only governments, but also employers and workers in its policy and decision-making structures. This reflects the beliefs that underlie the Declaration of Philadelphia: *"labour is not a commodity; freedom of expression and of association are essential to sustained progress; poverty anywhere constitutes a danger to prosperity everywhere; and the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare"*. The ILO's role as a forum for such democratic decision has served the free world well for nearly a century.

The ILO not only values highly the financial and political support received so far by DFID, but also wishes to maintain an open and frank policy dialogue with such a leading development actor.

One of the recommendations in the 2010 Final Review of the DFID-ILO Partnership 2006-09 was that:

Both DFID and ILO can substantially benefit from continuing policy dialogue on areas of common policy interests. DFID needs to identify the appropriate focal point to facilitate this policy dialogue, and build better policy links with ILO, DWP, FCO, TUC and other interested stakeholders. Such a DFID focal point will also be valuable for different teams in DFID interested in furthering DFID-ILO policy engagement.

One expression of this policy dialogue with DFID has been the contribution that the ILO submitted to DFID during the consultations for the White Paper, "Eliminating world poverty: building our own future", covering the period 2009-2012. Under the priority 'Investing in people for jobs', the White Paper stated that –

The UK will continue to give this the highest priority. We will also work directly with the private sector to develop business models that support the MDGs and employment opportunities (Chapter 7). We will continue to support the International Labour Organisation's (ILO) leadership role in championing labour standards and the provision of decent work for all. We believe that work must dignify and not demean the worker.

While the creation of decent jobs for women and men is a priority under the new Business Plan 2011-2015 and the outcome of the 2010 final review of the ILO was positive, DFID has now decided to discontinue its partnership with the ILO. Disappointment was also caused by DFID's recent sudden decision to discontinue funding of a very successful and well recognized programme on sustainable enterprises in Africa, the CoopAfrica Programme. The value of this programme for people and communities, as well as for regional dialogue and integration in Central and Eastern Africa, is recognized by the recipient countries and by a series of independent and external evaluations. DFID had committed continued support to the

programme in a press release issued on 25 March 2010² and the ILO submitted a detailed programme for the second phase on DFID's request. Only two months before the end of the first phase of that programme DFID announced that it would not continue support.

CoopAfrica: Some achievements

No. of Member States supported towards modernization of cooperative policies & laws	14 countries
No. of primary cooperatives supported to improve business planning, supply & marketing strategies, etc.	4,124 (sample=22 projects)
Increased turnover of cooperatives	26.6% (sample=10 projects)
No. of cooperative members benefiting from capacity building activity	287,274 (sample=21 projects)
No. of jobs created	4,080 (sample=18 projects)
No. of (self)-employment opportunities consolidated and made more productive	170,899 (sample=22 projects)
% of increase in income of members	56.8% (sample=11 projects)

The ILO is still an active participant in a number of DFID policy consultations, such as the recent consultations on women's economic empowerment and on private sector development. Another area of policy interest to DFID is labour migration, where the ILO has a clear mandate and can offer added value. In some countries, such as Zambia, the local DFID offices have sought ILO's continued work and involvement in areas that had been covered under the 2006-09 partnership.

Referring back to DFID's priorities set in its Business Plan 2011-15 and looking to the future, the ILO is pleased to note that these priorities are in line with the ILO's Strategic Policy Framework (SPF), 2010-2015 and are reflected in the [ILO Programme and Budget for 2010-11](#), as well as in the Programme and Budget proposals for 2012-13. There is hence ample scope for continued policy dialogue and collaboration. This report, and Section 3.2 in particular, provides information on how the two organizations can work together to advance these shared priorities. Concrete examples of ongoing ILO programmes have been selected to better illustrate why the ILO is a key partner to achieve DFID's goals.

² <http://webarchive.nationalarchives.gov.uk/+http://www.dfid.gov.uk/Media-Room/Press-releases/2010/DFID-announces-more-support-for-jobs-and-co-ops-across-Africa/>

Global action for the protection and decent employment of migrant workers

Under the last Partnership Agreement, DFID provided significant support to ILO's work on migration. The ILO has consistently promoted the Multilateral Framework on Labour Migration (MFLM), which uses a rights-based approach through a variety of coordinated actions: good practices in the online labour migration database have been constantly updated. One major success was the collection and dissemination of migration statistics as a basis for better policies and planning. This has placed migration statistics within the overall labour statistics and decent work indicators. The ILO-developed labour migration module has so far been added to existing national labour force surveys in Armenia, Ecuador, Egypt and Thailand as pilot countries.

Another key area is the strengthening of partnerships and cooperation towards the more effective protection of migrant workers at the global, regional and national level. The links between migration policy and other dimensions of decent work have been increasingly strengthened on such issues as work and public health, including HIV and AIDS, skills development, circular migration, domestic workers and gender equality.

2. Methodology of the UK-DFID Multilateral Aid Review

2.1 The assessment framework and methodology

The ILO strongly believes that external reviews, assessments and evaluations provide a useful means of ensuring accountability to the beneficiaries of our work, to our constituents and partner organizations and, ultimately, to our donors and the taxpayers in Member States. The ILO also believes these exercises can offer invaluable guidance for organizational development and provide a benchmark of progress if they are based on a rigorous and evidence-based assessment. Indeed, during 2010 the ILO was subject to three independent evaluations which dealt specifically with progress on results-based management and ongoing reform efforts within the ILO.

With this in mind, the ILO wishes to place the MAR in context and underline some key points about the methodology used and the presentation of results, so that the MAR conclusions are properly understood. Further comments on statistical error are given in 3.4 below.

2.2 “Value for money”

While any exercise involving the assessment of a diverse range of 43 multilateral organisations will necessarily be limited, the ILO is concerned at the narrow framework against which it has been assessed. The MAR does not reflect the unique mandate of the ILO as a UN specialized agency and fails to capture the range of the ILO's work across its normative and standard-setting, policy advice and operational functions or show how its technical cooperation flows from its standard-setting role.

The one-size-fits-all methodological approach of the review underplays the vital role that decent work country programmes (DWCPs) play in the context of national development priorities and United Nations Development Assistant Frameworks (UNDAF). Judging from the overreaching nature of the conclusions of the MAR, one might have expected an analysis based on more than just three countries where ILO has operational decent work country programmes (Bangladesh, Nepal, and Tanzania). Given the importance the MAR assigns to country level activities, a larger sample of DWCPs would have given the assessment team a more adequate basis for analysis.

Moreover, the lack of clarity as to what constitutes “contribution to results” and apparent bias in the review towards programme activities that yield immediate results for beneficiaries (procurement of vaccines, roads built etc.), means the MAR fails to reflect the importance of capacity building and upstream policy advice vital to sustainable development results – reforming labour laws key to protecting the rights of millions of workers, strengthening social security systems, or reforming technical and vocational training systems to match market demand, to name a few.

The ILO has demonstrated its capacity to deliver programmes focused on direct services to large numbers of beneficiaries through its International Programme on the Elimination of Child Labour (IPEC), but considers that such a strategy, if not combined with policy advice and capacity building, will be limited in achieving long-term impact. The ILO believes that a focus on immediate results in the absence of structural development concerning the strengthening of institutions, increasing decent employment and incomes and the functioning of social protection measures, leads instead to long-term aid dependency. The ILO is the only international organization that combines this normative and standard-setting function with technical assistance on Decent Work.

Given its focus on in-country results, the scope and methodology of the MAR does not capture the results of ILO's global and regional products, which are vital to the promotion of the Decent Work Agenda and the achievement of the MDGs. The DFID-commissioned final external evaluation of its partnership with the ILO in 2010 itself highlighted the significant accomplishments of such global products, which included the Global Alliance against Forced Labour, promoting greater access to social security in Africa, the protection and promotion of decent work for migrant workers, and enabling the establishment of a cooperative movement in Africa.

In this context, the ILO would like to emphasize that "value for money" in the MAR should be clearly understood as "value for money as defined by the UK-DFID Multilateral Aid Review", and that the value of the development services provided by an organization should not be judged universally using selective assessment criteria.

2.3 Impact and evidence

While the MAR admits it was *"hampered in [its] search for evidence of impact by ... the inherent difficulty of quantifying the difference that work such as advocacy, policy guidance, technical expertise and co-ordination makes to the lives of poor people"*, the review nonetheless makes confident and sweeping statements concerning ILO impact, without citing sources of evidence.

The ILO notes, for example, that while scoring was based in part on public data, much involved the occasional weighing of evidence, interviews with unknown country level counterparts, and moderation by DFID officials. Not all methods were applied across all organizations: for example, the ILO was not included in the studies mentioned in Annex 4 of the MAR, so it is unclear how "partner country views" were solicited. Appropriate consultations would have involved engaging with the principal stakeholders of the ILO – ministries of labour and social partners – in each of the countries where the ILO was assessed. This was not done.

The assessment framework appears to be based on principles of development and organizational theory which may lead to the assumption that the construct validity is quite high. The draft criteria for the assessment were widely circulated among civil society and external reviewers: one could therefore also conclude that the content validity is quite high. However, the bottom line for validity is: does the framework measure what it purports to measure? The report states: *"There were very few strong scores, even though we know from our country visits and our broader experience of working with the multilateral organisations that many of them are in fact performing well"*. The report found that, setting humanitarian agencies apart, not a single organisation was considered "strong" at operating in fragile contexts. Only 14 were rated "satisfactory", 15 were "weak", and 4 "unsatisfactory". Therefore, the validity of the framework is questionable.

Even more than the validity of the assessment framework, there are concerns about the methodology that was used to collect data. The report freely admits that *"As with the country visits, the [consultation] exercises were impressionistic rather than systematic"*. This is not a trivial point. Systematic means that a study is carried out in a manner that minimizes bias (error). If the MAR results are based on biased data their validity is questionable.

Lastly, as far as the methodology is concerned, inappropriate data analysis techniques may have been used. All components were scored using a four-point Lickert scale. The means of these scores were later used to compute composite indexes. However, such statistical techniques are based on the assumption that the data were measured on at least an interval scale. It is doubtful that complex issues such as “playing a critical role in meeting international development objectives” can be measured with such statistical precision.

To illustrate, the MAR concludes that there is no evidence that the ILO can “leverage significant impact on the MDGs or on global economic growth”. The ILO does not see how the methodology used in the MAR can possibly lead to a conclusion about the impact of the ILO and Decent Work across the MDGs. The MAR does not use a consistent framework in assessing the work of multilateral organizations against the MDGs, interchangeably scoring organizations against their criticality in “supporting”, “meeting”, “delivering”, “achieving” and “advancing” the MDGs. Again, a common and rigorous analytical framework is lacking. Furthermore, the ILO cannot be assessed against its ability to leverage “significant impact on ... global economic growth”. This is neither the aim of the Organization nor something that is feasible for any single multilateral organization to have a significant impact on, let alone to measure. Multiple factors combine to influence long-term economic growth at the national level, including tax, exports, investment and spending, with global growth primarily driven by a small group of the large industrialized economies.

The UK Government is demonstrating a genuine and laudable commitment to maximizing the impact of its contributions to multilateral organizations, a commitment which the ILO fully supports. However, the ILO believes that the MAR methodology is based on a weak conceptual foundation and the purported “best available” evidence has not been used. Given the importance of the DFID exercise for policy making and its influence on the donor community, the ILO regrets the generalized conclusions that have been drawn from this “broad strokes” study. This contrasts with the rigour of other recent external and independent evaluations of the ILO, including the DFID final review of 2010, all of which have resulted in much more positive and evidence-based conclusions about the impact of the ILO’s work.

3. The Multilateral Aid Review: Specific comments by the ILO

This section provides comments on individual sections of the Multilateral Aid Review’s full assessment of the ILO, which is [published separately on the DFID website](#).³

3.1 Critical role in meeting international objectives (MAR 1a)

MAR 1(a) states:

- + The ILO has a leadership role on labour issues and decent work (established MDG *target* 1.B) [described erroneously as an *indicator* in the MAR].
- The impact of the ILO’s work on MDG 1 is unclear.
- There is no clear evidence that the scale of ILO operations is sufficient to leverage significant impact on the MDGs or on global economic growth.
- The ILO needs to restructure and improve its internal processes to enable it to deliver more effectively on the ground.
- = Both country mission evidence and desk-based evidence confirm the ILO’s low criticality and limited effectiveness in meeting the MDGs.

³ <http://www.dfid.gov.uk/Documents/publications1/mar/ilo.pdf>

3.1.1 Millennium Development Goals

Directly and indirectly, the Decent Work Agenda is of relevance to each and every one of the MDGs. The goal of Decent Work for All and the pledges in the Millennium Declaration go hand in hand. The ILO's Decent Work Agenda, in a context of fair globalization, is essential to the achievement of these shared aims. The ILO has produced an [information folder that includes one brief on the relevance of decent work to each of the eight Millennium Development Goals](#). Each brief contains links to further information about how decent and productive employment, social protection, rights at work and dialogue contribute to the achievement of the MDGs.

MDG	ILO relevance
1: Eradicate extreme poverty and hunger	<p>Work is the best route out of poverty. Decent Work is a necessary condition to attain MDG 1. As part of sound macroeconomic policy, freely chosen and productive employment – underpinned by rights, social protection, and democratic participation as embodied in social dialogue – is key to poverty reduction. The ILO approach to the eradication of extreme poverty and hunger is to promote decent work for all. Together, the four pillars of the ILO Decent Work Agenda support coherent and gender-sensitive poverty reduction strategies.</p> <p>The new MDG Target 1.B is: “to make the goals of full and productive employment and decent work for all, including women and young people, a central objective of our relevant national and international policies and our national development strategies”.</p>
2: Achieve universal primary education	<p>The ILO is promoting Education for All in the context of its decent work campaign. It contributes to the achievement of MDG 2 by promoting universally accessible, free and compulsory education and combating child labour. The ILO promotes the status of teachers, supporting efforts to uphold their individual rights and their important professional responsibilities, the rights of their organizations as part of social dialogue in education, and the development of conditions that are conducive to the provision of quality education. Poverty is the root cause of both child labour and education deficits. The Decent Work Agenda supports pro-poor growth by promoting decent employment and training for people of working age, and encouraging child benefits and other social security measures for poor families. A focus on the girl child is necessary to combat gender inequality.</p>
3: Promote gender equality and empower women	<p>Gender equality cross-cuts the ILO Decent Work Agenda, which encompasses rights, employment and income, social protection and social dialogue. The ILO mainstreams gender concerns in all of its policies and programmes through –</p> <ul style="list-style-type: none"> • the promotion of equality of opportunity in access to jobs, income-earning activities, assets, education and training • gender-specific measures and action aimed at both men and women • social protection initiatives • women's empowerment through employers' and workers' organizations • social dialogue and collective bargaining for gender equality • the promotion and realization of rights • ratification and implementation of international labour standards.
4: Reduce child mortality	<p>Through the Decent Work Agenda the ILO contributes to the achievement of MDG 4 by promoting:</p> <ul style="list-style-type: none"> • workplace education, good working conditions and safety and health standards • work-family policies enabling parents to care better for their children • investment in human resources and infrastructure in the health field • access to health care, family benefits and other forms of social protection for all families • maternity protection for all women workers during pregnancy, childbirth and breastfeeding • the elimination of child labour (see MDG 2).

MDG	ILO relevance
5: Improve maternal health	<p>Maternity protection for women workers has been a core issue for the ILO since 1919, when it adopted the first international labour Convention on this issue. The original Convention has been revised on two occasions with a view to broadening the protection and making it more effective. The latest Maternity Protection Convention (No. 183) and Recommendation (No. 191) were adopted in 2000 and provide for –</p> <ul style="list-style-type: none"> • 14 weeks of maternity leave, including six weeks of compulsory post-natal leave • cash benefits at a level that ensures that the woman can maintain herself and her child in proper conditions of health and with a suitable standard of living • access to free medical care, including pre-natal, childbirth and post-natal care, as well as hospitalization when necessary • health protection: the right of pregnant and nursing women not to perform work prejudicial to their health or that of their child • breastfeeding: minimum of one daily break, with pay • employment protection and non-discrimination.
6: Combat HIV/AIDS, malaria and other diseases	<p>The HIV pandemic and associated diseases are intensifying poverty, slowing economic growth and reversing a number of development gains. Together with tuberculosis and malaria, HIV and AIDS have an impact on the labour force, on enterprise efficiency, and on the transfer of skills and experience. ILO is the lead UN agency for HIV and AIDS workplace policy and programmes and related private sector mobilization. The ILO plays a vital role in the global HIV and AIDS response. Together with governments, employers' and workers' organizations, the private sector and UNAIDS, the key objective of the ILO is to strengthen policy frameworks to reach out to workers through strong HIV prevention and social protection programmes. All actions follow the ILO Code of Practice on HIV/AIDS and the World of Work and the first international labour standard on HIV and AIDS – the ILO Recommendation concerning HIV and AIDS and the World of Work, 2010 (No. 200), covering workers from all sectors of economic activity in formal and informal settings, including migrants and uniformed services. See below, 3.2.1.</p>
7: Ensure environmental sustainability	<p>The concept of green jobs being developed by the ILO encapsulates the transformation of economies, enterprises, workplaces and labour markets into a sustainable, low-carbon economy providing decent work. It focuses on making sustainable development transform employment patterns and the labour market with a view to promoting decent work. Some 30 per cent of the new jobs created by measures taken to respond to the financial crisis have involved spending on infrastructure aimed at addressing climate change. Green jobs reduce the environmental impact of enterprises and economic sectors, ultimately to levels that are sustainable. Green jobs help protect ecosystems and biodiversity; reduce energy, materials, and water consumption through high-efficiency strategies to de-carbonize the economy; and reduce greenhouse gas emissions, minimizing or avoiding all forms of generating waste and pollution. Green jobs do not automatically constitute decent work: many such jobs are “dirty, dangerous and difficult”. Employment in industries such as recycling and waste management, biomass energy and construction tends to be precarious and low-paid. If green jobs are to be a bridge to a truly sustainable future, this must change so that green jobs embody the principles of decent work.</p>
8: Develop a global partnership for development	<p>In addition to its work on MDGs 1 to 7, the ILO contributes to MDG 8 through its Decent Work Agenda (decent and productive employment, rights, social protection and social dialogue) by:</p> <ul style="list-style-type: none"> • promoting decent work as a global goal in fair globalization • calling for greater policy coherence for poverty reduction across the multilateral system • encouraging employment-intensive approaches, especially in the context of technological change • assessing and addressing the effects of trade on employment and labour rights • developing the capacity of workers' and employers' organizations to participate meaningfully in the formulation of national development policy. <p>In addition, the ILO is currently a member of the UNDG MDG Gap Task Force, where it is providing input on trade and employment issues.</p>

The indicators under MDG target 1.B are however only a small subset of the full set of [Decent Work Indicators](#) developed by the ILO. The indicators included under MDG Target 1.B were barely one year old when the world financial and economic crisis hit in 2008. They have hence had little opportunity to inform economic policy, and the crisis has made any impact extremely difficult to detect. It should also be understood that the MDGs are goals shared by the entire international development community. No agency or programme is solely responsible for achieving any one MDG; statistical monitoring of progress is however assigned to individual agencies in collaboration with the UN Statistics Division (UNSD). It should also be clear that the indicators are a monitoring function, not a programme basis.

3.1.2 Leadership role on labour issues and decent work

The ILO's leadership role on labour issues and decent work, however, is recognized far more widely than by the inclusion of a target under MDG 1. Decent work and productive employment were acknowledged as an international development goal in their own right in the Outcome Document of the United Nations General Assembly World Summit of 2005, in which all UN Member States resolved "to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies".⁴

This resolve was further endorsed by the UN Economic and Social Council in its Ministerial Declaration of 2006⁵ in which ministers resolved "to promote full and productive employment and decent work for all, inter alia, by: (a) respecting, promoting and realizing the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, recognizing the central role of the ILO in this regard".

Similar recognition of the ILO's leading role was given in response to the adoption of the Global Jobs Pact in 2009 in an ECOSOC resolution.⁶

Furthermore, at their meeting in Pittsburgh in September 2009 the G20 Leaders issued a [statement](#) in which they welcomed the "Global Jobs Pact, and we commit our nations to adopt key elements of its general framework to advance the social dimension of globalization. The international institutions should consider ILO standards and the goals of the Jobs Pact in their crisis and post-crisis analysis and policy-making activities".⁷

The ILO estimates that discretionary fiscal stimulus measures, reflecting the approach articulated in the ILO Global Jobs Pact, saved or created 21 million jobs in G20 countries in 2009 and 2010.⁸ Nevertheless, the challenge worldwide is enormous:

The number of unemployed stood at 205 million in 2010, essentially unchanged from the year earlier and 27.6 million higher than in 2007, with little hope for this figure to revert to pre-crisis levels in the near term. The global unemployment rate stood at 6.2 per cent in 2010, versus 6.3 per cent in 2009, but still well above the rate of 5.6 per cent in 2007.⁹

For the economic boom that ended in 2008 was a period of jobless growth: employment was significantly reduced in most countries. Real growth creates jobs, and job creation capacity is stimulated by macroeconomic policy.

⁴ [A/RES/60/1](#), para. 47.

⁵ "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", [E/2006/L.8](#).

⁶ "Recovering from the crisis: a Global Jobs Pact," [E/2009/L.24](#)

⁷ <http://www.pittsburghsummit.gov/mediacenter/129639.htm>

⁸ See ILO: [Accelerating a job-rich recovery in G20 countries: Building on experience](#) (Geneva, 2010).

⁹ ILO, [Global Employment Trends](#), January 2011.

Of particular concern is the situation of youth, who represent over 40 per cent of all world unemployed, a figure that is rising. A 2009 [independent evaluation](#) of the ILO's strategy to support Member States' capacities to develop policies and programmes focused on youth employment concluded that –

ILO interventions on youth employment have been found highly relevant to the employment challenges facing youth and the needs of the national constituents in working to address these challenges. The ILO has demonstrated comparative advantage in building links between macroeconomic and employment policies, which are combined with an array of analytical and operational tools geared to improve employability and employment of youth, thereby delivering an integrated approach. Tripartism, knowledge management, critical mass of experience, and an extended network of experts and implementation partners, are the main channels for realizing the ILO added value on youth employment, which ensures voice and participation for the most relevant actors.

The ILO's World Commission on the Social Dimension of Globalization cautioned against the threat posed by jobless growth in its report of 2004:

Greater market access is not a panacea. A more balanced strategy for sustainable global growth and full employment, including an equitable sharing among countries of the responsibility for maintaining high levels of effective demand in the global economy, is essential. Enhanced coordination of macroeconomic policies among countries to this end is a key requirement. A successful global growth strategy will ease economic tensions among countries and make market access for developing countries easier to achieve. Decent Work for all should be made a global goal and be pursued through coherent policies within the multilateral system. This would respond to a major political demand in all countries and demonstrate the capacity of the multilateral system to find creative solutions to this critical problem. The international financial system should be made more supportive of sustainable global growth. Cross-border financial flows have grown massively but the system is unstable, prone to crises and largely bypasses poor and capital scarce countries. Gains in the spheres of trade and FDI cannot be fully reaped unless the international financial system is reformed to achieve greater stability.¹⁰

Helping governments: Minimum wage fixing in Tanzania

Tanzania changed its minimum wage system in November 2007 with the effect of considerably increasing the minimum wage. This created problems for some employers, who requested exemptions, and concern was expressed about the situation by the World Bank and other international bodies. In order to address the resulting confusion over the new minimum wage policy, the ILO was asked by the Government, with the support of SIDA and DANIDA, to provide technical assistance concerning minimum wage fixing. The key concern at the time was that the minimum wage fixing machinery was rather arbitrary and lacked empirical and analytical grounds. During a scoping mission in March 2008, the ILO helped establish a local and neutral research team to undertake a new wage survey, and commented on the draft reports. This project was funded by SIDA, and throughout the process the ILO put great emphasis on "evidence-based policy decisions". The project involved a series of tripartite consultations.

With the growing pressure, however, the Government requested the research team to propose alternative, more realistic minimum wages. The ILO emphasized that, according to national law, this should be done by the national tripartite Minimum Wage Board. The report was accordingly submitted to the Government and then to the Board, and is now under discussion. The ILO thus helped the Government and the social partners address the problems and defuse the tensions involved through tripartite processes, providing a solid empirical basis for minimum wage decisions.

3.1.3 Restructuring and internal processes

This is discussed below (3.7).

3.1.4 Measuring impact

The ILO is committed to full implementation of results-based management and has adopted outcome-based workplans. However, by their nature, many of the ILO's activities do not easily lend themselves to numerical assessment in relation to economic performance. What value can be placed, for example, on training government officials of poor countries to gather and understand labour market statistics in order to improve their ability to engage in international

¹⁰ ILO: [Report of the World Commission on the Social Dimension of Globalization](#), 2004, p. xiii.

trade? What score can be given to the part played in ensuring industrial harmony and increased productivity by the introduction of better conciliatory mechanisms or, as in Cambodia, enabling an entire sector to coordinate its activities around international labour standards, as a result of which it was able, for example, to respond to the crisis with minimum social impact, quite apart from the major improvements in the factories involved? Policy changes take time to have an impact, such as the gradual introduction of freedom of association, better working conditions in education to attract and retain better quality teachers, more efficient and better informed public services, improved literacy resulting from the eradication of child labour, or the health benefits of safer and healthier workplaces. Such impacts take years to become visible, often long after the funding has ended.

Real impact on outcomes for beneficiaries may take a generation or more. As Andrew Natsios, former Director of the US Agency for International Development, said: “Those development programmes that are most precisely and easily measured are the least transformational and those programmes that are most transformational are the least measurable”.

3.2 Critical role in meeting UK aid objectives (MAR 1b)

MAR 1(b) states:

- + The ILO’s research and analytical capacity and its advocacy on employment with decent work resulted in the integration of employment issues within MDG 1.
- + The ILO contributes to some aspects of social protection in terms of its norms and standards work as well as working through dedicated programmes and activities.
- The ILO lacks a technical and delivery capability to match its policy advocacy successes.
- = The ILO’s contribution to UK aid objectives is limited by its narrow remit, lack of criticality and delivery constraints.

DFID has correctly identified the ILO’s comparative advantages in key areas and the DFID Business Plan is consistent with the ILO’s Strategic Policy Framework. Progress in its research function and analytical capacity has in particular benefited from DFID assistance, and that capacity is of strategic value across all the MDGs and in other areas. The ILO’s contribution to social protection through international labour standards is part of its rights-based approach to development, just as its work on social dialogue helps facilitate the resolution of conflict. Quite apart from integrating decent work issues in MDG 1, the ILO’s statistical work on employment trends and conditions, including the working poor and vulnerable groups such as children, is widely respected and used extensively by other bodies. The ILO provides the leading global database on the impact of social protection programmes worldwide.

The ILO’s technical and delivery capacity is to some extent restricted by the resources available to match its political advocacy successes, but its approach is to play a strategic and advocacy role and to demonstrate good practices, not always to implement them on a large scale. The Decent Work Agenda is broad, and critical to development, and needs to be promoted further.

For this reason the ILO does not consider that the conclusions follow necessarily from the premises. This section hence includes evidence and concrete, not exhaustive examples, of how the ILO’s work and mandate is relevant to DFID’s priorities,¹¹ as set out in the DFID Business Plan 2011-2015:

1. Honour international commitments
2. Introduce transparency in aid
3. Boost wealth creation

¹¹ DFID’s commitment to support the ILO in its efforts to promote the Decent Work Agenda was listed as one of the priorities in the White Paper released in July 2009. After the Coalition Government was established, this priority was deleted.

4. Strengthen governance and security in fragile and conflict affected countries
5. Lead international action to improve the lives of girls and women
6. Combat climate change.

3.2.1 Honouring international commitments:

DFID Business Plan 1.2(i)(c) – Restricting the spread of major diseases like HIV and AIDS ...

ILO Programme on HIV/AIDS and the World of Work

As a cosponsor of the Joint United Nations Programme on HIV/AIDS (UNAIDS) since 2001, ILO is the lead UN agency for HIV and AIDS workplace policies and programmes and private sector mobilization. The ILO also actively contributes to UNAIDS working groups to ensure unified action in priority areas such as prevention of sexual transmission, gender equality, and the removal of punitive and discriminatory laws, thereby ensuring that the workplace continues to play a vital role in the global HIV and AIDS response. Recalling that the ILO is a policy and standard-setting organization, focusing on long-term results, the ILO's key strategic objective is to provide technical advisory support to enhance the capacity of ILO constituents to establish effective national, sectoral and enterprise-level policies and programmes on HIV and AIDS and the world of work to reach working people – who make up 90 per cent of those most affected by the HIV epidemic – and facilitate their access to HIV prevention, treatment, care and support services.

Strategic HIV and AIDS Responses in Enterprises Programme (SHARE)

The ILO's SHARE programme seeks to reduce employment-related discrimination against people living with HIV; reduce high-risk behaviour among workers; and increase workers' access to voluntary and confidential testing, treatment, care and support. Its results include:

- Safer sex practices: 14 percentage points increase in respondents who reported using a condom the last two times they had sex with a non-regular partner (from 68 per cent at baseline to 82 per cent at end line). The most significant changes were seen in Sri Lanka (from 48 to 81 per cent) and India (from 57 to 82 per cent).
- Changes in attitude: 14 percentage points increase in respondents who expressed a positive attitude towards condom use (74 per cent to 88 per cent). The most significant change was in Nepal (from 23 to 60 per cent). Other countries that showed significant changes include Cameroon (from 71 to 99 per cent), India (from 59 to 98 per cent), and Guyana (from 85 to 99 per cent).
- Increased availability and usage of services: 44 percentage points increase in partner enterprises that made condoms available to their workers at their workplace (from 34 to 78 per cent). On average, use of these services by workers in the past six months increased by 49 percentage points (from 18 to 67 per cent). The largest changes were in Cameroon, Nepal and Togo.
- Globally, there was an increase of 18 percentage points in accepting or supportive attitudes towards HIV-positive co-workers (from 50 to 68 per cent). This increase was seen in almost all countries, with the largest change in Sri Lanka, where an increase of 61 percentage points was reported over the baseline (from 30 to 91 per cent).



Source: ILO. Data based on baseline and impact surveys from 17 countries for the worker level data and from 21 countries for the workplace and national level data.

The ILO's policy development and technical cooperation programme activities are guided by the key principles established in the first international labour standard on HIV and AIDS: the [Recommendation concerning HIV and AIDS and the World of Work, 2010 \(No. 200\)](#), and the [ILO Code of Practice on HIV/AIDS and the World of Work](#) (2001). Recommendation No. 200, which was adopted in June 2010 by an overwhelming majority of the ILO's constituents, is the most recent example of the ILO's effectiveness in developing international labour standards through a participatory dialogue process – a process unlike any other standard-setting mechanisms in the UN system – that results in greater buy-in and outreach, as well as increased implementation by constituents. Recommendation No. 200 protects human rights at

work and calls on Member States to adopt comprehensive measures for effective protection against discrimination in relation to HIV and AIDS in employment and occupation, or to adapt existing measures if these are insufficient, and to provide for their effective and transparent implementation. In addition to policy development, the ILO provides technical support for legal reform to Member States requesting it. The Recommendation recognizes that gender equality and women's empowerment is essential for an effective global HIV response. The ILO therefore promotes gender equality and women's economic empowerment through the world of work. Equal representation of women, especially at decision-making levels, in work-related groups and organizations such as trade unions can contribute to their greater access to and control over productive resources. Increased gender equality enables women to better access their rights, including sexual and reproductive rights, and lower their vulnerability to HIV.

Through its tripartite partners, the ILO ensures the active engagement of the world of work in developing effective national tripartite policies and programmes on HIV, AIDS and related illnesses, such as tuberculosis. These policies and programmes are to be integrated into national development plans and poverty reduction strategies, including decent work, sustainable development and income-generating strategies.

The ILO's work on HIV and AIDS has been extremely successful, demonstrating that the workplace is a highly effective entry point for reaching workers with information on HIV prevention, raising awareness in order to reduce HIV-related stigma and discrimination and facilitating access to treatment, care and support. The programme has reached large numbers of workers, their families and dependents, using existing structures in and through workplaces, which in turn can reach out to the larger community. In 2010 over 2,000 enterprises in the formal sector and 200 workplaces in the informal sector from 15 different sectors in 25 countries partnered with the ILO on HIV prevention efforts. The programme reached an estimated 1.5 million workers.

Beneficiary voice

Economic empowerment in rural Tanzania: a tool for HIV impact mitigation

"I learnt that you need money or a business to generate enough income to be able to travel into town for regular check-ups, to collect antiretrovirals and to get timely treatment of opportunistic infections. We do not have these services at our village dispensary".

– Faith, 41 year old Tanzanian HIV-positive widow

Faith is one of 760,000 women living with HIV in Tanzania. In the village where she lives in the Kilimanjaro region she is a member of a women's dairy cooperative which also provides financial services such as savings and credit through the village community bank. With support from an ILO programme funded by the Swedish International Development Cooperation Agency (SIDA), the cooperative organizes entrepreneurship skills-building and HIV awareness-raising activities – a real source of empowerment for rural women like Faith, who live at great distances from the towns where most HIV services are located.

Faith lost her husband to AIDS and was left a widow with five children to support. When she tested HIV positive in 2005, Faith decided to accept her status and be open about it despite high levels of stigma and discrimination in her community. *"It was a difficult time"*, she recalls. Neighbours were worried about buying milk from her as a person living with HIV, and she relied on milk sales as her sole source of income. She lost customers, but with perseverance she gained them back. Her market has even grown since then, but more importantly, she has been able to diversify her sources of income. Her milk revenue gave her access to a micro-loan through the cooperative, which enabled her to start a new farming business and improve the quality of life of her family.

Faith now keeps three healthy dairy cows with good yield. She makes up to US\$ 250 a month from the milk she sells through the women's dairy cooperative. *"It is a lot of money for me"*, she says. *"The women's dairy cooperative trained me and provided a market for my cow milk"*.

Faith is one of 1,600 women and men that participated in the ILO/SIDA Start and Improve Your Business training in Tanzania in 2009. The programme has a specific focus on cooperatives as structures that can reach workers in the informal economy to prevent HIV, mitigate its impact and improve the working conditions of workers living with and affected by HIV in the informal economy.

"This year I planted three acres of maize and harvested up to 48 sacs of 100 kilos. I also cultivated vegetables and grew plantains. I get all the nutritious food recommended by doctors from my own farm. I use part of the money to pay for school fees of my two nieces."

3.2.2 Increasing transparency in aid

The ILO evaluation policy and strategic framework

Inspired by internationally accepted norms and standards within and outside the United Nations system, the ILO's evaluation policy framework aims to improve and strengthen the practice of independent evaluation in the ILO. It also establishes principles for the systematic self-evaluation of programme performance so that together these provide comprehensive coverage of all ILO activities supporting the ILO's vision articulated in the Office's Strategic Policy Framework.

The current policy builds on the foundations laid down in the previous evaluation framework documents presented to the Governing Body in November 2000, 2002 and 2005, which defined the objectives of evaluation in the ILO, set the basic principles, methods and strategy of the evaluation function within a results-based management context, and outlined the core capacities needed to implement the proposed evaluation framework.

The ILO is one of only three UN agencies that have undergone an independent external evaluation of its evaluation function. This evaluation, conducted in 2010, concluded that the ILO "has made significant improvements to its evaluation functions over the past five years" and that the evaluation policy itself was "sound and needed little modification".¹² As a result of the independent external evaluation of the evaluation function, a revised strategy with measurable performance criteria was presented to the ILO's Governing Body in March 2011.



The ILO's evaluation unit conducts high-level independent evaluations of country programmes, ILO outcomes and strategy areas. All projects budgeted at US\$ 500,000 and above are subject to independent evaluation. On average, three high-level and 60 project-independent evaluations take place each year. Evaluations conducted by the ILO have been acknowledged as being of "high quality".¹³ Specific searches for evaluation reports can be conducted with the [ILO i-Track Database](#) using a number of different search criteria. The Final Evaluation of the DFID-ILO PFA 2006-09 points out that the success of the ILO's evaluation team is one of the important contributions of DFID to the ILO.

In addition, there are independent evaluations of the ILO's decent work country programmes, as well as thematic evaluations on topics decided by the Governing Body.

As acknowledged in the 2010 Final Evaluation by DFID, the ILO has made great strides towards becoming a fully results-based organization. Significant steps have been taken towards the RBM of country programmes and project implementation since the introduction of evaluability checks, the mainstreaming of evaluation planning into project design, and tracking the management follow-up on the implementation of evaluation recommendations and lessons learned. To further strengthen the ILO's evaluation culture, future emphasis will be placed on the greater use of evaluations and the more systematic incorporation of evaluations into results-based management processes.

Technical cooperation monitoring and reporting

In line with overall efforts to strengthen results-based management throughout the ILO, country programmes and TC projects have undergone a significant re-orientation to focus on results. In part aided by a DFID-funded RBM project, new mechanisms have been established

¹² Independent External Evaluation of the International Labour Office Evaluation Function, [GB.309/PFA/5/5](#), November 2010. See also [GB.310/PFA/4/2](#).

¹³ Ibid. and [One World Trust Global Accountability Report \(2007\)](#).

to strengthen the design, appraisal and monitoring of DWCPs and technical cooperation (TC) activities. A TC appraisal mechanism was established in 2008. On average 100 new proposals are appraised per year by a centralized appraisal unit and decentralized teams in the regions.

To improve staff capacity in designing and implementing results-based interventions, a regular training course on project cycle management for technical cooperation is run by the International Training Centre of the ILO, Turin. All guidance and support material has been reviewed and updated to ensure a strong focus on results.

TC performance monitoring and reporting mechanisms have been strengthened. These introduce “outcome ratings” which, in line with international good practice,¹⁴ measure progress on delivering real-world results. This fully aligns with the new DFID data indicator on the proportion of international organization projects that perform “satisfactorily” or better.

3.2.3 Boosting wealth creation:

DFID Business Plan 3.1(ii) Develop new projects on property rights, microfinance and small and medium-sized enterprise finance, and investment climate reform;

3.3 Promote pro-development trade agreements, including support for the African Free Trade Area

ILO work in support of small, medium and micro enterprises

The best way out of poverty is a job, and most new jobs are created in micro-, small and medium enterprises. Small, medium and micro enterprises (SMEs) are the main instruments of job creation. The ILO provides expert technical advice to workers, employers and governments to help them develop sound labour and employment policies and manage labour market institutions. It promotes skills development policies which make people more employable and productive, benefits companies looking for skilled labour, and fosters enterprise development, especially for youth and women, so that those without jobs can effectively create their own employment through strengthened entrepreneurial skills. It addresses institutions, rules and regulations to support the markets in which SMEs operate, and its tripartite structure lends it a comparative advantage in this respect.

¹⁴ For example, World Bank Independent Evaluation Group, Development Effectiveness Reviews; Inter-American Development Bank, Performance Monitoring Reports.

Tanzania mainland and Zanzibar: Cooperative Facility for Africa (CoopAfrica)

In Tanzania mainland and Zanzibar, the Challenge Fund provided support to implement 24 projects (seven financed through DFID funding or combined DFID and UN Joint Programme funding, and 12 through supplementary resources mobilized from the UN Joint Programme, amounting to a total of US\$587,154 of grant funds). The aim of the projects is to increase equitable opportunities for decent work and rural livelihoods by improving agricultural productivity. Projects were regularly monitored by the ILO. In terms of outcomes, preliminary estimates were that the seven DFID-funded projects would result in over 2,000 consolidated self-employment opportunities, over 600 new jobs, an increase of some 37 per cent in cooperative turnover and of 35 per cent in members' income.

The verification of these estimates is still under way as final evaluations are taking place, but from results currently available, it would seem they are largely on track: for instance, through a project on the promotion of employment in the informal economy, the Trade Union Congress of Tanzania (TUCTA) had by the mid-term of the project set up 30 Savings and Credit Cooperative Societies (SACCOS) for the benefit of 1,420 women and men in informal employment, while the Dunduliza network of SACCOS had at the closure of its project helped to connect 15 of its member SACCOS to an IT-based system, and had provided capacity building support to SACCOS comprising a membership of over 22,000 men and approximately 15,000 women, resulting inter alia in an increase in the level of savings of the SACCOS (from 2.7 billion TSH before the project to 4.2 billion TSH) and a reduction in their outstanding loan portfolios (from 10% to 7%), with further spin-off effects expected as project benefits are institutionalized.

Start & Improve Your Business (SIYB)

The ILO SIYB programme is a system of inter-related training packages and support materials for small-scale entrepreneurs to start and grow their businesses. It aims to increase the viability of SMEs through sound management principles suitable for the environment of developing countries. It assists business development service organizations to develop the skills required to implement, monitor, administer and finance the training programme, thus contributing to sustainable economic growth and employment generation. Its programme in Indonesia is the largest ILO technical cooperation project ever fielded in that country.

Since 1985, SIYB has been implemented in 99 countries, in over 850 organizations. Its results include –

- 1.4 million entrepreneurs (53% men, 47% women) trained globally. This has resulted in the creation of over 300,000 businesses and over 1.5 million jobs. On average, every course participant created 0.81 jobs at an average cost of US\$ 64.
- Between 6,000 and 8,000 trainers (70% men, 30% women) trained in SIYB. On average, three out of four trainers became active by passing the programme on to potential and existing entrepreneurs. The total number of SIYB Master Trainers globally is 277.

Beneficiary voice

“Decent work is about fulfilling your dreams”

– Nuwan Kumara, 25, Kegalle, Sri Lanka

Kumara used to work as a three wheeler driver. This was not an ideal job for him. *“I worked too long hours and with little pay,”* he says. With the help of the ILO-Japan Youth Employment Project, he was able to start his own business, producing and selling broomsticks and other kitchen utensils.

“I always wanted to be my own boss. I received training on marketing and good business practices like book-keeping and business planning. This has helped me develop and expand my business.” Kumara is planning to expand his business by hiring two workers and buying additional production equipment.

“Decent work is about fulfilling your dreams and providing a livelihood for you and your family – but it’s also about giving good employment opportunities to others.”

Sustaining Competitive and Responsible Enterprises (SCORE)

The SCORE programme combines modular in-class training with on-site counselling and on-the-job learning to provide assistance to enterprises in the manufacturing and service sectors; and to train workers and managers with the ultimate objective of improving productivity and

quality among SMEs with 50 to 250 employees by fostering responsible and sustainable workplace practices – economic, social and environmental.

SCORE's implementation began in 2009 and a mid-term evaluation will take place in early 2011. Expected results of projects in seven countries include –

At the enterprise level, it is expected that by the end of 2012 some 2,000 workers and managers from 500 participating enterprises in seven countries will have been trained in a systems approach linking quality, productivity and human resource development with adherence to ILO principles and the promotion of health and safety in the workplace. Concrete changes expected in participating enterprises include: greater competitive position through improved quality and productivity, better relations between workers and managers, greater respect for workers' rights and increased compliance with national labour laws.

At the institutional level, the counterpart institutions – typically employers' organizations or organizations that provide enterprise-level services – are capacitated to offer similar services in the future. At least 20 representatives of local industry associations are expected to be trained in each country.

Youth Employment Programme

The ILO Youth Employment Programme (YEP) was established in 2005 to address the global development goal and national challenges of providing young people with decent work opportunities.¹⁵ Through an integrated approach, YEP provides a wide array of services, including research, promotional activities, policy advice and technical assistance to support ILO constituents (governments, employers and workers organizations) in their endeavours to improve the quantity and quality of jobs for young people.

Bangladesh: Technical and vocational education and training (2006-2011)

The programme is helping to introduce reforms to the technical and vocational education and training (TVET) system, thus enabling more people to acquire employable skills and generate income through wage-earning jobs or self-employment. A specific focus of the programme is increased access for underprivileged groups to the formal skills training. Two other programmes (skills development, funded by ADB, SDC; and the ILO's STEP programme¹⁶ funded by World Bank) have commenced operations with the ILO-EC-funded TVET programme leading reform of policy and of the national vocational qualifications framework (NVQF). At the field level, the programme is working with other partners like UNICEF and UNDP (Urban Partnership for Poverty Reduction), employers' and workers' organizations, and NGOs. At the same time the programme is working to bridge the gap between employers and training providers to ensure training becomes more needs driven.

Outputs include the drafting of a national TVET policy, submitted to the Ministry of Education in December 2009, which is now awaiting final adoption by the Government. A national vocational qualifications framework has been prepared and accepted in principle by the stakeholders, as well as a Quality Assurance framework for TVET. Currently the programme is implementing pilots towards implementing the NVQF. These documents have been developed with extensive stakeholder consultation. Four Industry Skills Councils have been set up in four target sectors to promote productivity improvement through skills development and enhancing existing programmes such as apprenticeships.

A [mid-term review recently conducted by the donor](#) (the European Union) found overall progress fully satisfactory, based on the impression and evidence of stakeholder feedback and programme outputs delivered to date.

The 2009 independent evaluation of the ILO's strategy on youth employment concluded that the ILO has a comparative and unique advantage in building links between macroeconomic and employment policies aimed at improving the employability and employment prospects of youth. The same evaluation stated that the ILO's advisory strategy has been vital to governments' needs in crafting and implementing integrated youth employment policies and

¹⁵ Youth employment is part of the indicators of MDG1.

¹⁶ Strategies and Tools against social Exclusion and Poverty.

programmes. Similar results were found by independent evaluations of technical cooperation programmes on youth employment.

Beneficiary voice

“We are winners now”

– Siti Mutia, female, 29, Central Java, Indonesia

Mutia’s family was very poor with no permanent job or regular income. It forced her husband, Joko Susanto (39) to seek work overseas as a plantation worker in Malaysia. The family had to sell their cattle to fund the cost of Joko’s departure through an overseas employment agency in the town.

A month before his departure to Malaysia, in September 2007, the family were informed of entrepreneurship training for migrant workers facilitated by Qaryah Thayyibah in collaboration with an ILO migrant workers project. *“I was very eager to get a safer job and didn’t want my husband to be a migrant worker again and again like our friends. That motivated me and my husband to be entrepreneurs and to enrol in the training selection process,”* Mutia says. Translating their business idea into a business plan during the training, the couple then agreed to allocate some percentage of earned overseas income to fund their business proposal: cultivating mushrooms. *“From our first limited financial savings, I only cultivated 3,000 blocks of mushrooms. I funded them from my husband’s remittances. Impressively, the mushrooms generated a monthly income of about IDR 600,000 during the first quarter. I then invested the profit of the mushrooms as well as my husband’s remittances to further boost my business.”*

After almost three years of managing their business, Mutia now adds about IDR 3 million to the family income. Joko finished his contract in Malaysia and returned home in August 2009 to support his wife’s business. *“As the ILO entrepreneurship training taught us, we have to generate our business ideas. The rapid growth of our business has inspired me to undertake market surveys in other districts and I secured some big buyers in the provincial capital. It then encouraged me to develop a partnership with my neighbours to cultivate mushrooms”.* After two years of developing their new business, the couple have now become both mushroom farmers and reputable mushroom distributors. Their business as suppliers earns the family monthly another IDR 1.5 to 2 million.

“The strong points of the ILO entrepreneurship training are: providing basic business management knowledge, making a measurable business plan, mapping the market, developing a marketing strategy, and winning the market. - We are winners now,” Mutia smiles proudly.

ILO technical cooperation on youth employment: some examples

In March 2010 the ILO had 54 ongoing technical cooperation projects totalling more than US\$115 million and covering 68 countries. The results of mid-term and final evaluations conducted by the end of 2010 of four youth employment projects – whose budget totalled US\$40 million - showed that these projects were key to achieving impact in terms of policy and institutional change, as well as providing decent jobs to young people.

The education and skills training for youth employment project in Indonesia achieved the following results: i) more than 70,000 youth benefited from job and education counselling, and employability and entrepreneurship services through the education system and employment centres; ii) around 65 per cent of youth who attended skills training sessions are already (self-) employed, and 47 per cent of them are women; iii) the Ministry of National Education introduced reforms in the provision of non-formal competency-based training by private providers and NGOs.

The Youth Employment Programme in Timor Leste: i) generated 1,046,014 work days for 35,533 people in rural areas – some 70 per cent of participants in the employment-intensive projects improved literacy and numeracy skills; ii) ensured 12,238 jobseekers received counselling, work experience, internship and job placement services; and iii) provided off- and on-the-job training, work experience programmes, internships, enterprise development and self-employment training to young people through the establishment of an Employment and Training Fund, which has reached 3,656 individuals, 80 per cent of them women.

The programme on public-private partnership for youth employment in Latin America (PREJAL) provided cost-effective employment and training programmes to disadvantaged youth with approximately US\$ 150 average cost per programme participant. The institutional development component of the same programme managed to produce systemic change by

placing youth employment high in the development agenda of the eight countries of Latin America that benefited from the same programme.

Through the project on youth employment in Kosovo, around 135,000 youth received counselling and guidance services, 12,317 unemployed individuals trained in 27 priority occupations, and 2,000 unemployed persons trained in self-employment with follow-up assistance leading to a business plan. The same project helped the interim administration of the Kosovo territory to adopt a youth employment policy and action plan.

Three of the main products of the YEP are the following:

- **Global Employment Trends for Youth' (GET Youth)** is a bi-annual report that analyzes the most recent labour market information available on youth employment, and reviews whether progress has been made in the transition of young people to the world of work. Each edition provides policy-makers and practitioners with information to improve knowledge and understanding of the challenges faced by young people in gaining decent and productive work. Four editions of *GET Youth* have been released so far, the last report being released in 2010 with media coverage in more than 400 newspaper articles and major reports by national and international TV programmes, including Al Jazeera, BBC, CNBC, Telesur and Voice of America, reaching more than 300 million people.
- **School-to-work transition (SWT) programmes** assist young people in their transition to a decent job. These programmes start by devising the most appropriate employment path through the establishment of a profile for each young person. Based on the provision of career guidance and *other* employment services, employment and self-employment plans are established. The latter can consist of a package of different measures, including skills and entrepreneurial training, work experience programmes and access to finance and markets. Lessons from evaluations show that such packages can help overcome situations trapping young people in a spiral of unemployment, low-paid and poor-quality jobs that can affect them and their families throughout their working life. Investing in young people through such programmes can yield benefits in terms of increased productivity leading to higher income, increased savings, and investments in productive activities.
- **Know About Business (KAB)** is a package of training materials for entrepreneurship education that develops entrepreneurial competencies among young people and gives them the particular knowledge *needed* for self-employment and the creation of micro and small enterprises. The programme provides the necessary skills to facilitate the school-to-work transition and ultimately promotes awareness of the needs involved in the creation of an enterprise culture, contributing to local and national economic and social development. Since 1996 KAB has reached 485,637 students/trainees, 10,826 facilitators and 4,482 educational institutions around the world. Based on the programme, 18 beneficiary countries added entrepreneurial education to their national curricula, including Indonesia, Tanzania and Uganda.

Multinational enterprises: Improving competitiveness through decent work

The [ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#) (MNE Declaration) seeks to encourage the positive contribution that multinational enterprises can make to economic and social progress and to minimize and resolve the difficulties to which their various operations may give rise. It does so by providing guidance to multinational enterprises (MNEs), governments, employers' and workers' organizations on five areas: general policies, employment, training, conditions of work and life, and industrial relations.

The ILO Multinational Enterprises Programme (MULTI) coordinates all activities related to corporate social responsibility (CSR) across the Office and promotes awareness and application of the MNE Declaration by –

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- *Technical advice:* The [ILO Helpdesk for Business on International Labour Standards](#) is a one-stop shop for all company managers and workers on how to better align business operations with international labour standards and build good industrial relations. Since it was launched in March 2009 the Helpdesk has provided tailored answers to approximately 350 specific requests from over 250 users in all continents. Topics addressed include child labour, collective bargaining, discrimination and equality, employment promotion, forced labour, freedom of association and the right to organize, occupational safety and health, security of employment, training, wages and benefits, and working time. The service is devoted specifically to making the knowledge and resources of the ILO easily accessible to business; and the confidential service allows companies to speak more freely about challenging issues they are facing, which the ILO uses as an important learning opportunity to further improve its outreach to business.
 - *Capacity development:* Training courses include: (i) an annual course delivered jointly with the ILO International Training Centre, and focused on providing governments, employers and workers' organizations the skills and knowledge needed to engage more effectively with MNEs and foster synergies between public policies and MNEs' [Corporate Social Responsibility](#) policies. MNEs have also participated in this course; and (ii) a course for social auditors that provides them with a solid understanding of how the principles of the MNE Declaration and international labour standards are applied at enterprise level. Follow-up support is provided to all participants through the ILO Helpdesk for Business. Other courses are specially tailored to particular audiences, such as those for factory managers in China and a course for businesses and employers' organizations on international framework agreements.

Research activities & technical cooperation

- Research and technical cooperation projects cover areas of the MNE Declaration, such as general policies, employment, training, conditions of work and life and industrial relations. Research is action-oriented, aiming to stimulate dialogue at the country level between the constituents and MNEs on issues of particular concern. Three recent studies were carried out in Liberia, Sierra Leone and Ivory Coast, on challenges in promoting youth employment. These studies served as the basis for building national dialogue platforms for ongoing discussions between the constituents and MNEs on how they could foster better collaboration to promote youth employment more effectively.

Global Compact

- The ILO actively collaborates with the [UN Global Compact](#), focusing on the promotion of the four labour principles of the initiative,¹⁷ which derive directly from the ILO Declaration on Fundamental Principles and Rights at Work. The ILO's tripartite structure and the importance it attaches to social dialogue play a key role in advancing the Global Compact's purpose of bringing together the business world with labour, the UN system and other interested organizations, ensuring a transparent dialogue and developing partnerships. Concrete action of this collaboration includes the development of a Management Training Programme to develop the competencies of managers to implement and realize the four fundamental principles and rights at work.

Supporting free trade agreements

Through its Trade and Employment Programme the ILO seeks to better understand how trade and finance policy options affect decent work opportunities, and to assist policy-makers at

¹⁷ Respect freedom of association and recognize the right to collective bargaining; support the elimination of all forms of forced and compulsory labour; join the fight for the effective abolition of child labour; and eliminate discrimination in respect of employment and occupation.

global and national levels to design policy solutions that optimize the positive effects of trade and finance on employment. The Trade and Employment Programme has three areas of work:

Employment effects of trade

Through research and analysis, the programme seeks to build an evidence-based body of knowledge to enrich the policy debate and build evaluation tools.

The Skills for Trade and Economic Diversification (STED) is an analytical tool designed to provide guidance for strategic education and training policies that contribute to trade development and economic diversification and foster the creation of decent employment.

Other tools have been applied to evaluate the labour market effects of trade and foreign direct investment during the global economic and financial crisis in different countries, such as Brazil, Egypt, India, Liberia, South Africa and Uganda.

Beneficiary voice

“I was just thrilled to get the job offer from the company.”

Nikodemus Nisa, 18, Kupang, Indonesia

Niko was forced to drop out of school after his elementary education. After losing his father at the age of eight, he and his five other siblings were raised by his uncle in a remote village in East Nusa Tenggara, Indonesia.

“I really wanted to continue my studies. But my family could not afford it. I had my chance finally when a community learning centre called PKBM Sonaf Marthin was established in my village,” he says. “I was just thrilled to get the job offer from the company. The training programme conducted by the ILO has provided me with skills that I can use to find a job and work decently. I also become more confident in doing my work. When my family heard about my job in here, they are very proud. I hope that I can also make my village proud with what I have achieved,” he said.

Niko was enrolled to join the Start Your Business course for several months before joining the vocational training course on furniture making in July 2009. The learning centre and training programmes were established in collaboration with the ILO under its Education and Skills Training for Youth. *“I learnt so much and gained entrepreneurship skills from the learning centre,” he says.*

After completing the training, together with five other students, Niko was offered an internship at a private company in Kupang, CV Abel, to enhance his furniture making skills. His supervisor was so impressed by his hard work and skills, he offered Niko a job. He has been working at CV Abel ever since. Niko is going to pursue his education in March 2010 by entering a ‘B package programme’ – a government non-formal education programme that is equivalent to junior high school. He plans to continue working for several more months to gain more skills before coming back to his village to develop his own business.

Coherence between employment policies and trade policies

The programme conducts empirical and policy research, including collaboration with academic partners and international institutions, such as the World Trade Organization and the World Bank.

The project on “Assessing and addressing the effects of trade on employment” is a four-year technical cooperation project that supports the formulation and analysis of effective and coherent trade and labour market policies that address the adjustment challenges faced by workers and employers. In addition, these policies seek to expand opportunities for the creation of decent employment in developing countries. The project, which is implemented at the global level and in four pilot countries (Bangladesh, Benin, Guatemala, and Indonesia), is developing global knowledge tools that can support the formulation of coherent trade and labour market policies at the national level, based on sound data and diagnosis; and strengthening the capacity of policy-makers, researchers, workers’ and employers’ organizations in pilot countries to assess the effects of changes in trade policy on employment and to design effective and coherent policies that enable countries to mitigate any negative effects and expand employment.

National policies to enhance the employment gains from trade

Through policy dialogue, technical cooperation and capacity development, the programme focuses on skill policies of relevance to both traditional and non-traditional export industries, in particular regarding the up-value chain, and on enhancing the business environment and enterprises' productive capacity with a view to maximizing the employment gains from trade, while addressing economic diversification to reduce labour markets' vulnerability to external shocks.

Programme activities have also formed part of the ILO's crisis response. Through the Trade and Employment in the Global Crisis project, the programme conducted seven country studies (Brazil, Egypt, India, Liberia, South Africa, Uganda and Ukraine) to evaluate the employment impact of changes in trade and foreign direct investment flows during the recent global crisis, and provided policy guidance on how to address those impacts. The findings have been summarized in "[Trade and Employment in the Global Crisis](#)", published jointly with the Academic Foundation.

Access to financial services

Social Finance Programme

The [Social Finance Programme](#) (SFP) works to improve access to finance for social justice through knowledge generation and dissemination, and capacity development activities. Knowledge generation includes the use of an evidence-based approach to test social finance innovations and explore the linkages with decent work. By linking social finance with a vision of decent work, its development potential is strengthened and the associated risks diminished.

- In India the SPF is supporting ESAF, a non-bank financial institution that has over 145,000 borrowers (98% women). The innovation targets a sample of 600 clients (100% women) who have either reached a certain level of business activity and need support to upgrade, or entrepreneurs that have reached the capacity to formalize but have not done so due to lack of information. The innovation consists in the provision of combined business development and information services that improve financial performance and support the formalization of clients. This facilitates their access to government support schemes and bank loans and their membership of business associations and markets.
- In Tajikistan the SPF is supporting IMON International, a non-bank financial institution, to implement an innovative module that offers new female clients the ILO's Gender and Entrepreneurship Together (GET) Ahead training, a women's entrepreneurship training programme, followed by start-up capital. The new product (training and a start-up loan) will generate increased levels of empowerment and equality in self-employment for women, women's entrepreneurship, association, and voice. This package is offered through a partnership with the National Association of Business Women in Tajikistan (NABWT) which provides the training to IMON's potential women clients.

Mali: Microfinance for Decent Work Action Research Programme (2008-2011)

Through the Microfinance for Decent Work Action Research programme, the ILO provides Nyesigiso, a credit and savings cooperative based in Mali that provides services to 25,695 people (46 per cent women), support in designing, implementing, monitoring and evaluating an innovation in their work that seeks to reduce child labour. Specifically, Nyesigiso received training on child labour and on financial management, and the organization is currently training members who employ children (or whose children are being employed), and take an agricultural loan. It is estimated that this innovation will raise awareness on the negative effects of child work and, by helping member generate and stabilize their incomes, child labour will be reduced. Results will be available early 2012. This project is part of a larger programme that seeks to provide the global microfinance community evidence-based knowledge on how to improve the design of interventions that provide for better access to social finance.

Another flagship product of the SFP is the Micro-insurance Innovation Facility (MIIF), which was launched in 2008 with the support of the Melinda and Bill Gates Foundation to extend

insurance to millions of low-income people and enterprises in the developing world and reduce their vulnerability to risk. Some highlights are the following.

- The Innovation Grants programme under the MIIF, which provides resources to help institutions develop new micro-insurance products, received over 200 applications from a wide range of organizations from more than 40 countries in the first four calls for proposals. As a result, 20 organizations working in 12 different countries (primarily in Asia and Africa) were awarded US\$6 million in grants. Examples of target beneficiaries include 43,000 diaspora families in French-speaking Africa; 30,000 pastoral famers in Kenya; 40,000 women micro entrepreneurs in Jordan and 560,000 low-income households in Bangladesh.
- In Viet Nam the SFP is supporting the TYM Fund to launch an innovative training package that is currently targeting around one thousand clients (100% women), enhancing their understanding and their capacity to select the most appropriate strategy to deal with risks and unforeseen expenses. TYM works in 10 provinces in Viet Nam with 44 branches, and has more than 50,000 clients (100% women). TYM tracks changes in the clients, particularly exposure to training, income and expenditure patterns, numbers of claims, and client portfolios. The final objective is to enhance the capacity of its clients to better protect themselves and their households, to preserve their businesses, build their assets and overcome poverty.

3.2.4 Strengthen governance and security in fragile and conflict-affected countries and boost wealth creation: DFID Business Plan 4.1: Improve the quality of aid to Afghanistan and Pakistan; and 4.2: Improve DFID effectiveness in conflict prevention in the Horn of Africa

The ILO recognizes DFID's shifting emphasis on supporting and rebuilding fragile states as part of the UK's aid priorities. The ILO shares this emphasis and has a range of interventions focused on supporting state-building within fragile states, many of which are least developed countries. Shortcomings in DFID's methodology failed to highlight the ILO's role in state building, which places emphasis on establishing the cornerstones of national human capital development, employment, social protection, social dialogue and labour standards, which have been tailored to suit the needs of fragile states.

Over the last few years, the ILO has been working to build on the link between employment generation and peace and has based its activities on the UN Policy for Post-Conflict Employment Creation, Income Generation and Reintegration. This is based on an integrated approach to job creation through effective linkages between short-term and more sustainable longer-term employment and reintegration programmes. There are three strategies (tracks) in the policy: 1) livelihood stabilization; 2) local economic recovery; 3) long-term employment and inclusive economic growth. The ILO welcomes DFID's acknowledgement of this ground-breaking policy achievement. The ILO is fully engaged in the execution phase of the policy, developed principally through its own efforts. In Burundi and Sierra Leone, where post-conflict recovery remains fragile, the initial activities already conducted include: 1) a thorough assessment of current programmes and gaps related to employment and livelihoods; 2) recommendations for present and future employment and reintegration programmes; 3) formulation of "One UN" strategic programmes based on the three policy strategies; 4) detailed country-specific work plans presented to the respective UNCT and government authorities for their consideration and approval. Particular attention is given to cross-cutting issues such as gender and youth. In Burundi a joint UN Programme has been submitted to the Peacebuilding Fund. In Sierra Leone the ILO is fully participating in the integrated UN mission, and the Executive Representative of the Secretary-General in Sierra Leone has expressed full

support for the ILO's programme on employment-intensive opportunities for youth, contributing UN resources to the programme.

Nepal: Jobs for Peace Programme - Youth Employment and Peace Building

This programme, conducted jointly by the ILO and FAO between January 2009 and December 2010 covered two districts – Parsa and Rautahat, worked with the Government, public and private sector, and civil society at the local level to contribute to national peacebuilding and poverty reduction through employment and empowerment of youth. It enhanced conflict-affected young people's access to resources and critical skills, and created opportunities for productive and decent employment in affected communities, including through post-conflict rehabilitation.

The project also promoted the peaceful gathering of young people and communities through business and social development activities, facilitating communication and interchange and strengthening the peace building process. The programme helped at least 12,500 young women and men engaged in self-employment and enabled them to start and run their own business in agriculture, off-farm and non-farm activities, through an integrated approach which combined development of community infrastructure; on-the-job training; entrepreneurship development; empowerment of youth groups; strengthening of cooperatives; facilitating access to financial services; and a trust fund for youth-led projects.

In the Arab States Region, ILO policy has been shared and presented to the UN country teams in the occupied Palestinian territories (oPt) and Yemen. ILO secured funding to support upstream and downstream post-conflict initiatives.

In cooperation with UNRWA Gaza, in the oPt the ILO is implementing a range of emergency employment projects such as the construction of earth shelters for people still living in tents or makeshift shelters some two years after the Gaza events. It is also conducting a recovery skills development project to build the capacities of construction workers through UNRWA Gaza vocational training centres. Development initiatives are also under way in the framework of the "Palestinian Employment Strategy" focusing on policy support and capacity building of the Ministry of Labour and the social partners.

In Yemen the ILO is implementing projects including an emergency and recovery job project in the Sada'a area, where UNDP recently integrated the UN post-conflict policy approach into its project documents and requested ILO support to promote skills development and capacity building of local partners. The Yemen DWCP was developed in close partnership with the local constituents, who felt that supporting labour market governance in the country would help improve policy design and implementation towards the employability, employment, and welfare of the Yemeni people. A recent review of the programme revealed the importance of long-term investments in systems to enable the creation and accumulation of human capital as one of the primary drivers for poverty reduction in the country.

Beneficiary voice

"The income will help us find a better life"

Jacob and Jesumary, Parainatakal, Sri Lanka

Jacob and his wife Jesumary and their three children were victims of Sri Lanka's decades-long civil war. "We were homeless in 1990. And after several relocations, and almost 20 years later, we were finally able to return to our village in 2009."

Although we had land, we could not return to farming right away. We did not have enough capital, the necessary equipment, and the latest agricultural know-how," says Jacob.

"The ILO officials visited our village to help identify families with needs. We were fortunate to have been selected to receive support. And with that and our own labour, we could start cultivating. The income from our harvest will not only help us to continue our livelihood without disruption but also help us find a better life."

Below are some selected examples of the work that the ILO does in some of the priority countries listed in DFID's Business Plan 2011-2015.

Afghanistan

The Afghanistan DWCP, which has been declared a National Priority Programme by the Afghan Government, seeks to promote decent work as a major contributing factor towards post-

conflict recovery by addressing the following priorities: (i) promoting productive employment through labour market information, skills development and the creation of jobs through small and micro enterprises and local economic development; (ii) promoting and applying international labour standards with a focus on ratifying ILO core Conventions and strengthening labour inspection machinery; (iii) building strong, representative employers' and workers' organizations that contribute to national policy formulation and better industrial relations. Social dialogue and gender equality have been acknowledged as cross-cutting themes.

Afghanistan adopted its first ever Decent Work Country Programme on 17 July 2010. The DWCP for Afghanistan was created after consultations with the government and employers' and workers' organizations on priority areas for ILO action.



Pakistan

Recent evidence from Pakistan suggests that the employment challenges are not so much linked to the absence of economic activity, but to the low quality and low productive nature of these activities, which leads to low incomes. Although the situation affects everyone, it has disproportionate effects on women and youth. The DWCP currently being implemented prioritize: (i) labour law reform, (ii) employment generation through human resource development, with a focus on employable skills, (iii) social protection expansion, including in the informal economy, and (iv) tripartism and social dialogue.



The ILO has assisted Pakistan during recent natural disasters such as the earthquakes in North Pakistan (2005) and Baluchistan (2008), and during the emergency that followed the armed conflict between the Army and the Taliban in 2009-2010.

- *Combating child labour in the carpet industry in Pakistan.* Through partnerships with three local NGOs, the project established 306 non-formal primary education centres for carpet weaving children in two districts of Pakistan, and provided education to 10,261 children, of which 5,611 were carpet weavers (86 percent girls). By the end of the project, 79 percent of the working children had reduced their working hours from 10 to 7 per day, of which 32 percent reported they stopped weaving carpets, either shifting to other occupations or focusing on studies.
- *Promoting the elimination of bonded labour in Pakistan.* Project outputs included 1,300 officials trained through capacity building workshops and lectures on civil service, foreign service, police, and judiciary academies. In addition, the project was successful in directly engaging with policy-makers and parliamentarians in order to lobby for support in promoting labour standards and decent work in all economic sectors, with a special focus on the issue of bonded labour: 120 parliamentarians across Pakistan were reached, which resulted in tabling of resolutions to address the issue of bonded labour in three provincial assemblies.
- *Community-based livelihoods recovery programme for earthquake-affected areas.* The project, jointly implemented with UNDP, FAO, UNIDO and UNOPS, contributed to the post-earthquake recovery and reconstruction efforts by mobilizing people and organizing them in the form of community organizations (COs) as well as revitalizing the COs established already, with a focus on planning the facilitation and implementation of development activities. Key results include 964 COs formed to undertake development activities, including small productive physical infrastructure projects, 100 government officials

trained in simplifying business processes through five training workshops, 1,941 people trained in off-farm sector skills and 15 training workshops for 3,000 members of COs in enterprise development conducted.

Somalia

Despite challenges of access and security, the ILO has been active in northern Somalia, Somaliland and Puntland since 2002 and in southern Somalia since 2006. The ILO programme in Somalia contributes to stability, peace and economic development by supporting the creation of decent work opportunities and developing community, public and private sector capacities to sustain equitable employment and livelihood opportunities. It is based on the principle that access to decent work in post-conflict situations is critical to reorienting minds from conflict and destructive activities and restoring human dignity; and that creating employment opportunities is central to maintaining peace and the restoration of economic development and social justice in Somalia.



- *Employment generation for early recovery in Somalia.* The project provided employment opportunities to over 16,476 beneficiaries, 30 per cent of them women, across south central Somalia. The initiatives generated a total of 500,000 workdays. By applying a community-based approach and involving the beneficiary communities in all phases of project identification and implementation through community management committees, the ILO aimed to foster local ownership of the project, thus enhancing the sustainability of the works, empowering the local communities and contributing to much needed improvements in living conditions in south central Somalia.
- *Employment for peace and development in south and central Somalia.* The project, whose main purpose was to support the development of a culture of peace by creating employment and livelihood opportunities, generated over 200,000 workdays of employment, prepared dump sites and moved approximately 30,000 cubic meters of garbage. Some 63 per cent of the workers were women and 52 per cent internally displaced persons. The workers, who earned a daily wage of US\$ 2 a day, typically supported eight dependents and prior to this work earned less than a dollar a day. In addition, about 60 per cent of the workers in the Employment for Peace community employment projects were between the ages of 18 and 35. For most workers this was the highest paying job they had ever held and for many their first job.
- *Support to the Somali Employment, Enterprise and Livelihood (EEL) Programme 2006-2008.* To create sustainable, equitable employment across Somalia, particularly in areas emerging from conflict and violence, the project helps to create alternative livelihoods for those otherwise likely to engage in illegal activities such as kidnapping, insurgency and piracy.
- *Employment for Peace and Development – Mogadishu 2010.* The objective of the project was to create quick employment for the people of Mogadishu, providing them with a means of livelihood. The project created 49,310 workdays with 1,700 direct beneficiaries, of whom 71% were women and 58% IDPs.
- *Promoting Gender Equity.* The objective of the project was to increase the level and quality of women's participation in employment-intensive projects. The participation of women was promoted throughout the project cycle management and 10,861 workdays and 875 short-term jobs were created, with 70 per cent of the beneficiaries being women.
- *Creating opportunities for productive and decent work for out of school young people.* This project created employment opportunities for out of school young people and equipped them with entrepreneurial skills for self employment. The project organized a business

plan competition which resulted in 74 young people being provided with grants of US\$ 1,300 each.

Sudan

Gearing up the recovery and reconstruction of Sudan presents challenges at different levels. In such a fragile context, lack of infrastructure and skills is combined with weak institutional capacity and lack of livelihood opportunities. The ILO is working with the Government of National Unity and with the Government of Southern Sudan to address these challenges in an integrated manner. The ILO programme includes working on making public employment services more functional, developing and implementing infrastructure rehabilitation programmes with an employment-intensive component, targeted programmes for youth skills development, and capacity development of institutions.

- *Vocational training policy and implementation strategy* for Southern Sudan developed with the Ministry of Labour and social stakeholders.
- *A new labour law* drafted with the tripartite constituents, which sets the direction of the labour administration reform that the GOSS Ministry of Labour and the ten State ministries have to undergo to provide the world of work in South Sudan with a new legal and operational framework.
- *Labour-based flood protection, River Gash, Kassala State.* The project supported communities and local authorities in building settlements through infrastructure programmes that target the most vulnerable populations. One major project concerned the reinforcement of the riverbanks in the proximity of the city of Kassala, through a labour-intensive scheme run by the local authorities with ILO management support.
- *Creating opportunities for youth employment in Sudan.* The project has been designed and is being implemented with eight other UN agencies.¹⁸ The ILO is primarily responsible for developing youth action plans and technical and vocational education and training for employment. 2,500 young people are expected to receive programme services, which include training in vocational and entrepreneur skills.
- *Supporting the reintegration* of ex-combatants and returnees into their communities of origin, both in the North and the South, through the provision of skills and follow-up services.



3.2.5 Lead international action to improve the lives of women: DFID Business Plan 5.1(ii) Approve new programmes that help to (b) promote economic empowerment of girls and women through jobs and access to financial services

In general, women have even more difficulty finding work than men. Even where young women's education is higher than men's, it is when they try to find work that they experience labour market discrimination.

Even though there are countries and regions where unemployment is lower for young women than for young men, this often only means that women do not even try to find a job but leave the labour market out of discouragement. When they do find a job it is often lower paid and in the informal economy, in unprotected low-skill jobs, which implies "greater job insecurity, as

¹⁸ UNICEF, UNOPS, UNAIDS, IOM, UNFPA, UNIDO, UNDP and FAO.

well as lack of access to training, social protection and other resources, making them comparatively more vulnerable to poverty and marginalization”.¹⁹

In the developing world women workers make up around 60 per cent of non-agricultural employment in the informal economy, including up to 90 per cent of street vendors and up to 80 per cent of home-based workers.

Access to financial services is another area in which women face more difficulties than men, including credit, savings, insurance and payments. In some countries statutory laws explicitly restrict women’s access to finance and weak property rights generally constrain women’s ability to use land as collateral for loans. Women remain largely excluded from the formal financial sector; firms managed by women are less likely to receive a loan and often pay higher interest rates. Financial inclusion is an important factor in women’s economic empowerment.

Women’s economic empowerment is crucial and necessary for sustainable societies. This can only be achieved through targeted programmes. The ILO strategy on promoting women’s entrepreneurship development, adopted in 2008, includes a multitude of initiatives for women’s entrepreneurship and is driven by a broader call for more structured action and coordination for the promotion of women’s entrepreneurship.



It seeks to redress existing gender imbalances in enterprise development through approaches and activities aimed specifically at women, while simultaneously working with constituents to ensure that all small enterprise initiatives address gender in their formulation and roll-out.

Uganda: Women’s entrepreneurship development and gender equality (WED)

Through a partnership with the Ugandan Small Scale Industries Association, WED provided practical guidance in marketing, communications and promotional activities to 12 trainers who in 2008 alone trained over 100 entrepreneurs. The training seeks to enhance access to better quality market opportunities.

WED’s results include 3,400 rural based clients of the project partners from child labour affected households and war affected regions in northern Uganda, who have benefited from grants in cash or kind; 801 women entrepreneurs and members of the general public participated in Month of the Woman Entrepreneur 2010 events, which included a press conference, training courses, business exhibitions and the launch of a WE network for Uganda; Through the multiplier effect of the project’s train the trainers component, 339 women entrepreneurs obtained access to BDS Providers in the training areas of GET Ahead, IYES and WEA Capacity Building Guide and market linkages by provision of market information; and 339 women entrepreneurs have received business training, improving their competitiveness.

Some results of the ILO WED Programme

The Women’s Entrepreneurship Development (WED) programme enhances economic opportunities for women by carrying out promotional activities in support of women starting, formalizing and growing their enterprises, and by mainstreaming gender equality issues into the ILO’s work on enterprise development. Since 2002 WED has reached more than 35,000 entrepreneurs (75% women) in 25 countries. Its results include the following:

- In African countries over 1,600 women entrepreneurs were supported to attend both national and international trade fairs. Some 30% of these women participated in Improve Your Exhibiting Skills (IYES) training to prepare them for trade fair participation.
- In Ethiopia and Kenya, as a direct result of WED Programme support, the National Women’s Business Network and the Federation of Women Entrepreneurs’ Associations have been formally registered as umbrella associations. These organizations represent over 8,000 women entrepreneurs.

¹⁹ ILO, 2006: *Global Employment Trends for Youth*, op. cit., pp. 20-22.

- In Uganda and Ethiopia 1,280 women entrepreneurs have accessed business development services through facilitators trained by the programme, who in turn have managed to facilitate and deliver services to over 900 association members.
- Important synergies have been created with institutions, such as the Kenya Industrial Research Institute (KIRDI), which is in the process of launching a women's wing for technology transfer that is going to implement affirmative action for women entrepreneurs in order to increase the number of women in the organization's incubation programme.
- More than 10,000 women entrepreneurs in Lao PDR benefited from the WED programme in 2007. The programme enabled them to increase their sales fourfold and their profits by 50 per cent. The project also resulted in an increase in their husbands' participation in income generation and household work. Research among 250 SMEs in the country showed that women-led enterprises, while smaller overall, employed twice as many women as male-led enterprises.
- An impact study in Lao PDR showed that members of the village banks, who also participated in GET Ahead training, were able to increase their profits by 46 per cent; at the same time 10,000 women trained have seen their monthly sales rising from an average of US\$ 490 dollars to US\$ 2,150.
- Evidence that the WED strategy to support small business associations is having a positive impact is given by the Khmer Women's Handicraft Association (KWHHA) and the Prachak Oil Association in Cambodia. Since the beginning of WED support in early 2007, the KWHHA and Prachak Oil increased their sales by 30 per cent and 35 per cent respectively and their membership base by 17 per cent and 13 per cent respectively.

Some ILO innovations in access to financial services for women

In Cambodia the ILO's Social Finance Programme (SFP) is supporting VisionFund Cambodia, a micro-finance institution whose mission is to provide financial services to help the poor liberate themselves from poverty. The innovation Vision Fund is tackling the issue of low financial literacy, which is common among its clients, through the provision of financial education training. VisionFund tracks the impact of the innovation training on the clients and on their families, and measures the relation between making informed and sound financial decisions and income, expense, borrowing and savings. VisionFund is present in 11 of the 24 provinces of Cambodia, with 11 branches. It has almost 100,000 active borrowers (85 per cent women).

In Pakistan the SFP is supporting the National Rural Support Programme (NRSP) to introduce innovative packages that help address child labour. NRSP is present in 56 Districts in all four Provinces of Pakistan and is currently working with more than half-a-million poor households organized into a network of more than 115,076 community organizations. A sample of some 2,100 clients (100% women) has been targeted with a micro-insurance package that covers additional members of the household and makes it possible to cushion health-related income shocks, so that children will not be used to replace adults without access to health care. NRSP is tracking changes in the households such as child work/school status, health of family members and fluctuations in poverty levels in relation to their use of the innovation package.

3.2.6. Combat climate change (MAR 2c)

Green Jobs: Achieving sustainable development and addressing environmental challenges, including climate change

While climate change was not regarded in the MAR as a core policy area for the ILO, this is clearly an issue related to the world of work on which the ILO is called to contribute. The [Cancun Agreement](#) adopted at the UN Climate Change Conference of 2010 stated: "[The Conference] realizes that addressing climate change requires a paradigm shift towards building

a low-carbon society that offers substantial opportunities and ensures continued high growth and sustainable development, based on innovative technologies and more sustainable production and consumption and lifestyles, while ensuring a *just transition of the workforce that creates decent work and quality jobs*" [italics added].

In order to achieve sustainable economies and societies, enterprises and workers need to be resilient in the face of climate change and natural resource constraints. In particular, they need to develop the capacity to adapt to climate change and to meet the challenges of a transition from energy and resource-intensive products, services and processes to a green, low-carbon economy. Such adaptation inevitably affects people's working lives and livelihoods, in some cases significantly. A socially just transition for enterprises, workers and communities is part of the ILO agenda on green jobs.

The ILO Green Jobs Programme

The ILO's [Green Jobs Programme](#), based on a strong partnership with UNEP, seeks to assess, analyze and promote the creation of decent jobs as a consequence of the needed environmental policies. It supports a concerted effort by governments, employers and trade unions to promote environmentally sustainable jobs and development in a climate-challenged world. Its current priorities are analysis of the employment and labour market dimensions; practical approaches to greening enterprises; green jobs in waste management and recycling; renewable energy and energy efficiency; and a just transition to a green economy and a sustainable society.

Green Jobs provides policy guidance to governments, workers and employers' organizations through active participation in international high-level policy debates on climate change and sustainable development (UNFCCC, Rio+20); global analysis and country assessments of the potential of green jobs; and direct technical assistance to governments, workers and employers' organizations.

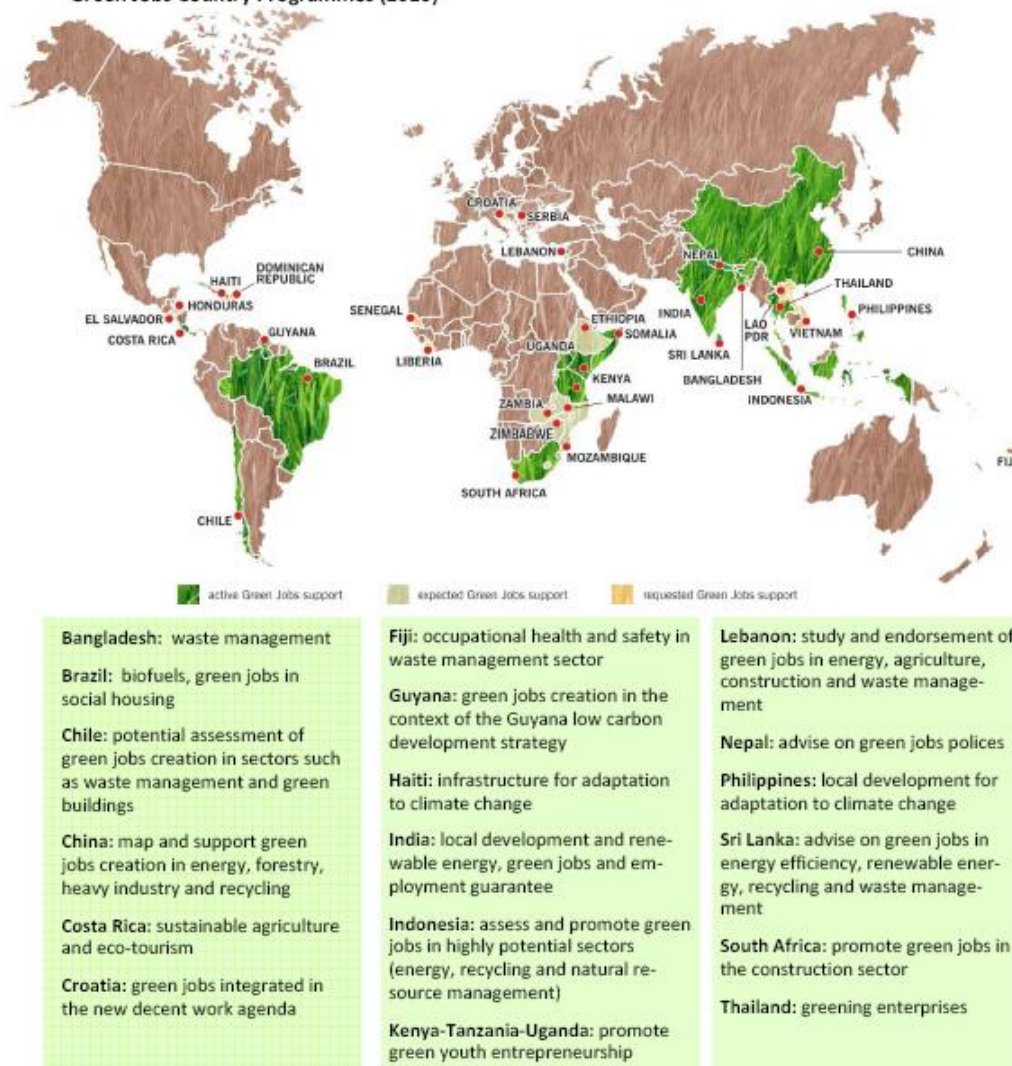
Through the ILO International Training Centre, Green Jobs offers regular courses on linking environment, climate change and the world of work for constituents and staff. Green Jobs also conducts research on a number of related topics, including analysis of the employment and labour market dimensions; practical approaches to greening enterprises; green jobs in waste management and recycling, renewable energy, energy efficiency and other sectors; a just transition towards a green economy and a sustainable society; and adaptation to climate change.

Green Jobs is part of the United Nations system-wide strategy for addressing climate change and of the UN working group addressing the social dimension of climate change.

"Employers make an essential contribution to the pursuit of sustainable development. The challenges of climate change require the collaboration of all parts of society. The engagement of business will be critical for workplaces and societies if they are to evolve more efficient and sustainable carbon pathways. The transition to greening of all workplaces and work methods are best achieved where business is part of the solution."

– Ronnie Goldberg, Vice-President, International Organisation of Employers

Green Jobs Country Programmes (2010)



Greening the ILO: Reduction efforts

The ILO is about to adopt an environmental strategy whose objectives are the achievement of climate neutrality in its operation by 2015 and the reduction of the overall environmental impact of the Organization. The main efforts have focused on –

- Reducing travel: since 2008, some 37 field offices have been equipped with tele-conference systems and eight additional offices will follow shortly. A circular has been sent to all ILO staff to encourage the use of tele-conferencing.
- Reducing emissions from and the environmental footprint of ILO buildings: an energy audit was undertaken at headquarters. As a result the central heating system was changed, shifting from diesel oil to natural gas and adding new equipment to reduce the use of energy by 10 to 15 per cent and CO₂ emissions by 30 per cent. The insulation of the roof at headquarters was recently improved, doubling energy efficiency. The air-conditioning system was partially changed, joining the Geneva-Lac-Nations project, saving 650,000 kWh of electricity and 40 tonnes of CO₂ emissions a year. Headquarters purchases hydro-electricity as a low-carbon source of power.
- Green IT guidelines have been applied in procurement policy for the last five years.
- A teleworking policy has been issued and a “Green Meeting Guide” is applied.

The climate-neutrality objective is included in the ILO Strategic Policy Framework for 2010-15. Its first outcome “Effective and efficient utilization of all ILO resources” contains a triple target toward climate neutrality for 2010-11, which includes measures to implement energy savings, recycling, waste management and reduction of greenhouse gas emissions; to reduce the

proportion of travel expenditure under all sources of funds; and to increase the use of video conferences by 25 per cent.

3.3. Gender equality

MAR 2(b) states:

- + The ILO has a dedicated team of 20 gender specialists and a 130-strong network of gender focal points.
- + There is a large team in place to help focus on gender issues. Gender equality is at the heart of the Decent Work Agenda.
- + The gender equality action plan was being implemented in 2010. Gender is mainstreamed through the Decent Work Country Programmes and is evaluated by GENDER Department.
- + The ILO promotes gender equality through social dialogue. Gender audits are shared with UN partners to encourage replication.
- More work is needed to ensure the good gender structure delivers to its full potential and can demonstrate successes.
- = There is good work on gender equality, but the ILO could do more to deliver and demonstrate gender results.

The ILO welcomes the recognition in the MAR that the ILO's performance on gender equality is good.

Promoting gender equality and women's economic empowerment in the world of work is the responsibility of all ILO constituents and staff. The Bureau for Gender Equality coordinates the ILO's 130-strong network of gender focal points in all field offices, and in units at HQ.

The ILO includes a gender dimension in all programmes and policies, while also promoting women-specific measures to redress long-standing inequalities. The objective is to ensure gender equity in the staffing, institutional structures, and substance of the work of constituents and of the ILO itself. The ILO supports constituents and staff in achieving this goal, and progress is being tracked by the ILO Action Plan for Gender Equality 2010-2015 and reported to the Governing Body. According to the International Labour Conference resolution on gender equality at the heart of decent work,²⁰ gender equality must be promoted across all four strategic objectives of the ILO.

The ILO acknowledges that additional resources would make it possible to build on its successes so far on gender issues. For this reason DFID assistance would be useful.

While many ILO Conventions are important to the promotion of gender equality in the world of work, four Conventions are of particular relevance:

- Equal Remuneration Convention, 1951 (No. 100)
- Discrimination (Employment and Occupation) Convention, 1958 (No. 111)
- Workers with Family Responsibilities Convention, 1981 (No. 156)
- Maternity Protection Convention, 2000 (No. 183).

Conventions Nos. 100 and 111 have been ratified by the vast majority of ILO Member States, but implementation remains a challenge everywhere. Consequently most of the ILO's work on those Conventions is devoted to monitoring and supporting implementation, and making recommendations for improvements. The ILO commissioned research on the application of Conventions Nos. 100 and 111 in Angola, South Africa and Viet Nam in 2010 and is working with constituents to develop a strategy for better implementation. Conventions Nos. 156 and 183 have far fewer ratifications (41 and 18 respectively so far). The ILO helps constituents conduct national studies and develop advocacy platforms on the economic and social benefits of better work-family balance and maternity protection. Recent examples of this approach are the work on Convention No. 156 in Brazil, the Dominican Republic, Costa Rica, and Ecuador in

²⁰ International Labour Conference, 2009: [Link](#).

2009; the development of a time-use methodology in India in 2010; and the work on Convention No. 183 in Jordan, China and Cambodia.

In line with its gender policy the ILO works to ensure that all employment promotion initiatives are gender-sensitive. An example of the latter approach is the Women's Entrepreneurship Development (WED) programme. A notable example of its success may be seen in Ethiopia and Kenya where the National Women Business Network and the Federation of Women Entrepreneurs Associations have been formally registered as umbrella associations.

The ILO works with constituents to ensure that social security instruments are gender equitable, such as measures to promote occupational safety and health, to combat HIV and AIDS in the workplace, and to extend social protection for migrant workers. Throughout 2011 – in support of preparations for setting a new international labour standard on domestic workers – there is a particular emphasis on social protection for domestic workers, the vast majority of whom are women. Activities have ranged from advocacy campaigns using street theatre in India, to the provision of financial education in Cambodia and Indonesia, to working toward legal instruments outlining domestic workers' rights and entitlements in Argentina, China, Nepal, and Thailand.

The ILO strives to build the capacity of governments, employers' and workers' organizations to promote gender equality in the workplace, to ensure that gender equality is on the agenda in tripartite discussions on the world of work, and to promote women's representation in decision-making positions. One means is to advocate the establishment of national tripartite gender committees, as in Ukraine where such a group is preparing amendments to the laws on equal pay, discrimination, work-family balance, maternity protection and the development of sex-disaggregated labour statistics. Similar working groups have been established over the past decade in India, Lebanon, Jordan, Syria, Argentina, Bolivia, Brazil, Chile, Paraguay and Uruguay.

Beneficiary voice

“As a former migrant worker I know how it feels being returned home without knowing what to do next”

Waniti, East Java, Indonesia

When Waniti was repeatedly rejected by banks for a loan because of her lack of assets and financial backing, she responded with positive thinking. With other former migrant workers in Malang City in East Java, Indonesia, she helped form a cooperative to help other returnees as well as soon-to-be migrant workers.

“Before, I never thought of saving my income or investing it for business. Then, when I came back home from Hong Kong a few years ago, I did not know what to do to make a living in the village. I had trouble finding a new job and I could not get a loan from the bank to start something on my own,” she said.

Supported by the ILO through the Cross-Border Labour Migration Project, the cooperative provides training courses such as self empowerment, work safety issues, how to save and remit their hard earned money home safely, and how to start a new business. The cooperative continues to expand, and is now providing various products such as milk and fertiliser. It is also a main source of credit for 29 key members and 100 migrant families with a total capital of around \$13,000.

“As a former migrant worker I know how it feels being returned home without knowing what to do next or how to use the savings wisely or even how to invest them,” says Waniti. *“That is why we continue to provide information and assistance needed to former migrant workers on how to save, invest and start their own business.”* Waniti received an award from the Indonesian Ministry of Manpower and Transmigration earlier this year for her dedication and efforts to promote the effective use of remittances and income generation in migrant communities.

Participatory gender audit

The ILO uses participatory gender audits to assist its constituents and ILO units to promote equality between women and men in their staffing and structures and in the substance of their work. A gender audit, which is conducted during a two-week period by a team of trained facilitators, uses a self-assessment approach and takes into account both objective data – gathered through a review of the unit's internal and public documents – as well as perceptions

of staff, management and clients on gender issues through interviews and a participatory workshop. Based on the information obtained, the facilitators present a report making practical, concise recommendations for how the unit or organization can improve its attention to gender issues. Since its inception in 2001, 14 ILO units at headquarters, and 20 ILO offices in the regions have been audited. The ILO has also conducted training for officials from constituent agencies in the occupied Palestinian territories, Zambia, Cambodia and Indonesia, and they can now undertake their own gender audits. Gender audits have been undertaken of the UN country teams in Cape Verde, Ethiopia, Kenya, Malawi, Mozambique, Nigeria, Philippines, Rwanda, Tanzania, and Zimbabwe and of the UN Development Assistance Framework in Albania.

The Participatory Gender Audit also forms part of the standard requirements of UN Country Teams under UNDAFs (UNDAF Guidance Package, 2010).

3.4. Focus on poor countries: ILO expenditure in LDCs (2001-2009): Closing the gap

MAR 3 states:

- Scores for the UN specialised agencies (UNIDO, UNESCO, WHO and ILO) with the exception of FAO are obtained by using a breakdown by country for all specialised agency expenditure. As a group they spend 43% of their resources in the countries in the top quartile of an index that scores developing countries based on their poverty need and effectiveness (the strength of the country's institutions). This is low compared with most of the other multilaterals assessed by this index.
- In addition, ILO spends significant resources in middle income countries with low absolute poverty numbers, including upper middle income countries.

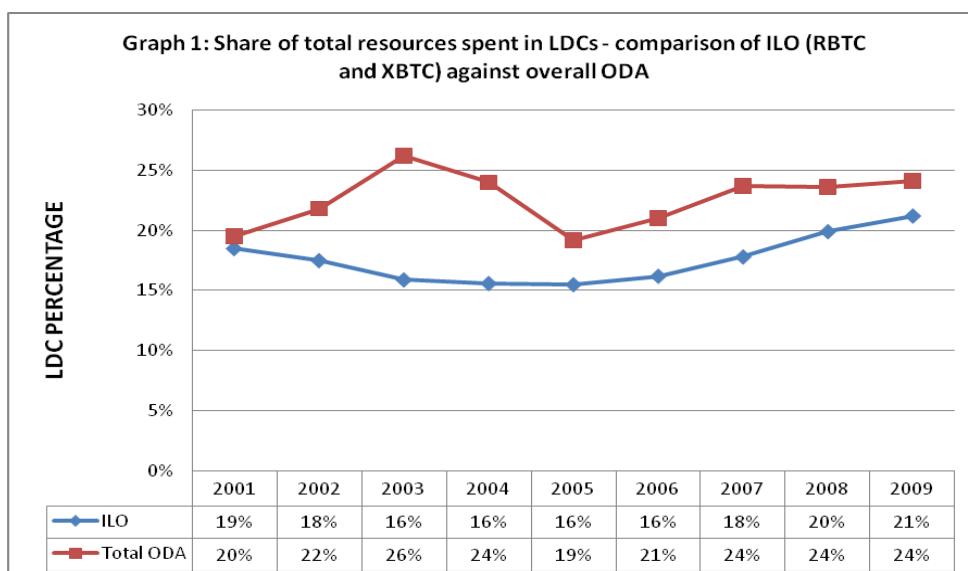
The ILO's mandate concerns all countries in the world, independently of their level of development. All countries have to report on ratified Conventions and are entitled to ILO assistance.

In the previous partnership with DFID (2006-2009), an indicator was included to measure changes in the ILO's focus on poor countries. This measured the "enhancement of the ILO's poverty focus with a more directed results orientation". The DFID external evaluation of 2010 reported against this indicator, stating that for the ILO, "the strong moves towards DWCPs and the 2008 adoption of MDG target 1.B and its associated indicators ... and close alignment with other MDGs, national policies and UN reforms is significantly strengthening this poverty focus" (p. 28).

This is supported by trends in recent data. For the last decade ILO expenditure in the least developed countries (LDCs) has accounted for a smaller share than the total ODA average share of disbursements in LDCs.²¹ In 2009 some 21 per cent (US\$29 million) of ILO technical cooperation funds were spent in LDCs.²² However, for the last three years the share of ILO expenditure on LDCs has been steadily increasing, while the share of global ODA has held steady at around 24 per cent. This means that in 2009 the share of resources spent in LDCs by the ILO was its closest to the global ODA average since 2001, closing a percentage point gap from 10 per cent in 2003 to just 3 per cent in 2009. The graph below shows how the ILO's share of expenditure in LDCs is steadily increasing:

²¹ Total ODA disbursements (all donors) to LDCs, constant prices in US\$. OECD "International Development Statistics" database.

²² ILO expenditure in this section includes both RBTC and XBTC.



Source: ILO and OECD DAC.

The ILO regrets that the MAR used proxy data as reported to the UN Department of Economic and Social Affairs (Comprehensive Statistical Analysis of the Financing of Operational Activities for Development of the UN System for 2007) to score the ILO's focus on poor countries. The UN report aggregates total operational expenditure figures across all UN specialized agencies (FAO, IAEA, ICAO, ILO, IMO, ITU, UNESCO, UNIDO, UPU, WIPO, WHO, WMO). The MAR further grouped together the four specialized agencies under review in the MAR (UNIDO, WHO, ILO and UNESCO) and treated them as one group for the sake of expenditure. Finally, in the absence of individual agency figures, the resource distribution for the group was based on a further proxy indicator of all the specialized agencies (thus also including in the calculation of the average agencies not under review such as IAEA, ICAO, IMO, ITU, UPU, WIPO and WMO).

**ILO Advisory Support, Information Services and Training Programme - Asia-Pacific Region (ASIST-AP)
Extract from the DFID final evaluation (Countries visited: the Philippines, India, Nepal and Indonesia)**

"The evaluation team found that ASIST-AP was an effective and efficient example of technical cooperation. It was the most impressive example of technical cooperation that either consultant had evaluated.

General factors accounting for this include:

- *a clear policy message that is well understood by its country and regional partners: that infrastructure can be used as a means of reducing poverty and as a window for decent work;*
- *an opportunistic approach, based on being able to respond quickly and flexibly to government and IFI requests for assistance in four well defined areas of competence;*
- *a mutually beneficial relationship with ADB where ADB receive a unique package of services from a reputed international provider and ASIST-AP gains entry to new policy environments and is often sole sourced to provide services as part of the loan;*
- *high quality staff or consultants at country level that have a good understanding of country, technical and institutional issues; and an experienced staff group in Bangkok with an effective and experienced manager;*
- *an ability to maintain a long term vision on policy change in all their countries of operation, despite uncertain financing."*

ASIST-AP aims to bring a poverty and decent work focus to the planning, implementation and monitoring of rural infrastructure and to see this focus translated into government policy and strategies. The Integrated Rural Access Planning approach should result in infrastructure that reduces poverty. The other pillars provide a window for other ILO priorities: decent work, labour standards, and SMEs.

3.5. Strategic and performance management and contribution to results

MAR 4 (Contribution to results) states:

- + New Outcome Based Workplans should improve results and impact.
- There is mixed progress on delivery at the country level.
- There is mixed evidence of the significance of the ILO’s contribution to development, humanitarian results or poverty reduction.
- RBM is just beginning to embed itself in the culture and practices of the organisation. This has not yet affected delivery on the ground.
- = The ILO’s contribution to development objectives is limited by weaknesses in delivery. Measures are in place that could deliver improvements over time.

DFID has provided valuable assistance to the ILO to improve the ILO’s performance in terms of results-based management and to improve results for constituents. The ILO provides services to tripartite constituents in all its 185 Member States. It has repeatedly proven its ability to select appropriate modalities for each country context and to flexibly adjust its interventions in response to crises such as the financial crash of 2008 and the current crisis in Arab countries.

To ensure the effective and efficient delivery of results for its constituents, the ILO Governing Body in 2006 adopted a Results-based Management Roadmap. It has also recently undertaken a profound re-organization of its field structure²³ and of its approach to country programming, aligning itself with the UN Reform process and ensuring its work is led by constituents, from design to implementation to evaluation.

Innovation: Better Factories Cambodia

Better Factories Cambodia (BFC) was established in 2001 to improve working conditions and productivity in the Cambodian garment sector. BFC successfully combines the assessment of working conditions and relevant remediation and training activities in a continuous cycle of improvement. It operates with the collaboration of the Government, the Garment Manufacturers' Association of Cambodia (GMAC) and trade unions, and works closely with other stakeholders, including international buyers.

At the global level, BFC is credited with improving working conditions and compliance with international labour standards; promoting bipartite and tripartite social dialogue at enterprise and sectoral levels and nationally; contributing to the growth of Cambodian industry after the expiry of the Multi-Fibre Agreement (MFA); contributing to reducing poverty; mitigating the vulnerability of women garment workers; improving the reputation of the Cambodian garment industry as an ethical sourcing place; and improving workplace cooperation, which in turn has an impact on quality and productivity.

The Cambodian garment industry employs nearly 300,000 workers in some 300 factories, who are predominantly female (90%). Most of the workers come from the countryside at a young age, with relatively low education levels. Workers earn up to \$100 a month with overtime and bonuses. Typically they remit a part of their salaries to their families and retain only a very small sum for their upkeep and everyday needs. The programme has raised tens of thousands of poor rural families out of poverty.

See: <http://www.betterfactories.org/>

- *“There is mixed progress on delivery at the country level”*

Recognizing the need to enhance delivery at the country level, the [ILO Declaration on Social Justice for a Fair Globalization](#) (2008) has highlighted the need for improved services to the constituents of the ILO (governments, employers and workers), in particular to strengthen their institutional capacity to promote decent work for more women and men. The Declaration provided a mandate for internal reform and new methods of work. Concretely this led to a reform of the ILO’s field structure, moving from a 3-tier to a 2-tier structure of field offices, aligning the location of technical experts with country needs, ensuring that technical units in headquarters adequately serve programmes in the regions, and generally clarifying accountability for results at different levels in the organization.

²³ See ILO, IGDS No. 150, Director-General’s announcement, [“Enhancing delivery of ILO services to constituents”](#).

The ILO's efforts in this context have fully aligned the ILO with UN processes and best practices geared towards greater emphasis on partnership impact, transparency, accountability and sustainability at the country level.

The ILO's vehicle for delivery at country level are the Decent Work Country Programmes (DWCPs). These are defined by the tripartite constituency, based on national development priorities. DWCPs are ILO's contribution to specific UNDAF outcomes, often implemented with other agencies. The process of developing and implementing DWCPs has required a major effort in staff training and advocacy with constituents. Strengthened results frameworks, monitoring arrangements and feedback of evaluations have been documented in subsequent versions of internal guidelines.

- *"There is mixed evidence of the significance of the ILO's contribution to development, humanitarian results or poverty reduction"*

As a relatively minor player in many UN country teams, it is obvious that ILO's programmes cannot in every country alone constitute a major contribution to development, humanitarian results or poverty reduction. There is however clear evidence that the ILO has influenced national agendas, bringing in elements of Decent Work, either in recovery from crisis such as post-tsunami in Indonesia (unfortunately ILO was not assessed in Indonesia, its largest country programme in Asia) or in national development plans, where Decent Work has become a national priority. This was especially visible in the context of the recent financial crisis. At the international level, in 2009 the G20 leaders reaffirmed that "[...] international institutions should consider ILO standards and the goals of the Global Jobs Pact in their crisis and post-crisis analysis and policy-making activities". The notion that decent work is central to development was clearly reflected in DFID's most recent White Paper on Development.

- *"RBM is just beginning to embed itself in the culture and practices of the organization. This has not yet affected delivery on the ground."*

Like many other institutions, the ILO is finding that the introduction of RBM is a process that requires stamina and constant leadership. DFID recognised this and through its partnership programme supported the ILO in making major progress: a comprehensive staff training programme was delivered with DFID support, from senior management to programme officers and specialists in field offices. The ILO's Strategic Policy Framework for 2010-15 sets out the further steps that will be taken, including six-year results-based strategies on HRD, IT, knowledge management and technical cooperation.

Beneficiary voice

“The learning centre has changed my life”

– Sarmin, 18, Maluku, Indonesia

Sarmin was one of the victims of conflict in Ambon in Indonesia. When coming back to his village in 2008, after being imprisoned for four years, he did not know what he was going to do. His future was uncertain. But his life was changed dramatically when he followed the steps of his friends to join a community learning centre, PKBM Bougenville. *“The learning centre has changed my life. The training has provided me with an opportunity to develop and enhance my life skills, in particular my personal and social skills. I also learnt about my rights on education and skills training,”* he says, adding that he also liked the participative learning methods. *“The tutors encourage all of the students, including me, to be active and express ourselves and opinions freely.”*

PKBM Bougenville is established and managed in collaboration with the ILO through its Education and Skills Training for Youth Project. The tutors have been trained using the ILO’s training packages, such as Rights, Responsibility and Representing and Supporting Children’s Rights through Education, the Arts and the Media. After completing the training, Sarmin decided to start his own business. He combined the clay pot creation skill that he learnt in prison with the life skills training that he gained from the learning centre. He was able to produce one clay pot per day, and every ten days he sold them to a local market in Ketapang West Seram with prices of up to \$5 per piece. Sarmin not only succeeded in accessing a government non-formal junior high school – he was also one of the 20 trainers who participated in the ILO’s competency-based training programme in Ambon in December 2009. In 2010, he facilitated similar training for 20 out-of-school youth in his village. He has also dedicated his time to providing motivation and encouragement for, in particular, out-of-school and unemployed youth.

“My goal now is to help out-of-school youth starting their businesses. I know what they feel and what they have been through. I have been there, not knowing what to do, and what I need is only an opportunity to prove who I really am and what I have the potential for. And, my dream is to give others, especially the out-of-school youth, the same opportunity and hope.”

In 2010 outcome-based workplans provided an Office-wide programming vehicle across the ILO’s 19 outcomes for 2010-15, with biennial strategies and an integrated resource framework that pulls together assessed contributions from the regular budget and voluntary contributions. It involves specifying the results to be achieved up-front each biennium and setting performance and resource targets.

The ILO implemented a new forward-looking performance management system in 2009, focusing on results and accountability, competencies and development. This new system provides a link between results-based management and results at the individual level. It allows the ILO to plan for performance, manage its human resources, and channel its efforts to achieve individual and organizational results. It also seeks to provide clarity on expectations to staff members, who are actively participating in the setting of their objectives and targets. It will therefore bring benefits not just to managers and the staff in their teams, but also to those we serve.

MAR 5: Strategic and performance management states:

- + There is a clear mandate and adequate line of sight to strategy and implementation plans.
- + An evaluation unit and systems are in place to enable evaluations to inform programme and budgets.
- ILO leadership is not effective at prioritisation.
- Despite some progress towards merit-based appointments, ILO recruitment decisions are perceived as being influenced by external lobbying on occasion.
- The roll-out of the Integrated Resource Information System (IRIS) has been slow. As a result problems persist in monitoring projects and reporting on results.
- The ILO has an inefficient governing body.
- Although an improved results framework is in place, there is still the need to include outputs to ensure a full results chain is visible.
- = The ILO’s strategic and performance management is improving from a relatively low baseline but the recent steps forward have not yet delivered a strong performance management system.

The ILO acknowledges the recognition of its strong governance framework. However, the criticism regarding prioritization is difficult to interpret and somewhat contradicts the previous conclusion.

Tripartite structures by their nature require more consultation, but their outcomes are more relevant and sustainable than arbitrary alternatives. Tripartism has been fundamental to the ILO's structures since its inception and is the basis of its philosophy and mandate, but ultimately its workings are a matter for its constituents.

To enhance internal governance and accountability the ILO is launching the first step of a newly designed programme in the autumn of 2011. The objective of the Internal Governance and Accountability programme is to deliver the knowledge required to ensure staff members understand the accountability that is implicit in the decisions they take while fulfilling their responsibilities in the operations of the Office. Staff members exercising good governance practices ensure that the following features are to the extent possible present in the decision-making process: compliant with internal rules and regulations; efficient and effective; transparent and accountable; responsive; participative and inclusive; and equitable. The programme aims to foster accountability through better understanding of the concepts and the reasons why rules and regulations were established.

The new generation of Decent Work Country Programmes are a key component in deepening RBM in the ILO. The UK Government in general through the ILO's Governing Body, and DFID in particular through its partnership programme, have supported these efforts in the past. Independent evaluations at various levels have indicated the progress that has been made, and set out the further work needed. DFID support to these efforts, in terms of financial resources and intellectual stimulus, will certainly be missed.

The ILO has created a monitoring and evaluation (M&E) network in the regions to push efforts to improve quality out into the field. Each Regional Office has an M&E Officer and all countries in the regions have evaluation focal points. The network is used as a vehicle to deliver M&E training to ILO staff. In addition, efforts are under way to provide M&E training to tripartite constituents. The goal of this training is to enable them to be more active participants in ILO evaluations and to give them the knowledge, skills and attitudes necessary to apply M&E in their own organizations.

- *"ILO leadership is not effective at prioritisation."*

The ILO is governed by Member States represented by governments and the social partners, all with different views, aspirations, priorities and agendas. Through its endorsement of the 2010-2015 Strategic Policy Framework focusing on 19 Decent Work Outcomes globally, this diverse constituency has demonstrated that it is able to set priorities for the Organization. ILO's senior management has consistently shown its leadership to go down the path of results-based management, as demonstrated in a series of internal guidelines and procedures. Many examples could be provided of how resource allocation decisions are driven by the focus on delivery of results for constituents. Unfortunately, the MAR seems not to have allowed these to be taken into account.

In autumn 2011 the ILO launches a flagship Management and Leadership Development Programme (MLDP) in line with RBM. The objective of the programme is to drive strategic change through leadership, and by doing so increase the accountability and leadership capability that will improve organizational performance. The underlying business driver behind the programme is timely delivery, effective use of resources and motivation of staff. With a clear stakeholder focus the MLDP sets out to reflect the complexity of practising leadership in a globalized world, and of driving strategic change through the engagement of a diverse workforce.

- *"Despite some progress towards merit-based appointments, ILO recruitment decisions are perceived as being influenced by external lobbying on occasion."*

It is difficult to react to perceptions where no evidence is supplied. Since 2008 the ILO Recruitment, Assignment and Placement System (RAPS) has proven an essential tool for coordinating recruitment, assignment and placement activities by timely managing all regular

budget professional vacancies up to P5 level in two rounds per year. RAPS' main objective of attracting and retaining competent, qualified experienced and motivated staff is underpinned by the values of increased openness, staff development, mobility, diversity, competency, timeliness and succession planning. Notes on progress and recruitment statistics are regularly posted on both the intranet and internet. Increasingly higher management level positions are advertised (internally and/or externally) and rigorous screening processes are being put in place. A report is submitted to the Governing Body each year on the composition and structure of staff.

- *“The roll-out of the Integrated Resource Information System (IRIS) has been slow. As a result problems persist in monitoring projects and reporting on results.”*

This is true to the extent that resource constraints have hindered implementation of IRIS. The ILO has taken a measured and cost-neutral approach to the roll-out of its complex ERP to external locations. This means that even though the roll-out of IRIS is a priority in the Programme and Budget proposals for 2012-13, it will be completed from within existing resources. The existing legacy systems have served the Office well in their ability to provide essential financial information on projects. The deployment of IRIS to the regional offices will align and standardize administrative processing functions at the regional level with headquarters, enhancing RBM at field level. IRIS will also be further enhanced to support the tracking and reporting of integrated resources by programme and budget outcome, which in turn will strengthen transparency and accountability. The roll-out of IRIS is a priority for the ILO. The challenges of rolling out IRIS are fully recognized, but are consistent with those faced by any large international organization implementing an enterprise resource planning solution.

However, the MAR has overlooked the fact that the IRIS module for Strategic Management has already been available in all ILO locations for over five years. It is this module that covers all phases of the ILO's biennial programming cycle and supports joint work across technical units and field offices to deliver agreed outputs to achieve outcomes stated in Decent Work Country Programmes. The IRIS functionality to support RBM is being improved on a continuous basis, with significant enhancements in 2010 to monitor and report on outcome-based workplans, providing a cooperation platform to review and track results.

In parallel, the ILO in 2009 developed a 'donor dashboard' with funding from DFID and the Netherlands Government. DFID officials alongside all other donors have full access to the internet-based dashboard to monitor information regarding the use of voluntary contributions. The same dashboard is used by ILO managers alongside a project tracking system. The functionalities of the dashboard can be enhanced but it is not correct to say that “problems persist in monitoring projects...”

- *“Although an improved results framework is in place, there is still the need to include outputs to ensure a full results chain is visible.”*

In a small number of DWCPs the definition of outputs is still incomplete. However, all ILO Decent Work Country Programmes, including those visited in the MAR Review come with outcomes and outputs, targets and indicators as well as risks and assumptions. While summary information is captured in the IRIS Strategic Management Module for internal management and [full DWCPs are posted on the ILO's website](#), the regions maintain their own internet-based platforms with detailed logical frameworks and implementation plans per country. The ILO's Evaluation Unit regularly arranges independent country evaluations.

- *“The ILO has an inefficient Governing Body”*

While it would not be appropriate for the ILO secretariat to comment on the functioning of the Governing Body, since its functioning is decided by the Governing Body itself, of which the United Kingdom Government is a permanent member, since the publication of the MAR the Governing Body has adopted a major reform of its functioning, designed to improve oversight and supervision of the operation of the ILO, the functioning and strategic governance of the

Organization, and the efficiency of its own working methods, including follow-up on programme implementation and resource allocation.

3.6. Financial resources management

MAR 6 states:

- + The ILO can make predictable long term commitments and has adequate policies and processes for financial accountability.
- + Aid flows from the regular budget are reviewed regularly to ensure delivery rates are met.
- While evaluation evidence clearly identifies areas of weak performance, this is not systematically acted upon.
- There is no clear and transparent internal mechanism for the overall allocation of funding.
- The ILO's Governing Body does not adequately follow up on evaluation findings in order to redirect funding to better performing areas.
- = The ILO's overall effectiveness is significantly diminished by a failure to ensure steps to improve value for money are pursued with adequate vigour.

- *"While evaluation evidence clearly identifies areas of weak performance, this is not systematically acted upon."*

This was one of the key findings of the external evaluation of the ILO's evaluation function. The ILO's response to the independent external evaluation of the ILO's evaluation function includes a revised strategy in a results-based format, to be discussed by its Governing Body in March 2011,²⁴ for the implementation of agreed deliverables, including enhancing the role of the Evaluation Advisory Committee to more effectively identify high-priority themes for evaluation. Reporting on lessons learned and follow-up to evaluation recommendations will be required from all line managers and thus contribute to effective decision-making and knowledge-sharing. A regular and demand-driven training programme on evaluation within the context of results-based management will be offered in collaboration with the International Training Centre of the ILO, Turin. The ILO is one of only three UN agencies that has conducted an external evaluation of its evaluation function.

A well-defined process of audit and audit follow-up exists, with regular reporting to both governments and oversight bodies. The ILO has continued to develop and strengthen its oversight bodies, which contribute to improvements in management, effectiveness and efficiency in line with best practices. These bodies include: the Independent Advisory Oversight Committee, the Joint Inspection Unit, the External Auditor, the Office of Internal Audit and Oversight, the Evaluation Unit and the Ethics Office. Together, they contribute to improved accountability and transparency in the context of the ILO's continuing commitment to results-based management. Special attention is now being placed on promoting coherence across the work of these bodies, avoiding duplication and ensuring the efficient use of scarce resources. During 2010-11 a total of US\$ 13.2 million were directly allocated to the oversight bodies altogether, of which US\$ 6.5 million came from the regular budget. The Office will continue to pay close attention to the recommendations arising from internal and external audits, implement them to the extent possible within existing resource constraints, and ensure the appropriate application of lessons learned. Support to evaluation will be strengthened, consistent with the independent evaluation of the ILO's evaluation function conducted in 2010. Measures foreseen include an enhanced role for the Evaluation Advisory Committee and more effective use of lessons learned to inform decision-making and knowledge sharing.

- *"There is no clear and transparent internal mechanism for the overall allocation of funding."*

It is difficult to envisage what the MAR means here. Since the adoption of the Strategic Policy Framework (SPF) 2010-15 and as part of the ILO's commitment to results-based management, Outcome-Based Workplans have been developed for each biennium, for each one of the 19

²⁴ [GB.310/PFA/4/2](#)

substantial ILO outcomes. Each Outcome-Based Workplan is composed of a strategy, a plan for the production of one or more global tools and services to be delivered, and a series of specific country programme outcomes that reflect measurable results.

These Country Programme Outcomes are directly derived from the Decent Work Country Programmes, and now correspond to the indicators established for each of the 19 Outcomes.

As the Outcome-Based Workplans specify the priorities for the Office, they also guide the allocation of resources to those priorities, not only from the Regular Budget but also from XBTC and RBSA resources.

Several key ILO donors have expressed their appreciation of this new resource allocation mechanism and shifted away from earmarked funding for particular technical cooperation projects, towards direct contributions, to decent work outcomes and to the RBSA. This is particularly the case for the donors who signed long-term partnership agreements with the ILO, and the amount of RBSA mobilized by the ILO in 2010 further confirms the recognition and donor trust offered to this resource allocation system. The Outcome-Based Workplans are also increasingly used for defining the scope of stand-alone projects, as donors who have not been in the position to provide unearmarked resources recognize their value for the design of individual interventions that are fully based on constituents' priorities. An increasing number of ILO donors also requested a significant simplification of the reporting format, fully relying on the indicators already available in the ILO's Programme and Budget.

- *"The ILO's Governing Body does not adequately follow up on evaluation findings in order to redirect funding to better performing areas."*

Please refer to our comments on DFID's assessment of the Governing Body under 3.5 above.

3.7. Cost and value consciousness

MAR 7 states:

- There is clear evidence at the country level that cost-efficiency is not taken seriously and that consideration for value for money as set out in procurement principles is not always adhered to.
- No evidence was found of procurement savings targets.
- The ILO's outdated field structure impedes effective delivery on the ground in the least developed countries.
- 62% of ILO evaluations have failed to address cost effectiveness issues.
- The ILO's Governing Body only occasionally challenges management on value for money issues.
- Limited progress has been made in realising efficiency savings in administration budgets though there have been some encouraging signs e.g. on savings on travel budgets.
- Cost control in the ILO is weak and while there is evidence of limited central efficiency saving efforts, is no evidence was found that adequate cost control is being applied at the project and country level.

The ILO operates a transparent procurement process,²⁵ which underlines the need for value for money in contracting. The procedures include the requirement that contracts over the amount of US\$ 30,000 be made subject to open competitive tendering, conducted through the web portal operated by the United Nations, and as appropriate through direct advertising. The results are available to the public. The ILO has revised its procurement policies and procedures to meet best international practices and has conducted an increased number of regional training events since 2008 for concerned staff. This has resulted in a 69 per cent increase in tender procedures undertaken.

Cost control is an essential part of the appraisal of any new technical cooperation project. A budget for a project is not opened before the financial services are satisfied that costs are correctly estimated and budgeted. The ILO currently implements more than 800 projects around the globe in more than 100 countries.

²⁵ See Internal Guidance Note No. 216 on [Procurement Thresholds](#).

The MAR states that 62 per cent of ILO evaluations have failed to address cost effectiveness issues. This figure derives from a review managed by the ILO itself in 2010 when it engaged an independent consultant to review the extent to which the ILO's work on employment had been objectively evaluated and how findings informed improvements. The report covered the evaluations conducted for employment projects and programmes only, and is not representative of the ILO as a whole. The Office has drawn up a plan for addressing the gaps that were identified and embarked on a second phase to review other organizational approaches to impact assessment and further strengthen work in this area.

Cost efficiency (measurement of inputs in relation to outputs), and cost effectiveness are standard considerations in all ILO evaluations. Evaluations look at the extent to which performance budgeting has been applied in the projects and examine management overhead costs in relation to direct support services, bearing in mind however the possible distorting effects, such as a focus on short-term results at the expense of long-term and more sustainable development.

Overview of efficiency savings (from 2004-05 to 2010-2011)

Efficiency savings for 2010-11

- Reduced budget for management and support: **US\$ 2.8 million**
- Reduced number of administrative personnel in technical programmes: **US\$ 1.2 million**
- Reduced staff travel costs: **US\$ 1.1 million**
- Reductions in the number and length of documents and other savings related to the Governing Body and the International Labour Conference: **US\$ 2.8 million**

Savings total: US \$7.9 million

Source: Programme and Budget for the Biennium 2010-11, pages 5-6

Efficiency savings for 2008-09

- Reduced budget for management services: **US\$ 2.2 million**
- Reduced budget for support services: **US\$ 1.3 million**
- Reduced budget for services to meetings: **US\$ 800,000**
- Reduced budget for support personnel in technical programmes: approximately **US\$ 1 million.**

Savings total: US\$5.3 million

Source: Programme and Budget for the Biennium 2008-09, page 4

Efficiency savings for 2006-07

- Elimination of smaller units and subunits in technical programmes. This reduced the number of management staff and allowed for better use of professional and support staff
- Reduction in the number of professional positions upon retirement of incumbents
- Retirements have provided regions and technical programmes the opportunity to restructure the skills profiles
- Restructuring in regions the technical teams to provide for technical positions combining a number of technical areas
- Elimination of a professional position from each of the Policy Integration Department and the Sectoral Activities Department
- In non-staff areas, savings and efficiencies are realized by: reduction in travel costs (24%) and in equipment purchase and maintenance; elimination in the subsidy to the International School of Geneva; and savings from providing the Provisional Record in DVD form.
- Other areas pursued during the biennium and subsequent biennia include: an effective strategy for knowledge development based on accurate information and reflected in quality publications; reform of administrative structures; reform of field structures; further rebalancing of the grade structure; re-engineering procedures to take advantage of IRIS capacities

Source: Programme and budget for the biennium 2006-07, pages 14-16.

In the interests of sound governance and a conservative approach to financial management, in recent biennia the regular budget has absorbed an increasing level of additional costs, ranging from US\$ 10 million to 15 million per year. The measures that have been taken to strengthen

staff development, audit and evaluation, to reinforce financial reporting, to apply best practice approaches to accountability and ethics, to meet increasingly stringent standards for security in facilities and operations, and to set aside resources for future renovation of buildings are all important examples of additional costs that have been absorbed by the Office.

Savings and efficiencies have been central themes of the ILO programmes and budgets for over five biennia. The table below gives a summary of savings in recent biennia.

The ILO has accelerated its savings and efficiency measures in the light of the current crisis. US\$ 7.9 million of efficiency savings are foreseen in the Programme and Budget for 2010-11. These savings permit an increase in services to ILO constituents with no budgetary increase. They also contribute to increased allocations for security, and for oversight and evaluation. Further savings are foreseen for the 2012-13 biennium, as well as further increases in resources for evaluation.

Regular budget reviews are conducted by the financial services. Annual staffing reviews are conducted by the human resources and finance units. An internal audit review is conducted regularly of the system of internal governance and control. An External Auditor also reports annually to the Governing Body.

3.8. Partnership behaviour

MAR 8 states:

- + There are some good examples of the ILO working with partners e.g. social partners or international financial institutions.
- + There is some good evidence of the ILO helping governments to develop their own country systems.
- + The priorities of the Decent Work Country Programmes are derived from countries' national development plans.
- Beneficiary voice is not adequately incorporated into policy making or programme design.
- The focus on Trade Union members can serve to exclude those working in the informal sector.
- = The ILO's tripartite structure and programme approach support good partnership behaviour overall.

The ILO welcomes the conclusion in the MAR that the ILO's tripartite structure and programme approach supports good partnership behaviour.

- *"The focus on trade union members can serve to exclude those working in the informal sector."*

This presupposes that trade unions exclude informal economy workers from their membership; that trade union activities are limited to the formal economy and their actions have no impact on the informal economy; and that ILO activities are directed exclusively at formal economy workers.

The vocation of trade unions is to organize workers, irrespective of their status, sector of activity or gender. Trade unions worldwide include informal economy workers, and organizing workers in the informal economy is an increasing priority for the global trade union movement. In some cases this has become an increasing necessity as neo-liberal economic policies have led to mass dismissals of formal economy workers who are then forced to turn to the informal economy to survive. Trade unions actively organize workers in the informal economy either as federations of such workers affiliated to a national centre, or as members of existing professional federations of workers (such as agricultural, textile and transport workers' unions). Confederations of informal economy workers are being created. Organizations such as SEWA in India have also affiliated themselves to the International Confederation of Trade Unions and to Global Union Federations.

Trade union activities are not limited to the formal economy and their actions have an impact on the informal economy. The mission of trade unions is, first, to promote and defend the rights of their members, which include informal economy workers, and secondly, to promote

and defend social justice, democracy and development for all, particularly the poorest in society. Trade unions actively work to ensure that informal economy workers, who are not even members of the unions, benefit from trade union action in favour of social justice, human rights, democracy and development. Unions campaign for and bring about progressive changes in labour law, protect social security programmes, and fight to establish a minimum wage to help the working poor. They advocate for pro-poor policies and campaign for education for all. In doing so they not only help their members, but promote and protect the fundamental rights of the poorest in society. For example, in France some 8 per cent of the workforce is organized in unions, but trade union collective bargaining covers some 95 per cent of all workers. Minimum wages negotiated by unions cover a sizeable proportion of workers, and positively affect wage levels in the informal economy. Through collective bargaining, campaigns and engagement in policy debate with governments, trade unions fight to ensure improved living and working conditions for the poorest in society.

Trade unions also play an important role in helping more workers avoid falling into the informal economy by their engagement in public policy development to guarantee sound economic and social policies that promote the creation of more and better formal economy jobs; and by providing assistance to school leavers and young workers to secure formal employment, assistance to employed workers faced with lay-offs and retrenchment, and assistance to workers to help them develop initiatives such as shared ownership and cooperatives.

Innovation: Better Work

Better Work is a partnership programme between the ILO and the International Finance Corporation (IFC), the private-sector financing arm of the World Bank Group. This industry-based initiative seeks to strengthen relationships between international buyers, local enterprises, governments and workers' organizations to improve working conditions and competitiveness by implementing the fundamental international labour standards and national labour law. Thanks to its success, the programme has attracted different buyers and supporters, including Abercrombie & Fitch, Adidas Group, Gap Inc., H&M Hennes & Mauritz AB, Levi Strauss & Co., Sears Holdings Corporation, Wal-Mart Stores and the Walt Disney Company.

<http://www.betterwork.org>

The informal economy refers to “all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements”.²⁶ Precarious work, sub-contracting, and home-based work in extralegal arrangements have increased in the labour market as a result of the fragmentation of formal employment arrangements. Increasing emphasis on flexibility means that unrecognized employment relationships are increasingly the norm. In this context trade unions actively engage public authorities at all levels to ensure effective governance that secures formal recognition of all employment relationships.

Trade unions champion human rights, democracy and social justice at the workplace and at national and international levels. As a result trade unionists are in some countries frequently the target of death threats, assassinations, torture, imprisonment and many other human rights violations. During the communist dictatorship in Poland, trade unions championed the rights not only of their members but of society as a whole. During the apartheid regime in South Africa, the trade unions were not only concerned with their members but joined the fight for democracy and a multiracial South Africa. More recently, trade unions in Zimbabwe have borne the brunt of the regime in Zimbabwe because of their campaigns for the democratization of society. Similarly, the FTUB union is organizing democratic voices outside Burma in order to promote democracy there. In Tunisia the General Tunisian Workers' Union (UGTT) was not only concerned about its members but was fighting for the whole of society when it decided to play a key role in the recent fall of a regime.

²⁶ [Resolution concerning decent work and the informal economy, International Labour Conference, 2002.](#)

ILO activities are not restricted to the formal economy. The majority of the ILO's international labour standards cover all workers, irrespective of their sector of activity. Similarly, ILO employment, social protection and labour administration programmes are aimed not only at the formal economy, but also at workers and economic units in the informal economy: in June 2011 the International Labour Conference will discuss domestic workers and the extension of social protection, illustrating this constant concern of the ILO to be at the service of all working people in society.

Working with trade unions in the ILO is a constitutional obligation as a tripartite organization. This derives from British proposals at the Versailles Peace Conference of 1919. Even then, trade unions were seen not as representing the sectarian interests of their members, but those of all working people needing protection. Trade unions worldwide continue to play this role.

The ILO has for many decades been an example of the successful involvement of civil society in policy-making structures, and the right to participate in ILO proceedings enjoyed by NGOs is unequalled in any other agency. The ILO partners with a wide range of actors in civil society, including NGOs, faith-based groups, parliamentarians and philanthropic foundations, through many different arrangements including Public-private partnerships.²⁷

“The Bill and Melinda Gates Foundation is proud to partner with the ILO in efforts to serve millions of people with great needs and few resources. [...] Through the ILO, their grantees, and the Micro-insurance Innovation Facility, we are committed to learning more about the impact and value of insurance for people in developing countries.”

– Bob Christen, Director of the Financial Services for the Poor Initiative, The Bill and Melinda Gates Foundation

UN reform

The ILO is fully committed to United Nations reform, which involves extensive partnerships with a considerable number of other UN bodies. This aspect of partnership was not scored in the MAR, although DFID contributed to capacity building to support reform processes. The following summarizes the most significant.

The ILO has been at the forefront of efforts towards reform and has embraced it in its practices. It has a dedicated team at headquarters and a field network of UN reform focal points, as well as a dedicated knowledge sharing system. The ILO Director-General chaired the UN's High-Level Committee on Programmes from 2008 to 2010, during which UN policy coherence around the crisis response was made a priority.

At the field level and through support to the UN Development Group structures the ILO has harmonized its Decent Work Country Programmes with UN Country Programmes, including national UN Development Assistance Frameworks (UNDAFs). The ILO plays a key role in UNDAF planning, and currently with UNICEF co-chairs the UNDAF Programming Network. A key concern is to ensure policy coherence in terms of outcomes, which are nationally owned and rights-based, and follow a results-based management methodology.

The ILO is also co-chair with UNDP of the UNDG Aid Effectiveness Task Team, where it works to ensure effective, harmonized and transparent operations in the UN system. Many of the principles contained in the Paris Declaration on Aid Effectiveness and the UN's TCPR are embodied in the work of this group and are followed and promoted by ILO country offices.

The Office actively participates in discussions on the follow up to key UN resolutions on system-wide coherence. The ILO is active in all UNDG working groups, task forces and networks, and treats progress towards UN reform and policy coherence at all levels as a high priority.

²⁷ See <http://www.ilo.org/public/english/bureau/pardev/development/ppp.htm> .

In November 2009 the UNDG adopted an improved Guidance Note on UNDAFs. The ILO's comparative advantages – international labour standards and fundamental principles and rights at work, the overall strengths of the Decent Work Agenda and its specific instruments, such as the CEB Toolkit for Mainstreaming Employment and Decent Work and gender audit methodologies – are embedded in the new document. More importantly, the guidance makes a specific reference to workers' and employers' organizations as national stakeholders who need to be consulted in the process of design, implementation, and monitoring of the UNDAF.

The ILO has established targets for Decent Work Country Programme priorities in UNDAFs and for the social partners' participation in them.²⁸

For the UN General Assembly High-Level Plenary Meeting (HLP) on the MDGs of September 2010, the ILO co-authored the thematic report on MDG 1 ("eradicate extreme poverty and hunger") with WFP and the World Bank. The report includes an analysis of successful strategies and measures, factors underpinning successful policies, critical gaps and a summary of key lessons and future measures. The ILO is currently contributing to the development of an Integrated Implementation Framework (IIF) to support the achievement of the MDGs more effectively through mutual accountability.

In 2006 the ILO was asked by the United Nations Chief Executives Board (CEB) to develop a *Toolkit for Mainstreaming Employment and Decent Work*, a knowledge management system to aid understanding of the principles and concepts involved among other international organizations. Each organization in the UN system was invited to complete a self-assessment, provided in the Toolkit, of the employment and decent work outcomes of its policies, programmes and activities. As a result those outcomes have so far been addressed in the programming frameworks of 15 other UN agencies, including two of the largest – UNICEF and WHO.

The Toolkit was then extended to support development activities at national level, and some 30 national reports have so far been filed. With the onset of the financial and economic crisis the Toolkit was further extended to provide knowledge support to the nine CEB Crisis Initiatives, including the Global Jobs Pact and the Social Protection Floor.

In 2010 the ILO analysed the degree to which the Decent Work Agenda (DWA) has been reflected in all 102 active UNDAFs: decent work and its principles had been identified as priorities in three-quarters of the countries: 28 UNDAFs reflect all four DWA pillars, and nearly three-quarters of all UNDAFs reflect at least three pillars. One-third of the UNDAFs make an explicit reference to decent work, and such concepts as employment promotion, social protection, gender equality, and children's rights, with particular focus on child labour, are integrated in most of them. The DWA was partially included in many other UNDAFs. These are important steps, influencing the programming of activities and the allocation of resources towards ILO concerns and opening up opportunities for ILO constituents.

The ILO established a solid partnership with the UNDP's South South Unit for the running of the South South Expo of the United Nations held at the ILO in November 2010. South-South cooperation has been increasing in the ILO, with major inputs from Brazil as the biggest donor from the South, but most recently through cooperation with India and South Africa ([IBSA Declaration of Intent](#), signed at the Expo).

The ILO partnered with the IMF and the Government of Norway in September 2010 to organize the Joint ILO-IMF conference on "[The Challenges of Growth, Employment and Social Cohesion](#)" (see box below). The outcome was a joint statement by the IMF and the ILO, along with other leaders, calling for a broad international commitment to a jobs-focused policy response to the global economic downturn.

²⁸ <http://www.ilo.org/public/english/bureau/pardev/relations/reform.htm>

The IMF and the ILO: recalling the origins

One of the purposes of the IMF, decided at the Bretton Woods Conference in July 1944, is –to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy (Article I(ii)).

The Declaration of Philadelphia, which relaunched the ILO in May 1944 and became part of its Constitution, affirms that “all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity” and that “it is a responsibility of the International Labour Organization to examine and consider all international economic and financial policies and measures in the light of this fundamental objective” (Article II). The Declaration also “recognizes the solemn obligation of the International Labour Organization to further among the nations of the world programmes which will achieve ...full employment and the raising of standards of living” (Article III).

These two conferences, taking place one after the other in 1944, were driven by the conviction that the mass unemployment of the 1920s and 1930s which was widely seen as both a cause and a consequence of the breakdown of international cooperation that led to war, must never be repeated.

Now 66 years later, the world is grappling with the aftermath of the most serious economic and financial crisis since the 1930s that threatens to leave a legacy of prolonged large-scale unemployment, underemployment and increased job insecurity and informality.

As the creators of the post-1945 architecture for global governance envisaged, achieving full employment and poverty-eradicating development requires policy coherence across the responsibilities of different ministries and international organizations. Yet the history of much of the period since then is one of increasing policy specialization and even contradiction. Taking off these blinkers is likely to play a big part in finding a better way to shape a fairer globalization.

[*The Challenges of Growth, Employment and Social Cohesion*](#). Joint ILO-IMF conference in cooperation with the office of the Prime Minister of Norway, September 2010.

3.9. Transparency and accountability

MAR 9 states:

- + A clear disclosure policy is in place.
- + There is good representation of member states within the ILO’s governance structure.
- + General information on the ILO’s purpose, vision and activities is widely available.
- Specific information on results and expenditure is limited. The establishment of a donor dashboard (project database) is a step forward - but it offers limited information, is not yet fully functional, and is not in the public domain.
- The ILO does not systematically encourage or pursue transparency and accountability in delivery partners and recipients.
- = There is evidence of some good practice in transparency and accountability but the ILO’s external project database is inadequate and there is insufficient data in the public domain on expenditure and results.

The ILO is committed to openness and transparency in all its operations, activities and decision-making processes. Given its unique tripartite governance structure involving representatives of workers' and employers' organizations as well as governments, the ILO has a long history as an open and transparent organization. Over the past few years the ILO has taken many steps to enhance its already well established system of internal governance in order to better promote transparency and accountability to constituents and beneficiaries for results. RBM, together with independent evaluations and audits (both internal and external) of ILO activities demonstrate that ILO provides value for money and assurance to stakeholders that funds are being used as intended in a prudent and effective manner.

The ILO has in place many mechanisms that demonstrate openness and transparency to its constituents, donors, beneficiaries and the wider public. Governing Body documents are publicly available on the ILO’s website, which provide a range of information on the performance of the Organization and how it spends funds received. Moreover, with the establishment of an Independent Oversight and Advisory Committee that reports direct to the Governing Body there is greater openness on financial and audit matters. The ILO is held to account through its programme implementation report and the regular progress reports that

are required to be presented to donors of technical cooperation projects. The ILO is taking steps to further enhance its openness and transparency.

The results framework of outcomes and indicators found in the Strategic Policy Framework 2010–15, and in the three consecutive biennial programme and budget documents for the period through 2015, has been set to remain stable to allow better comparability over time. It is centred on the priorities of the Decent Work Agenda, captured in 19 outcomes. Performance indicators measuring the achievement of each outcome provide details on results in terms of systemic change in policy or capacity in Member States that is to be achieved through a significant ILO contribution. Each indicator is accompanied by a measurement statement that specifies the qualitative criteria that have to be met in order for a result to be counted as a reportable change among targets. Criteria are built on the principles based on international labour standards and other tripartite policy guidance.

The performance of the Office in achieving the results set by the Organization for each programme and budget period is reported through the biennial Programme Implementation Report. The latter is central to results-based management at the ILO and is the subject of continuous improvement. In addition to being an instrument of accountability, it contributes to organizational learning, as it has progressively included a greater focus on lessons learned and actions to further improve performance. Performance is assessed first and foremost against target results achieved in countries through an integrated use of resources across all sources of funds. Information on integrated resource use is provided for each of the 19 outcomes.

The Donors' Dashboard was also finalized in 2010 to provide more detailed project-specific information to all donors through authorized electronic access, in accordance with donors' wishes. The external final evaluation of the DFID-ILO Partnership that was conducted by DFID and published in March 2010 indicated that "it is clear that this will improve donors' ability to quickly access much more details on specific projects. Donors' representatives will need to be proactive to test the software and feedback on what is useful for donor's needs, so that the Dashboard system accurately responds to donors' demands and the possibility of wasted effort can be minimised".

The Office recently introduced a number of new measures and revised a range of existing rules and procedures. In particular, it created the function of Ethics Officer²⁹ to foster a culture of integrity and high ethical standards. The Ethics Officer's functions cover promotion, consultation and whistleblower protection: the Ethics Officer provides guidance to ensure that ILO policies, procedures and practices reinforce and promote the relevant ethical standards and that the ethical standards are clearly understood, including through training programmes; counsels, on request, the administration and colleagues on questions of ethics and those governing outside activities; and protects whistleblowers, whereby the Ethics Officer makes a preliminary review of complaints by staff who allege retaliation subsequent to their reporting misconduct or cooperating with an audit or investigation.

The Office has codified the ILO's zero tolerance policy to fraud and dishonesty and actively promotes an anti-fraud culture. Furthermore, the Office has redefined the roles and responsibilities of its senior managers. These measures, which are aligned with best practice in the UN system, are progressively enhancing the culture of service and performance in the ILO and increasing operational efficiency and effectiveness.

The Office has issued a Public Information Disclosure Policy to ensure that information on ILO policies, strategies and operational activities is available to the widest possible audience.

The related Internal Guidance Notes on these issues are appended.

²⁹ Office Directive on Ethics in the Office, IGDS Number 76, 17 June 2009.

The ILO uses a standard agreement with all delivery partners, which requires high standards of ethical behaviour of them and accountability for the use of funds and outcomes delivered. These agreements also provide for partial payments based on delivery, access to documents and the right to terminate contracts where delivery is not satisfactory. The ILO has exercised its options to terminate contracts which were not delivered or where issues arose relating to accountability.

3.10 Likelihood of positive change

MAR 10 states:

- + Improvements in results based management should be achieved through the introduction of Outcome Based Work plans.
- Tripartite structures can impede progress in important areas of reform.
- = The scale of reform implies that the Governing Body would need to act more decisively than it has in the past for there to be substantive positive change.

The ILO welcomes the recognition that its Outcome-based Workplans will bring improvements in results-based management.

As regards the view that tripartite structures can impede progress on reform issues, this is a political assessment that is not substantiated in the review, which does not define “important areas of reform” or cite examples. Tripartite structures by their nature require more consultation, but their outcomes are more relevant and sustainable than arbitrary alternatives. Tripartism is embedded in the ILO Constitution. It has been fundamental to the ILO’s structures since its inception and is the basis of its philosophy and mandate, but ultimately its workings are a matter for its constituents.

The Governing Body is determined to improve its functioning and is addressing this issue through a Working Party, of which the UK is a member.

4. Closing remarks

The ILO disagrees with the findings of the MAR. As this report shows, the ILO gives good value for money in a wide range of areas that are together crucial to genuine socio-economic development in the real economy and in keeping with DFID’s development objectives. This is of key importance during a world financial and economic crisis, and it is difficult to understand why major support is being denied to the ILO during a continuing global jobs crisis in which the risk of jobless growth and increased job insecurity remains high in many countries. The ILO’s mandate and work are based on the belief that “universal and lasting peace can be established only if it is based upon social justice”. It is essential in the current crisis to avoid the social and employment roots of economic instability which can lead to conflict and poverty.

The MAR questions the relevance of tripartism to international development and security. Recent events in North African and Arab States amply illustrate the value of active social dialogue and decent work, and the need for a long-term approach to social and economic development, especially on such issues as employment, and youth employment in particular. Such an approach will increase world security by reducing tension through dialogue.

In our view the methodology of the MAR has conceptual weaknesses and offers only a limited basis for such broad conclusions, and in many cases the conclusions are not supported by the findings on individual points.

The ILO is primarily a policy and standard-setting institution, and its technical cooperation serves this function. It operates within social, economic and political processes that are central to the implementation of its vision and policy proposals. Policy changes take time to have an impact, often long after the funding has ended.

The ILO presents this detailed reply to the review's findings in the hope that we can renew the positive cooperation with the UK Department of International Development, which has assisted the ILO in so many ways for many decades, including in results-based management. The ILO shares DFID's adherence to principles of transparency, accountability and results.

The MAR recognizes a number of key strengths of the ILO, including its leadership role in labour and employment matters, the importance of the Decent Work Agenda, and other achievements.

The MAR also raises several points concerning alleged inefficiency in the management and financial control of the Office. The ILO has continuously upgraded the quality and independence of its oversight machinery in recent years, and it has rapidly increased resources for both evaluation and audit within a zero-growth budget.

Following a self-evaluation by the ILO of the DFID-ILO partnership, which DFID appreciated, DFID in 2010 engaged in an in-depth external evaluation of the partnership, which included desk reviews, country visits and interviews with stakeholders over a period of three months, and which resulted in the recommendation that the partnership be renewed. That review was published in April 2010. It is attached as Appendix IV.

The ILO therefore believed that these joint efforts had brought major improvements in understanding in its relationship with DFID and that the concrete findings would serve as a basis to work towards improvements, enhance policy dialogue, and join forces on areas of common interest.

The evidence presented in this report illustrates how and why the ILO can and should be a key partner to advance DFID's priorities in the next four years.

As stated at the outset, the ILO's ultimate goal is development in its broadest sense, not aid. Investment in such development is a long-term strategy in which the Decent Work Agenda is the key factor that makes development sustainable.

Taking the above into account, the ILO would therefore invite DFID, other relevant Departments of the UK Government, and the UK workers' and employers' organizations – the Trades Union Congress and the Confederation of British Industry – to engage in discussion with the ILO on how the ILO and the UK Government can continue to work together to improve the performance of the ILO as we have done in the past, and how our Partnership to promote decent work can be continued.