



International
Labour
Organization



ILO Regular Budget Supplementary Account

November 2012 RBSA update note

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1. The added value of RBSA

The ILO established the **Regular Budget Supplementary Account (RBSA)** to support the Decent Work Agenda through flexible un-earmarked voluntary contributions to the ILO's technical cooperation programme.

RBSA is a key resource to deliver decent work results as it allows the ILO to allocate funds when and where they are most needed in an independent, flexible and fast manner, complementing other ILO resources. RBSA enables the Office to expand, accelerate, deepen and replicate existing technical cooperation programmes.

RBSA enables the Office to serve those thematic areas and/or Member States that do not attract voluntary contributions as easily as others. The flexibility associated with the RBSA modality therefore allows the Office to direct resources to areas and countries where they are most needed.

Finally, RBSA is an efficient modality that reduces transaction costs for the ILO, and is therefore subject to a reduced administrative support cost of 7 per cent. RBSA also corresponds to international commitments on unttying ODA for increased development effectiveness.

2. Allocation and management of RBSA

RBSA complements the ILO's Regular Budget of assessed contributions by Member States (**RB**) and voluntary contributions to ILO Extra-budgetary Technical Cooperation (**XBTC**).

For each biennium the Governing Body agrees on an RBSA expenditure target, across the four strategic objectives and five regions.

RBSA is subject to the same governance and oversight as the Regular Budget, as well as to the established ILO evaluation framework and policies. The ILO reports on RBSA in the biennial Programme Implementation Report.

The allocation and management of RBSA is governed by specific internal governance documents, with the Bureau for Programme and Management in charge of the allocation process. The general guidance is that –

- RBSA supports decent work priorities and outcomes in dialogue with constituents in countries in the framework of United Nations reform and inter-agency cooperation. The funds constitute official development assistance (ODA) and can only be used in direct support of ODA eligible Member States.
- Outcome-based workplans (OBWs) provide the framework for allocations. RBSA funds are only allocated for Decent Work Country Programme (DWCP) outcomes and Global Products that are supported by a results framework. In selecting DWCP outcomes, the following criteria apply:
 - the achievement of targets established in the programme and budget
 - tripartite support and involvement
 - the contribution to national development objectives and United Nations country programme goals
 - Office-wide collaboration.
- The allocation and monitoring of RBSA allocations is based on information in the Implementation Planning module of the Integrated Resource Information System (IRIS) Strategic Management Module.

In terms of the detailed process followed, the Office procedures indicate that –

- i) Outcome Coordinators work with Regional Directors and Executive Directors to prioritize Country Programme Outcomes and Global Products that require the allocation of resources for results to be achieved. The Bureau for Programming and Management (PROGRAMME) then carries out an appraisal

in terms of strategic fit with the DWCP, results statements, outputs and indicators before releasing the allocation.

- ii) Field office directors are primarily responsible for monitoring the use of RBSA within their country programmes. Delivery levels will be monitored closely over the implementation periods and low delivery may result in re-programming.
- iii) Contributions and expenditure under the RBSA, as well as results achieved, are reported to the Governing Body through the standard financial reports and the biennial Programme Implementation Report.

3. RBSA and results-based management

RBSA contributes to strengthening results-based management (RBM) for development results and forms part of the ILO's RBM road map. The availability of these flexible resources has provided a strong incentive for more focused, results-based Decent Work Country Programmes (DWCPs), agreed with the ILO's constituents and forming part of ILO's contribution to national development frameworks through United Nations Development Assistance Frameworks (UNDAFs).

The allocation of RBSA, as part of an integrated resource framework for all the ILO's resources, has enhanced collaboration between ILO field offices and technical units in order to jointly plan and deliver the specific outputs called for under the ILO global outcomes and the DWCPs. The ILO's Integrated Resource Information System has made it possible to support this integrated planning and implementation process by providing an Organization-wide tool to develop and monitor Outcome-based Workplans for each of the ILO's 19 Outcomes.

For RBSA, while adhering to the overall ILO policy on evaluation, which is aligned with UN-wide practice and OECD/DAC guidelines, a specific allocation of 5 per cent has been set aside for oversight, monitoring and evaluation of all RBSA allocations –

- 4.6 % is allocated to field offices for independent evaluations, internal monitoring and self-evaluation and reporting activities
- 0.4 % is set aside for use by the Office of Internal Audit and Oversight (IAO) for audits of operations covered partially or fully by RBSA funds.

Regional offices are responsible for developing evaluation plans in consultation with the ILO's Evaluation Unit, which also assesses the quality of these RBSA evaluations and reports to the ILO's Governing Body through its Annual Evaluation Report.

RBSA in past biennia

2008-2009

In 2008-2009 many donors responded positively to the launch of RBSA and made available a total of US\$ 42 million. Some of these contributions were earmarked for selected Outcomes in the Programme & Budget or to specific regions. While this was indeed an option, with hindsight it became clear that such earmarking led to overly complicated internal allocation procedures to respect the donors earmarks while keeping an overall balance. Some contributions might have been more appropriately recorded as regular voluntary contributions to specific programmes. The ILO therefore now advocates fully unearmarked contributions to the extent possible.

The [Programme Implementation Report 2008-09](#) provided information on the allocation and results obtained through RBSA funding and included an annex on donor contributions. The following excerpts from the 2008-2009 report are relevant:

Despite some challenges faced by the Office in introducing this new funding modality and the receipt of some contributions late in the biennium, the delivery rate for programmed technical work was 77 per cent. Allocated to official development assistance-eligible countries, RBSA has been instrumental in boosting DWCPs, through an optimized use of resources where they are most needed. This flexible and timely funding has enabled the ILO to address high-priority issues, including those resulting from the global economic crisis. For example, RBSA has helped the Office –

- kick-start innovative programmes and activities (e.g. ILO/UNEP/ITUC/IOE Green Jobs Initiative in Asia)
- extend geographical outreach or upscale ongoing programmes (e.g. capacity building programme for national financial planning and management of social security systems in Africa)
- enhance the sustainability of ILO assistance through partnerships with other UN agencies in the context of UN reform (e.g. job creation schemes in Lebanon)
- strengthen the capacity of constituents to achieve the policy goals of the Organization (e.g. pilot initiative on people with disabilities in Serbia)
- mainstream cross-cutting issues in labour policies and programmes (e.g. regional initiative on gender equality in Latin America).

RBSA expenditure in 2008–09 (in thousands of US dollars)

Strategic objective	Africa	Americas	Arab States	Asia	Europe	Total
Standards	1,785	1,606	275	244	260	4,171
Employment	9,286	1,199	405	3,704	1,307	15,902
Social protection	5,702	190	143	598	302	6,936
Social dialogue	240	361	684	65	346	1,697
Total	17,014	3,357	1,506	4,612	2,216	28,705

2010-2011

In 2010-11, the ILO received over USD 53 million in new RBSA contributions. Five donors (Netherlands, Belgium, Denmark, Norway and Italy) provided substantial and fully un-earmarked resources. Germany's contribution was subject to special earmarking. These new contributions, which were pledged and paid into ILO accounts over the course of the biennium, have been combined with funds remaining in the RBSA account at the end of 2009.

RBSA contributions received in 2010–11 (in thousands of US dollars)

Donor	Total
Belgium	8,814
Denmark	6,932
Germany	4,049
Italy	300
Netherlands	26,970
Norway	6,787
Total	53,852

The flexibility of RBSA resources continued to support the ILO's capacity to respond to urgent priorities in the midst of a global economic crisis. Specific allocations of RBSA made were in response to new demands emerging from the Arab Spring. The 2010-11 Programme Implementation Report: <http://www.ilo.org/public/english/bureau/programme/ir/2010-11.htm> provides comprehensive information on ILO's results in 2010-11 and provides indications of the specific contribution made by RBSA.

An internal assessment of RBSA found that the flexibility and timely funding of RBSA had enabled the ILO –

- to provide a real incentive for joint work and effective results-based management, especially at country level, supporting the policy goals of the Organization and contributing to major changes in the ways in which the Office has been working,
- to develop the capacity of the social partners and enable them to participate more effectively in socio-economic policy development,
- to build and extend external partnerships, especially with other UN agencies,
- to leverage additional funding from other sources.

The distribution of RBSA across regions and strategic objectives was follows:

RBSA expenditure in 2010–11 (in thousands of US dollars)

Strategic objective	Global	Africa	Americas	Arab States	Asia	Europe	TOTAL
Employment	1,964	3,033	1,371	652	1,819	926	9,764
Social Protection	1,841	5,899	1,004	195	953	280	10,171
Social Dialogue	1,334	2,204	1,018	906	1,031	651	7,142
Standards	993	1,348	621	177	857	444	4,438
Policy Coherence	661	1,398	681	24	984	36	3,783
Total	6,790	13,881	4,695	1,953	5,642	2,337	35,299

In order to inform donors on how RBSA is making a difference in delivering technical cooperation, the ILO prepared an Information update available through the following link: (<http://www.ilo.org/public/english/bureau/pardev/development/mobilization/budgetsupplementary.htm>).

To be noted in 2010-11 about 20 per cent of RBSA allocations have been directed to Global Products (GPs), in particular to support the development of tools that can be adapted for use in different countries and regions.

RBSA in 2012-2013

The ILO's Governing Body has set a target for expenditure under RBSA in 2012-13 of US\$ 50 million. Taking into account an expected carry-over of US\$ 15 million from 2010-11 resulting from funds received later in the biennium, this leads to a resource mobilization target of US\$ 35 million for 2012-2013.

To date, Norway and the Netherlands have signed agreements for their continued support to RBSA in 2012-13. Italy has also provided funding to the RBSA for 2012. Both Denmark and Belgium have indicated they will also continue funding through RBSA.



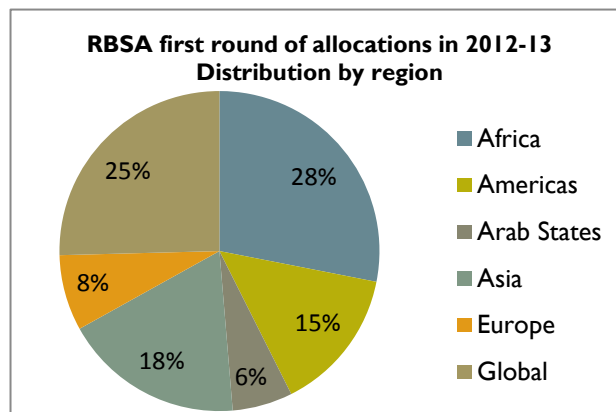
RBSA commitments as at 31 October 2012 (in thousands of US dollars, based on current exchange rates)

Donor	Total
Netherlands	11,500
Norway	7,100
Italy	200
Belgium	Tbc
Denmark	Tbc
Total	18,600

The vision of the ILO's new Director-General and the debate in the Governing Body around the ILO's future areas of critical importance are sure to have a bearing on the strategic use of RBSA in the coming years. This will of course be discussed with the RBSA contributors.

The ILO will continue to engage new donors in supporting RBSA and other forms of flexible funding. The Office is aware of the need to give appropriate visibility and recognition to donors who support RBSA. The Office will ensure that donors supporting RBSA have the necessary elements to report back to their own oversight structures about how the ILO uses their taxpayers' money, and which results have been achieved.

The following tables and graphic provide a provisional overview of RBSA allocations processed so far across the regions and the 19 Outcomes. This information is subject to modification.



RBSA first round of allocations in 2012–13 (in thousands of US dollars)

Strategic Objective	Strategic Policy Framework 2010-15 Outcome	Total
Employment	Outcome 1: Employment promotion	1,483
	Outcome 2: Skills development	667
	Outcome 3: Sustainable enterprises	1,276
	Outcome 4: Social security	1,196
Social Protection	Outcome 5: Working conditions	317
	Outcome 6: Occupational safety & health	520
	Outcome 7: Labour migration	290
	Outcome 8: HIV/AIDS	680
Social Dialogue	Outcome 9: Employers' organizations	865
	Outcome 10: Workers' organizations	1,185
	Outcome 11: Labour administrations and labour law	1,425
	Outcome 12: Social dialogue and industrial relations	945
	Outcome 13: Decent work in economic sectors	687
Standards	Outcome 14: Freedom of association & collective bargaining	400
	Outcome 15: Forced labour	258
	Outcome 16: Child labour	1,003
	Outcome 17: Discrimination at work	490
	Outcome 18: International labour standards	1,232
Integration	Outcome 19: Mainstreaming decent work	581
Total		15,500

UPDATE: AFRICA

Africa region: Making a difference in ILO action against child labour

(CPO: RAF108) SPF 2010-15 - Outcome 16: Child labour is eliminated, with priority given to the worst forms

The challenge

According to the 2006 and 2010 ILO Global Reports on Child Labour,¹ Africa lags behind the other regions in progress towards the elimination of child labour. Unlike regions where a significant decline in the number of working children has occurred, the estimated number of child workers in sub-Saharan Africa increased between 2000 and 2008. The number of children in employment actually increased to 58.2 million in 2008.

ILO support with RBSA funding

Helped largely by RBSA funding and several projects under the ILO's International Programme on the Elimination of Child Labour (IPEC), the number of African countries developing National Action Plans (NAPs) has increased since 2008. In 2011, RBSA funding has enabled the ILO to design a regional programme to facilitate and support implementation of the Focus on Africa strategy. A key element of the programme is the creation of an Integrated Regional Child Labour Resource Centre. RBSA also supported policy analyses and capacity needs assessments related to fighting child labour in DR Congo, Guinea Bissau, Lesotho and Swaziland, and the formulation of new National Action Plans in DR Congo and Lesotho.

RBSA for 2012-13 is serving as seed money to help start the implementation of the programme and covers activities in 15 core countries (Burkina Faso, Burundi, Cape Verde, DR Congo, Ethiopia, Guinea Bissau, Lesotho, Liberia, Mozambique, Namibia, Niger, Swaziland, South Africa, Tanzania and Zimbabwe) and the development of policy, advocacy and capacity building tools that will be made available for use in all countries in the region. The regional programme provides a model for fostering national ownership, capacity to deal with decent work issues in an integrated and sustainable manner, and accelerating action on other components of the Decent Work Agenda in Africa. RBSA also provides leverage for mobilizing additional resources to support regional and country activities.



The Integrated Regional Child Labour Resource Centre developed capacity building and advocacy tools. The outcomes of strategic planning and mentoring activities carried out in Burkina Faso and Tanzania, along with the findings from capacity needs assessments in Cape Verde, DR Congo and Lesotho, are being used to develop training materials for NAP implementing institutions. These will help to mainstream NAPs into the programmes and budgets of concerned departments and organizations. Capacity building also started in several countries, to enhance national ownership of responses to child labour, train and mentor national officials to lead and drive NAP implementation, and sensitize them to their roles and responsibilities in addressing the various dimensions of child labour.

The development of a new NAP in Swaziland – recently validated by stakeholders and being finalized for official approval – increased awareness and support for action against child labour among policy makers. This led to the establishment of a Child Labour Unit in the Department of Labour to support programme

¹ [The end of child labour: Within reach](#) (2006) and [Accelerating action against child labour](#) (2010)

implementation, and to the inclusion of measures regulating child labour in an Amendment to the country's Employment Act. NAP formulation activities have also begun in Mozambique.

Botswana: Establishing a new occupational-based pension scheme and the development of a comprehensive national social security system

(BWA126) SPF 2010-15 - Outcome 4: More people have access to better managed and more gender equitable social security benefits

The challenge

Botswana has an extensive range of social protection programmes that already reach most poor and vulnerable groups largely residing in rural communities. These services are aimed at reducing poverty as well as providing basic protection for individuals, groups and families.

Social protection programmes are, however, dispersed across various ministries with no proper coordination and there is, generally, only limited capacity in the field of social security. Botswana lacks a national contributory social security scheme, and most notably a mandated pension provision for private sector workers.

ILO support with RBSA funding

In the context of the Botswana DWCP and in response to the request from the Ministry of Labour, the ILO will in the 2012-2013 biennium provide technical assistance for the establishment of a broad-based social security pension scheme.

RBSA funding in support of the establishment of a new occupational-based pension scheme is making it possible to carry out the following activities:

- Consultations and advisory support to key national partners on the development of a national social security scheme
- A financial study towards the establishment of a new broad-based occupational pension scheme
- Setting up and training of a tripartite social security task team
- Training for stakeholders in pension scheme organization and finance
- Continued support towards the development of a broad-based occupational pension scheme in Botswana for 2013, focused on developing and implementing a comprehensive national social security system – embracing all other policies scattered in different government departments/institutions.

Lesotho: Promoting sound wage policies to fix minimum wages

(CPO: LSO151) SPF 2010-15 Outcome 5 – Women and men have improved and more equitable working conditions

The challenge

Minimum wage fixing in Lesotho and particularly in the textile industry has been a thorny issue for a number of years. Recent minimum wage negotiations in Lesotho's textile sector were extremely difficult and revealed a lack of clear criteria to be used for minimum wage setting, as well as a lack of mutual goals and common understanding among the social partners.

ILO support with RBSA funding

During 2011 the tripartite partners decided to request the ILO to provide technical assistance to the Wages Advisory Board; this assistance was funded from RBSA.

Work achieved to date includes –

- A study on “Criteria for minimum wage setting in Lesotho” has been developed, validated and disseminated
- Induction and capacity-building workshops for new members of the Wages Advisory Board were carried out and programmed until the end of the year
- Templates to update key minimum wage criteria and include related indicators in the Manufacturing Survey were developed and provided to the Bureau of Statistics and the Ministry of Labour of Lesotho
- Criteria were agreed for the calculation of minimum wages for the textiles and garment sector, the country’s largest source of formal employment
- A national consensus-building workshop for stakeholders of the textile and garment sector was held in February 2012: parties agreed on the criteria that should be considered by the Wages Advisory Board when setting minimum wages for the garment sector, one of which is a living wage.

UPDATE: AMERICAS

Bolivia: Facilitating the access of rural and urban medium and small enterprises to national and international markets

(CPO: BOL106) SPF 2010-15 - Outcome 3 – Sustainable Enterprises: Sustainable enterprises create productive and decent jobs

The challenge

Since 2011 the ILO has been involved in a UN joint programme that aims at strengthening the entrepreneurship and commercialization capacity of organic farming producers. The joint programme objectives are: i) strengthening institutional capacity to implement policies for organic production; ii) eco-certification of 100 rural communities that in turn will raise their production and improve their incomes; iii) providing access to financial services for at least 30% of the direct beneficiaries to facilitate access to national and international markets. In this regard, the ILO supports the validation of a Fair Trade Bill, the commercialization of organic products through the organization of fairs and advertisements in local, municipal and departmental markets, and investments to facilitate the commercialization of fair-trade eco-producers (promotion, logos, label, packaging, etc.). Thus, the support provided by the ILO to the Ministry of Rural Development and Land (which manages the Joint Programme) makes it possible to implement specific strategies for entrepreneurship development that facilitate the reduction of poverty in rural areas.

ILO support with RBSA funding

RBSA funds have enabled the development of a strategic plan to commercialize four productive sets of organic products. The RBSA is also allowing the Joint Programme to capitalize experiences, and build greater institutional capacity, strengthening programmes and initiatives of the Government, both at central and local level, and mainly in capacity building and its link to markets.

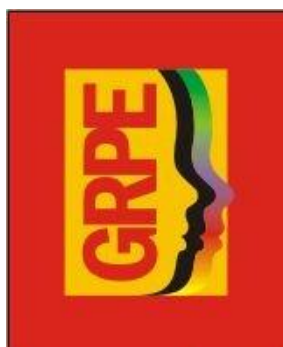
RBSA funds have also allowed the project to complement national efforts under the leadership of the Ministry of Environment and Water. A technical proposal for a territorial and MSE development programme in the field of solid waste recycling was elaborated with social movements, foundations and the municipal governments of the cities of La Paz and El Alto. The technical assistance will help implement the business development strategy for this sector.

Brazil: Strengthening capacities of constituents for the formulation of gender-sensitive employment policies

(CPO: BRA103) SPF 2010-15 – Outcome 17: Discrimination in employment and occupation is eliminated

The challenge

Gender occupational segregation still prevails in the Brazilian labour market. Data from the National Household Survey (PNAD) indicates that, in 2009, workers in the production, repair and maintenance of goods sector made up 35.2 per cent of men's jobs, compared to 9 per cent of women's jobs. However, 31.4 per cent of women's jobs were in the services sector, including domestic servants and health and education workers, compared to only 11.6 per cent of men's jobs. Discrimination against women is also evident in managerial positions where 77.9 per cent were occupied by men in 2010. Racial discrimination is even more outstanding in this sector, with whites holding 84.7 per cent of the positions, although 53 per cent of the total employed population is black. In 2009 the wage gap between men and women was 29.3 per cent, while the gap between whites and blacks was 41.7 per cent.



ILO support with RBSA funding

With RBSA funding, the ILO is improving the GRPE (Gender, Race, Poverty and Employment) e-learning course, developed in partnership with SERPRO (Federal Service of Data Processing). SERPRO provided the digital platform for the course and the ILO provided the content, adapting the GRPE Manual to the platform. The course's main goal is to enable its participants to mainstream gender and race equality in public policies and programmes that seek to eradicate poverty and generate employment. It should also benefit workers' and employers' organizations in their strategy of promoting gender and race equality. The course

was launched in March 2012 and the ILO and SERPRO are adjusting the course according to the students' perceptions, and have finalized the evaluation process. A new class aimed mainly at SERPRO employees will start in the upcoming weeks, and it is expected that the e-course will soon be available to other government employees, as well as interested individuals in workers 'and employers' organizations and civil society organizations. SERPRO is one of the 81 companies that are participating in the 4th Edition of Pro Equity programme coordinated by the Secretariat for Policies for Women, with ILO support. The e-learning course is part of the SERPRO's Pro Equity Action Plan.

UPDATE: ARAB STATES

Jordan: Establishing a national social protection floor

(CPO: JOR105) SPF 2010-15 – Outcome 4: More people have access to better managed and more gender equitable social security benefits

The challenge

As part of the National Agenda and within the framework of the Decent Work Country Programme launched in 2012, the Jordanian Government is implementing an ambitious reform package, calling for policies and programmes to amplify job creation with focus on youth and women's employment and enhanced social protection coverage for all.

ILO support with RBSA funding

The comprehensive National Employment Strategy launched in 2011 with ILO support contains an integrated set of measures aimed at boosting job creation, enhancing employability and working conditions. The strategy is being complemented by the establishment of a Social Protection Floor (SPF) Initiative that aims to promote access to essential goods and services (health, water and sanitation, education, housing, food and other services) and social transfers, in cash and in kind, to provide a minimum income and livelihood security. Social transfers include four essential guarantees, namely: basic health care, assistance for the unemployed and poor, child benefits, and basic universal pensions (old age and disability benefits).

The (SPF) initiative is funded by RBSA resources and in collaboration with UNICEF and WHO. Recently the Council of Ministers issued a resolution to form a Tripartite Advisory Council on the Implementation of the SPF; the Council is to supervise the implementation process of the national SPF and facilitate it. The SPF is seen as both a tool for better policy coherence across programmes, as well as an instrument for the extension of social protection to those excluded from basic transfers and services, while the Government has initiated the process of ratifying the ILO's Social Security (Minimum Standards) Convention, 1952 (No. 102).



UPDATE: ASIA

Cambodia: Improving mechanisms and processes for dispute resolution and social dialogue

(CPO: KHM126) SPF 2010-15 – Outcome 12: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations

The challenge

Relations between Cambodia's unions and employers have been traditionally marked by high levels of disputes and distrust since the emergence of private investors and unions in the mid-1990s.

With ILO support, since 2002 a functioning dispute resolution system has been put in place, featuring conciliation at the Ministry of Labour and Vocational Training and mediation and arbitration services at the Arbitration Council. The latter is Cambodia's only operating alternative dispute resolution body, and enjoys broad support from stakeholders due to its reputation for professionalism and impartiality.

In March 2010 a bipartite Memorandum of Understanding was signed between the Garment Manufacturers of Cambodia (GMAC) and six major union confederations. Employers committed to implement Arbitration Council decisions on rights disputes, and unions to refrain from wildcat strikes. As a result, 2011 witnessed the lowest number of strikes on record, and the highest implementation rate of the Council's awards since its inception.

The MOU expired at the end of 2011, and tensions between the parties re-emerged, creating obstacles to re-signing the agreement. Levels of industrial action in the garment industry in the first half of 2012 reverted to historical averages (over 40 strikes in the first 6 months). Buyers and government officials expressed concern. It was important for the industry's image, and its ability to attract investors and increase productivity, for the parties to come back to the table.

ILO support with RBSA funding

RBSA was crucial for the ILO to engage in ongoing dialogue with the parties. It supported a number of missions, and the services of an experienced outside mediator, in order to meet with the parties and help bridge their differences. In October the ILO supported a bipartite meeting where the MOU was re-signed by eight union confederations and the GMAC. It will have a two-year duration and a stronger bipartite commitment to oversee its implementation. RBSA will continue to help the ILO to support the parties in Cambodia to strengthen their



CPO: PHL101) SPF 2010-15 – Outcome 1: More women and men have access to productive employment, decent work and income opportunities

The challenge

The President's Platform and Policy Pronouncements on Labor and Employment (22-Point Labor and Employment Agenda) stresses the need "to create jobs immediately so people can have income to spend for their basic needs". The adoption of employment-intensive strategies for infrastructure projects, where appropriate, was underscored in the Agenda in order to create more employment opportunities for the poor.

One such strategy is labour-based rural road maintenance to create part-time jobs and provide income support to poor and vulnerable households. To demonstrate such an approach the ILO has implemented a number of pilot projects, including the local labour-based preventive maintenance of the provincial road in the province of Zamboanga del Norte. The pilot project aimed at 1) developing community-based road maintenance teams, 2) promoting preventive labour-based road maintenance as an alternative source of income for poor households, and 3) raising awareness and influence policy on preventive labour-based rural roads maintenance.

ILO support with RBSA funding

The pilot project and other local resource-based demonstration initiatives of the ILO set the stage for a national advocacy towards employment creation through public investments, a key thrust of the current RBSA allocation.

With support from the RBSA, public employment creation strategies will be complemented, sustained and mainstreamed on a national scale through:

- the conduct of studies to support the government's Inter-Agency Committee on Job Creation in strengthening the employment creation orientation of public investment programming,
- the scaling up and mainstreaming of ILO's employment creation strategies through public investment (i.e. community contracting, crisis response and emergency employment, green works and livelihood recovery);
- the development of guidelines addressing the mainstreaming of community contracting, emergency employment and livelihood recovery in crisis response to work, and the use of a local resource-based approach for the maintenance of local roads.



Participants at work, using implements procured through ILO



Road levelling works



The 10km provincial road in Zamboanga del Norte after the preventive maintenance exercise

Sri Lanka: Reviving the cooperatives movement

(CPO: LKA107) SPF 2010-15 – Outcome 1: More women and men have access to productive employment, decent work and income opportunities

The challenge

The cooperative movement has been historically strong in the Northern Province of Sri Lanka. In the 1970s, when Sri Lanka had a closed economy, it flourished and was involved in almost every aspect of the economy. From the mid-1980s, as the civil war escalated, the cooperative movement became involved as a contractor for humanitarian organizations involved in food distribution and other humanitarian aid. In many ways it was forced to walk a tight rope between maintaining some form of cooperative independence and ethos, meeting the demands of the warring parties, the demands of humanitarian agencies and the need to earn revenue and stay in business during this very challenging and complex period. In the aftermath of the war, the cooperative movement was badly affected, their assets were lost or displaced and they lost most of their membership.



Despite a slow recovery since June 2009, cooperatives have revived their co-businesses. However, current challenges include an erosion of democratic values in cooperative management, lack of business acumen and assets and little success in reclaiming their lost membership. It now faces a different operational environment, more competitive and challenging, but also with potential new market opportunities throughout the entire island and abroad.

ILO support with RBSA funding

In October 2012 the ILO helped the cooperative movement to respond to the new business environment. ILO's support through RBSA funds, complemented by its Australian Government-funded Local Empowerment through Economic Development Project, has enabled cooperatives to rebuild not only the physical infrastructure and organization, but also the cooperative ethos, which may have been lost or diminished. To that end, at the invitation of the Ministry of Cooperatives Development and Internal Trade and the Department of Cooperative Development, with RBSA funding the ILO has facilitated the drafting of a situation analysis and the development of a roadmap for cooperative development in the country, with a special focus on the Northern Province. Capacity building and knowledge sharing workshops on the findings and on good practices, especially on the ILO Promotion of Cooperatives Recommendation, 2002 (No. 193), were organized for the staff of the Ministry as well as for cooperative managers and committees both at national level and in the field.



UPDATE: EUROPE

Serbia: Supporting pension reform and strengthening employment injury schemes

(CPO: SRB152) SPF 2010-15 – Outcome 4 - More people have access to better managed and more gender equitable social security benefits

The challenge

In Serbia the National Occupational and Health Strategy for the period 2009–12 defines the objectives and proposes the various measures to be taken to improve OSH in the country at all levels. Its Action Plan envisages the “introduction of special insurance against injuries at work and occupational diseases”.

In 2011, at the request of the Government of Serbia, the ILO reviewed the benefit and financing structure and the organizational arrangements of the existing employment injury protection system in Serbia. The main findings and recommendations have been summarized in the technical report [“Employment Injury Protection in Serbia: Issues and Options”](#). The review found that although Serbia has a comprehensive social security system, part of the cost of benefits for work-related injuries and occupational diseases rely on the direct financial liability of the employer, which is inconsistent with Serbia’s international commitments. In addition, the employers’ financial responsibility for employment injury benefits is not clear under the equal sharing of total contributions for pensions and health insurance.

In line with ILO recommendations, Serbia is now planning to develop a modern employment injury benefit system which is based on the combination of preventive and protective measures and focuses on proactive accident prevention, taking into account good practices in the European Union and other countries.

ILO support with RBSA funding

Through the on-going RBSA project, the ILO is assisting the process of policy development and legislative changes concerning the reform of the employment injury system. In co-operation with the Government authorities and social partners, the ILO will assist in the determination of contribution rates based on actuarial principles, the collection of data on work accidents and organisational arrangements. These outputs will provide key information for decision making on future policy in this regard. Further, the ILO will create a forum for policy discussion in order to build national consensus based on tripartite social dialogue.

Macedonia: Strengthening the capacity of social partners regarding minimum wage setting and arrangements for working time

(CPO: MKD) SPF 2010-15 Outcome 5 – Women and men have improved and more equitable working conditions

The challenge

The Former Yugoslav Republic of Macedonia (FYROM) introduced a statutory minimum wage in 2011 (law on minimum wages) which came into effect in 2012. Similar to other countries in the region, FYROM suffered the effects of the financial crisis; hence the introduction of a national minimum wage in this current context is very significant, as it reflects the recommendations of the ILO on the need to promote wage-led growth and to ensure basic income security for the most vulnerable workers in the crisis-recovery period and beyond. Already there are signs that the minimum wage may be set at a level that is too low to meet the basic income security of low wage workers, and this should not be seen as the failure of the minimum wage as a wage policy, but rather as ineffective application of the minimum wage.

ILO support with RBSA funding

To this effect, the ILO is initiating a study to monitor the effects of the minimum wage, to assess what effects the minimum wage has had so far on wage determination (wage levels, average wage etc.), wage disparity and wage share, and low pay, especially in the most vulnerable groups (women etc.), but also on employment and the labour market (employment creation in the formal economy, share of informal economy, supply of workers with relevant skills etc.), investment, productivity, exports and internal consumption. It will also analyze the strengths and weaknesses of the minimum wage policy and provide recommendations for improvements, including the issue of how to strengthen tripartite dialogue on minimum wage fixing.

Western Balkan countries and Moldova: Developing coordinated collective bargaining processes and establishing an operational labour disputes mechanisms

(CPO cluster: BIH103, MDA103, MKD102 and SBU105) SPF 2010-15 – Outcome 12 - Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations

The challenge

While witnessing serious setbacks in the realization of some of the fundamental principles and rights at work in Europe, such as freedom of association and collective bargaining or social dialogue on ongoing labour law reforms in the region, there seems to be a general lack of interest in funding ILO technical cooperation projects to address international labour standards implementation gaps in European countries.

ILO support with RBSA funding

RBSA has made it possible to achieve sustainable results in the area of social dialogue, labour law and international labour standards in the Western Balkan countries, Moldova and Ukraine.

In the **Former Yugoslav Republic of Macedonia**: work to establish an operational mechanism for the peaceful settlement of collective labour disputes – started with a 2008-11 TC project – reached a stalemate due to lack of political will and public funding cuts. With the 2012-13 RBSA project, legal amendments to the current Law on Peaceful Settlement are being considered along with the implementation of a cost-efficient and operational mechanism for the prevention and amicable resolution of labour disputes. RBSA and regular budget funding have been used complementarily to promote ratification of the Labour Relations (Public Service) Convention, 1978 (No. 151) and the Collective Bargaining Convention, 1981 (No. 154), which are expected by the end of 2013.

In **Bosnia and Herzegovina**, ILO technical assistance helped establish a new Agency for the Peaceful Settlement of Labour Disputes in the Republika Srpska. The 2012-13 RBSA project has made it possible to carry out consultations at the state level and provide technical assistance for the setting up of a mechanism for the peaceful settlement of labour disputes. In parallel, through combined RBSA and regular budget resources, a gap analysis of current national law and practice relating to C. 151 has been discussed and a tripartite commitment was obtained to prioritize the topic on the agenda of the tripartite Economic and Social Councils to promote its ratification by Government of Bosnia and Herzegovina.

In **Moldova**: with previous ILO technical assistance an Action Plan to establish a mechanism for collective labour disputes settlement was drafted and endorsed by constituents. However, its implementation only started at the end of the project. With RBSA funds the ILO assists the government and the social partners in drafting a law on the peaceful settlement of labour disputes, lobbying with Parliament for its adoption and, once the law is adopted, for the implementation of a functional mechanism for labour disputes settlement.