

**FOR INFORMATION**

## FOURTH ITEM ON THE AGENDA

**Developments in the United Nations****The ILO in an evolving multilateral system: An overview<sup>1</sup>**

1. The purpose of this document is to provide a general context for the Governing Body's discussions on developments in the United Nations (UN) and other international forums, including the report of the Secretary-General's High-level Panel on UN System-wide Coherence.
2. During the last year, the ILO's concerns and activities have continued to feature prominently on the international scene, the significance of the Decent Work Agenda as a major policy integration tool as well as a key normative and operational instrument receiving further recognition at the intergovernmental and inter-agency levels. The relevance of the ILO's tripartite approach has also received considerable support.
3. These developments have reinforced the international consensus around full and productive employment and decent work as one of the core issues that hold the key to the achievement of the internationally agreed development goals, including the Millennium Development Goals (MDGs). The Decent Work Agenda is seen as central to efforts by countries to reduce poverty, promote growth with equity, fair globalization and sustainable development. This result can be attributed in no small part to the efforts of the ILO constituents and the Office over the last couple of years to strategically position the Decent Work Agenda, the world of work in general and the strength of social dialogue and tripartism in the international debate.
4. This has been the case at the policy level with further endorsement by Heads of State and Government in 2006. Following the African Union Extraordinary Summit (Ouagadougou, September 2004), the UN World Summit (New York, September 2005),<sup>2</sup> as well as at the IV Summit of the Americas (Mar del Plata, November 2005), the Decent Work Agenda received strong support from European and Latin American Heads of State and Government at the IV EU-LAC Vienna Summit (May 2006) and from European and Asian Heads of State and of Government at the 6th ASEM (Asia-Europe Meeting) at the level of Heads of State (Helsinki, September 2006). The Decent Work Agenda has now been universally endorsed at the highest political level, both globally and regionally.

<sup>1</sup> This paper complements GB.298/4/1 and GB.298/4/3.

<sup>2</sup> GB.294/WP/SDG/1.

5. Within the UN system, the mandate, values and contemporary expression of the ILO's strategic programme priorities and focus have also continued to be given a prominent and clear place. This has been the case not only at the policy level but also at the operational level, placing the ILO in a strong position to contribute to a better performing multilateral system.
6. Indeed, during the last 12 months, employment and decent work were at the centre of the discussions of the main UN intergovernmental bodies dealing with economic and social issues. The 2006 High-level Segment of the United Nations Economic and Social Council (ECOSOC) focused its discussions on this theme.<sup>3</sup> The ECOSOC Ministerial Declaration adopted on that occasion has enabled the ILO to push for a coherent system-wide effort to promote decent work for all, by calling on the whole multilateral system and donor agencies to mainstream the Decent Work Agenda in their policies, programmes and activities, for the achievement of the MDGs and the wider, internationally agreed, development goals. The ministers also requested the ILO to develop time-bound action plans to 2015, in collaboration with all relevant parties, incorporating this process in the 2015 time frame foreseen for the Millennium Summit and the MDG reviews. The recently held session of the UN Commission for Social Development also had, as its main theme, full employment and decent work for all, highlighting their critical role for sustainable development everywhere, poverty reduction, macroeconomic and financial policies, and policy coherence. Decent work will again be on the agenda of ECOSOC in 2007, as the focus of the Coordination Segment, following up on the 2006 Ministerial Declaration, and the Commission for Social Development will continue its review on this matter in 2008.
7. During the past year, ILO concerns were also at the centre of inter-agency discussions. Following its decision to select employment as one of its priority issues for its work programme, the High-level Committee on Programmes of the UN system Chief Executives Board (HLCP/CEB), which is the main inter-agency body for policy and programme matters, took up this issue at its spring and autumn 2006 sessions. Based on a proposal made by the ILO at the spring session, the Committee asked the Office to develop, in collaboration with HLCP members, a "toolkit" for mainstreaming employment and decent work in UN system activities; the objective being to facilitate assessment of the potential of the policies, strategies, programmes and activities of the UN agencies, individually and collectively, in terms of employment and decent work outcomes. This initiative was endorsed by the ministers in their ECOSOC Declaration in July, encouraging all relevant agencies to collaborate actively in the development of this toolkit.
8. Executive Heads of the UN system further discussed this matter at the October 2006 session of the CEB. Following an extensive process of consultations with other international organizations, the proposed toolkit should be discussed and approved by the HLCP and submitted for final endorsement by the executive heads (including the executive heads of the International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO)) at the next CEB session, to be hosted by the ILO in Geneva on 20–21 April 2007.
9. This toolkit, which will continue to be refined, with experience and successive unfolding for specific use by CEB member organizations over time, will represent the first UN system-wide approach to the implementation of a commitment made at the 2005 World Summit. Moreover, it will serve as a practical example of how a global issue can be worked into specific thematic, sectoral and institutional areas of work of the multilateral system and, very importantly, applied at the country level. This initiative could, as such, be replicated in other areas of UN system-wide relevance in order to strengthen the coherence

<sup>3</sup> GB.297/WP/SDG/1.

of the system's policies and the convergence of its activities. This should, therefore, provide important lessons for the drive towards the "One UN" concept put forward and called for by the High-level Panel on UN System-wide Coherence. This toolkit can also be linked to specific policy coherence efforts among multilateral organizations in areas of common interest, such as the Policy Coherence Initiative (PCI) on growth, investment and employment, led by the ILO with the active participation of various agencies, including the World Bank, the IMF and the WTO.<sup>4</sup>

- 10.** From the policy/operational angle, another major development was the recommendation made by the outgoing Secretary-General in his last Secretary-General's report to the UN General Assembly and in the follow-up to the 2005 World Summit, to incorporate the targets of full and productive employment and decent work into the MDG agenda, in particular in relation to MDG 1 (halving extreme poverty). Since then, the ILO has been working with the UN secretariat with a view to proposing and delivering indicators for the new target 1b – Full and productive employment and decent work for all. This development is quite significant since it can be considered as a major step towards the recognition of decent work as a major development objective, filling a glaring gap in the international community's efforts to eradicate poverty and reach the MDGs. With this target, ILO concerns are directly inserted into the overall development machinery, both multilateral and bilateral, especially at the country level.
- 11.** These trends also connect with ILO efforts towards the implementation of Decent Work Country Programmes (DWCPs), which are the main instrument for cooperation with member States and the ILO's specific contribution to international development frameworks, such as the UN Development Assistance Framework, poverty reduction strategies (PRS), national MDG strategies and other integrated development plans. These country programmes, which reflect an articulation between the normative, policy and operational dimensions of the Decent Work Agenda, are the main vehicle for ILO engagement with the "One UN" objective in the UN reform, calling for greater coordination at the country level. A particular emphasis is placed on ensuring that the ILO's national tripartite constituency is closely involved in the preparation of DWCPs and the integration of DWCPs into comprehensive development strategies.
- 12.** The current move towards a more coherent, integrated UN framework, in particular at the country level, is in harmony with the efforts made by the ILO during the last couple of years to improve the delivery and results of its own integrated and coherent agenda at the country level and to promote its integration in national strategies for economic growth, social cohesion and sustainable development. In that regard, ILO senior managers from the field and headquarters gathered together in Geneva from 17–19 October 2006, for the first of its kind decent work global management team meeting. The purpose of this meeting was to explore and put in motion new and more effective ways of working together to deliver the Decent Work Agenda through DWCPs. It was structured around several group-work and plenary sessions focusing on key aspects of design, process, content and management of DWCPs, particularly in the context of the UN reform in countries. As suggested by its title "One team, one objective, one programme: Managing for results", the meeting aimed to strengthen the notion of a global team working towards the same objective, focusing on results at the country level, in close partnership with governments and social partners and with the support of other development actors.
- 13.** The report of the Secretary-General's High-level Panel on UN System-wide Coherence, entitled "Delivering as one" and whose main recommendations and possible implications for the ILO are described in document GB.298/4/3, is being considered at a time when the

<sup>4</sup> GB.298/WP/SDG/2.

ILO is well placed to actively participate in and contribute to the UN reform process. The conclusions of the Committee on Technical Cooperation of the 95th Session of the International Labour Conference, include tripartite consensus on the integration of the Decent Work Agenda into the programming framework of the UN system, and provides an important foundation from which further ILO engagement in UN reform and system-wide coherence should develop.<sup>5</sup>

- 14.** The ILO's tripartite structure is a major asset in this regard. The ILO's constituents have a major opportunity to lead the drive for greater coherence in the global system because of the recognized relevance of the goal of decent work for all as central to the governance of globalization. Tripartite participation in the UN reform processes at global, regional, sectoral and national level, will also provide an important opportunity for other UN organizations to connect with important economic and social actors and, most importantly, at the country level where the focus of the reform is being placed.
- 15.** In order to assess the various implications of the reform process, exchange views and coordinate ILO strategies in response to a new but rapid development requiring short-term as well as medium-term action, the ILO has set up an internal task force on UN reform. The task force, which has already met on several occasions, is composed of the various sectors and units, including the Bureaux of Employers' and Workers' Activities, as well as focal points from each region.
- 16.** It is in this context that the ILO and the United Nations Development Programme (UNDP) have recently agreed to a common plan of action with a view to strengthening their collaboration and partnership at the policy and operational levels. Following a meeting in New York in January 2007, bringing together the regional directors of the two organizations, the Director-General and the Administrator of the UNDP signed a joint letter in February 2007 which was sent to resident coordinators and ILO managers in the field for implementation. A number of countries are being identified, offering the greatest opportunities for combined support from the UNDP and the ILO to work towards making decent work a central element in UN country programmes. Cooperation efforts will also be directed towards seven of the eight pilot "One UN" country programme countries already selected as a follow-up to the High-level Panel's report. Given the strengthened role foreseen for the UN resident coordinators, a mutual exchange and learning exercise will also be established between them, the UNDP country directors and ILO field office directors, using the ILO International Training Centre's facilities and expertise. At the regional and subregional levels, the two Organizations will seek to strengthen their working relationships and exchanges and carry out joint work underpinning action in countries or groups of countries. They also agreed to carry out joint policy analysis, monitoring and design at the global level in order to deepen their policy advocacy for inclusive growth. A plan of action has been elaborated jointly by the ILO and the UNDP for the implementation of these agreements in the two-year time frame.
- 17.** One of the main objectives of this partnership with the UNDP is to contribute and demonstrate the crucial role of the specialized agencies in the UN reform process at the country level. It goes hand in hand with the stronger cooperation and dialogue that have emerged during the last 12 months among the executive heads of the ILO, the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO) and the United Nations Industrial Development Organization (UNIDO) (who last gathered in Paris at the beginning of March 2007), especially on a common understanding of the challenges and opportunities offered to the specialized agencies by this reform process. In

<sup>5</sup> GB.297/TC/3.

doing so, they have stressed the need for a process which reinforces coherence and effectiveness while using the richness and diversity of the UN system – including the unique capacity of specialized agencies to combine and articulate normative, policy and operational activities – as a source of strength and an asset. This point was made by the Director-General in his address to the joint boards of the UNDP, the United Nations Population Fund (UNFPA), the United Nations Children’s Fund (UNICEF) and the World Food Programme (WFP) in January 2007, during which he underlined the importance of the UN System diversity of skills and approaches, giving the example of the ILO where workers, employers and governments work together in a unique setting.<sup>6</sup> This point, including the reference to the ILO’s constituency, was mentioned and reinforced by the UNDP Administrator in his statement to the UNDP Board.

- 18.** The ILO has continued to play an active role in the main UN system inter-agency bodies, in particular the CEB and its HLCP and the High-level Committee on Management (HLCM). Apart from its deep involvement in HLCP, referred to in a previous paragraph, the ILO has also fully contributed to HLCM discussions on, inter alia, information and communication technology issues, finance and budget issues, human resource issues, but also on results-based management and business practices. The ILO is also directly involved in the current CEB review which was initiated following the wide-ranging discussion on UN system-wide coherence undertaken by CEB members at the October 2006 session, during which the Secretary-General took note of the general consensus that further thought be given to the future role of the CEB, and requested the Director-General and Mr Pascal Lamy, Director-General of the WTO, to lead a process of discussion at executive head level. This process has already started and the two executive heads should be able to submit some preliminary proposals to the CEB at its spring 2007 session.
- 19.** The ILO has also continued to be an active player in various coordination efforts to develop better operational coherence of multilateral policies at the national level. These encompass inter-agency partnerships to joint programming, participation in the United Nations Development Assistance Framework (UNDAF) theme groups and inputs into the United Nations Development Group (UNDG), including at the executive head level. The Office was represented at the first joint retreat of the UNDG programme and management groups, held in New York at the end of January 2007. In the UN reform context, this meeting’s objectives were to reach shared understanding of the “One UN” at the country level; to share experience and explore options for the UN system’s involvement in the programme design and delivery for the eight pilot countries which volunteered for that purpose; to propose ideas for moving forward on “One UN”; and to ensure that all UN agencies were engaged in the UN reform process.
- 20.** In addition to working with UN partners on the attainment of the MDGs and other internationally agreed development goals, the ILO is also paying attention to relations and cooperation with other organizations, such as the Bretton Woods Institutions, to develop time-bound action plans that result in comprehensive poverty reduction strategies at the national level.<sup>7</sup>
- 21.** The year 2006 saw the adoption by the International Finance Corporation (IFC) of the World Bank Group, of new performance and policy standards requiring its private sector borrowers to comply with requirements based on the ILO’s fundamental principles and rights at work, and other ILO standards with respect to safety and health, conditions of

<sup>6</sup> Available as a separate paper in the room.

<sup>7</sup> GB.298/ESP/5.

work and termination of employment.<sup>8</sup> This development is an example of how the Decent Work Agenda not only provides a strategy for developing countries to address their economic, social and development needs, but also a useful framework for development financing organizations.

22. The Director-General and Mr Paul Wolfowitz, President of the World Bank, had a bilateral meeting in Geneva in October 2006, during which they agreed that the ILO and the World Bank would undertake joint studies in two countries to analyse “jobless growth”.
23. Finally, with regard to ILO/WTO cooperation, the results of a first ever joint study were officially launched on 19 February 2007. On the basis of an overview of the existing academic literature, the study provides an impartial view of what can be said, and with what degree of confidence, on the relationship between trade and employment, an often contentious issue of public debate (ILO/WTO joint study: “Trade and employment: Challenges for policy research”).<sup>9</sup>

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*Submitted for information.*

<sup>8</sup> GB.297/MNE/2/2(Rev.).

<sup>9</sup> GB.298/WP/SDG/1.