



International
Labour
Organization



Overview of ILO's Regular Budget Supplementary Account

PARDEV

November/2011

CONTENTS

| | |
|---|-----------|
| The value of RBSA..... | 2 |
| Allocation and management of RBSA..... | 2 |
| Monitoring and evaluation..... | 3 |
| RBSA and results..... | 4 |
| RBSA in 2008-2009 | 5 |
| RBSA in 2010-2011 | 6 |
| Outlook for 2012-2013 | 8 |
| Success stories in the Americas | 9 |
| 1. The Caribbean: Fostering a culture of safety and health | 9 |
| 2. Chile: New national policy on occupational safety and health at work | 10 |
| 3. Brazil: Fighting forced labour..... | 11 |
| 4. Mexico: Labour modernization in the Mexican sugar industry | 12 |
| Success stories in Africa | 13 |
| 1. Sierra Leone: Local economic development through labour-intensive infrastructure development to create jobs for young men and women | 13 |
| 2. South Sudan: a coordinated labour administration system in southern Sudan..... | 14 |
| 3. Togo: A social protection policy for all | 14 |
| 4. Tunisia: Increased capacity of employers' and workers' organisations to participate effectively in the development of social and labour policy | 15 |
| Success stories in Arab States | 16 |
| 1. Gaza: Developing green jobs in the construction sector..... | 16 |
| 2. Jordan: Closing the gender pay gap..... | 17 |
| Success stories in Asia and the Pacific | 18 |
| 1. Cambodia: improving the employability of rural women and men workers | 18 |
| 2. China: Labour law enforcement and labour inspection improved for better protection of workers' rights..... | 19 |
| 3. India: Strengthened policy framework for reducing vulnerability to bondage | 20 |
| 4. Philippines: National and local wage policies, including the minimum wage | 21 |
| Success stories in Europe | 21 |
| 1. Armenia: Enhanced decent work opportunities and increased employability for marginalized groups | 21 |
| 2. Moldova: Strengthen the effectiveness of the labour inspection system | 22 |

THE 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.

The ILO's ability to achieve results for decent work is largely grounded in its global presence, which enables it to remain committed for many years. RBSA is an important means to enable the Organization to allocate funds when and where they are most needed in an independent, flexible and fast manner. RBSA enables the Office to expand, accelerate and deepen existing technical cooperation programmes and capacity to deliver on decent work priorities and outcomes, mainly at the country level, in ways that may not otherwise be possible because of restrictions on other forms of funding. The flexibility of RBSA also enables the ILO to respond more efficiently to emerging priorities.

The sustainability of ILO's work largely depends on its ability to engage with governments, constituents, civil society organizations and other key national stakeholders on the design and implementation of policies and legislation. Some key areas of work and developing countries may attract less donor interest and it is therefore important to have funds available to fill gaps in these areas and countries so as to enable the ILO to move important agendas forward and respond where needs remain significant.

RBSA also reduces transaction costs by reducing the administrative and reporting requirements that are usually associated with earmarked funding.

Importantly, RBSA helps donors fulfil commitments to provide untied aid, consistent with the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008), to increase aid effectiveness by reducing transaction costs for partner countries while improving country ownership and alignment. Untied aid is also recognized to provide better value for money.

ALLOCATION AND MANAGEMENT OF RBSA

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

The RBSA operates according to similar procedures to the Regular Budget as endorsed by the ILO's Governing Body. For each biennium, the Governing Body agrees on a targeted level of expenditures of RBSA, across the four strategic objectives and regions.

The RBSA is subject to the same governance and oversight as the Regular Budget and to the established ILO evaluation framework and policies. The ILO reports on RBSA in its biennial Programme Implementation Report. The flexibility in administration and reporting requirements lowers transaction costs. Donors, therefore, benefit from a reduced support cost of 7 per cent on RBSA contributions compared to earmarked extra-budgetary voluntary contributions.

The allocation and management of RBSA is governed by two specific internal governance documents: IGDS Director General's Announcement No. 179 and IGDS Office Procedure No. 182. These provide a comprehensive framework for all aspects related to RBSA. The general guidance is that:

- The RBSA, based on core voluntary contributions, 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 Member States eligible for ODA.

- Outcome-based workplans (OBWs) provide the framework for RBSA allocations. RBSA funds are only allocated for Decent Work Country Programme outcomes and Global Products that are supported by a results framework. In selecting Country Programme 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.
- In line with the principles of results-based management, Country Priority Outcomes (CPOs) shall be supported by a results framework as reflected in DWCP documents and/or summarized in the Integrated Resource Information System Strategic Management module. Global Products (GPs) shall be supported by expanded strategies of OBWs and shall specify outputs leading to reportable contributions to knowledge, standards and/or capacity building of governments, employers' and workers' organizations in ODA eligible countries. This information along with total resource requirements and resource gaps for each CPO and GP shall be reflected in IRIS SM/IP and will constitute the basis of appraisals and RBSA allocations.

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

- i) On the basis of resource gaps identified, Outcome Coordinators shall submit to Regional Directors, to Executive Directors a list of proposed prioritized CPOs and GPs for the Outcome under their responsibility. On this basis, Regional Directors and Executive Directors rank the prioritized CPOs and GPs and indicate the RBSA amount to be allocated, followed by an appraisal in terms of fit with the DWCP, results statements, outputs and indicators.
- ii) RBSA funds shall normally be spent in the biennium in which they are allocated. Implementation periods may be adapted to the timing of allocations and to the nature of results sought. Unspent balances of released allocations within a biennium will be processed according to current closing procedures.
- iii) Monitoring and reporting: Regional Directors, Executive Directors and the Director of the Policy Integration Department are primarily responsible for monitoring the use of RBSA. PROGRAM will monitor the use of RBSA including the level of delivery. Delivery levels will be monitored closely over the implementation periods and low delivery may result in re-programming decisions.
- iv) Contributions and expenditures under the RBSA will be reported to the Governing Body through the standard annual financial reports and the biennial Programme Implementation Report. Results achieved shall be reported in the biennial Programme Implementation Report.

MONITORING AND EVALUATION

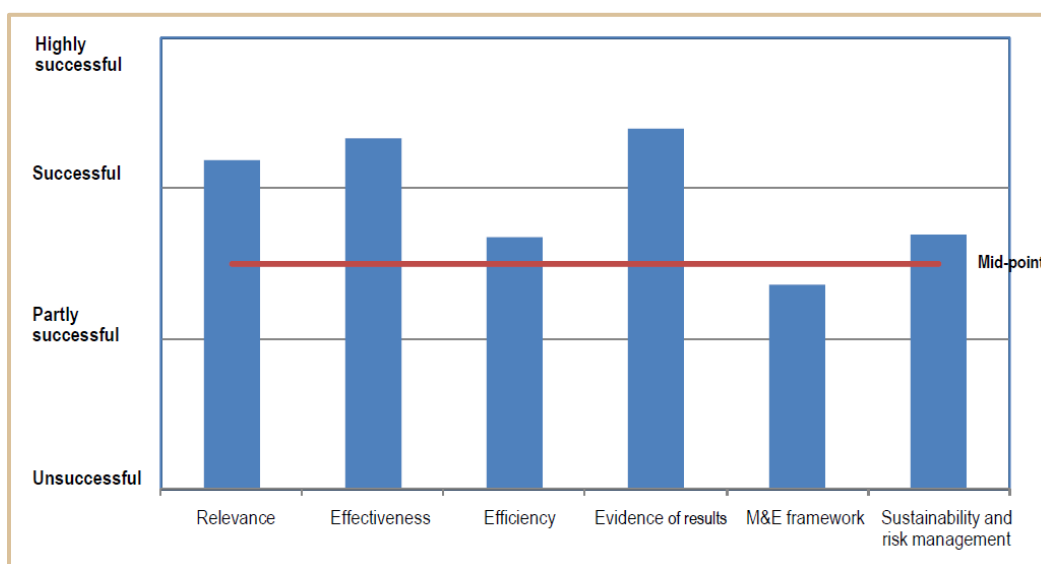
The ILO has invested in the monitoring and evaluation of RBSA allocations to ensure that these effectively contribute to results. While adhering to the overall ILO policy on evaluation, which is aligned with UN-wide practice and OECD/DAC guidelines, a specific allocation of 5 per cent has been set aside for oversight, monitoring and evaluation of RBSA –

- 4.6 % is allocated to regions for independent evaluations, internal monitoring and reporting
- 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. The latest report notes the following key findings in relation to RBSA evaluations:¹

- i) The Americas, Africa, and Asia and the Pacific have used RBSA monitoring and evaluation (M&E) funds to improve the evaluability of DWCP frameworks
- ii) Regions have financed M&E officers who are charged with improving M&E activities in the region
- iii) A significant portion of the RBSA M&E funds has been used to conduct independent evaluations.

As part of ILO's work to improve reporting on the overall performance and effectiveness of RBSA-funded initiatives, an assessment of ten RBSA evaluations was conducted based on the methodology used for a broader meta-analysis of project performance. The performance of these RBSA operations was rated based on the six evaluative criteria of relevance, effectiveness, efficiency, evidence of intended results, M&E and sustainability and risk management, using a total of 38 performance criteria. The results are shown below:



RBSA AND RESULTS

RBSA contributes to strengthening results-based management (RBM) 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 the United Nations Development Assistance Frameworks (UNDAFs).

The allocation of RBSA, as part of an integrated resource framework for all 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 global ILO outcomes and the DWCPs. The ILO's Integrated Resource Information System supports this integrated planning and implementation process by providing an Organization-wide tool to develop and monitor Outcome-based Workplans for each of ILO's 19 Outcomes.

In the following sections the key points are presented with respect to RBSA in the 2008-2009 and 2010-2011 biennia, an outlook for 2012-13 is given, and a number of success stories are showcased for the different regions illustrating how RBSA has enabled the ILO to advance the Decent Work Agenda so far.

¹ http://www.ilo.org/wcmsp5/groups/public/@ed_mas/@eval/documents/publication/wcms_166056.pdf

RBSA in 2008-2009

In 2008-2009 the ILO benefited from contributions from 12 donors (in descending order). Donors responded positively to the launch of RBSA and made available a total of US\$ 42 million. Some donors opted for soft earmarking of RBSA to selected Outcomes in the Programme & Budget or to specific regions.

RBSA contributions received in 2008–09
(in thousands of US dollars)

| Donor | Total |
|----------------|---------------|
| Belgium | 602 |
| Brazil | 300 |
| Germany | 8,857 |
| Spain | 3,947 |
| United Kingdom | 12,000 |
| Ireland | 532 |
| Italy | 1,475 |
| Kuwait | 1,000 |
| Netherlands | 5,516 |
| Norway | 7,346 |
| Poland | 250 |
| Sweden | 1,000 |
| Total | 42 825 |

In line with the ILO's Programme and Budget for 2008-09, the Office was to ensure that:

The RBSA will consist of voluntary contributions to the regular budget and will primarily be used to fund direct assistance to countries. RBSA would allow, together with regular budget and extra-budgetary resources, to expand and deepen the capacity to deliver Decent Work Country Programmes in the context of UN reform and to strengthen the decent work components of national development plans.

Work funded by the RBSA also strengthens the ILO's tripartite constituents so that they can participate as strong partners in debate and decision-making on labour, economic and social policies and poverty reduction strategies.

The RBSA will be managed as a separate account in accordance with the Financial Regulations and Rules, and subject to all established oversight mechanisms, such as external and internal audit as well as regular monitoring and evaluation. There will be periodic, consolidated reporting to the Governing Body and contributors. The identity of donors will be fully recognized. (P&B 2008-09, pages 7-8)

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

Despite some challenges in introducing this new funding modality and the receipt of some contributions late in the biennium, the delivery rate reached 77 per cent. Allocated to ODA-eligible countries, RBSA has been instrumental in boosting Decent Work Country Programmes, 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 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 | 1,545 | 1,557 | 249 | 179 | 226 | 3,756 |
| Employment | 9,046 | 1,150 | 379 | 3,639 | 1,273 | 15,487 |
| Social protection | 5,462 | 141 | 117 | 533 | 268 | 6,521 |
| Social dialogue | 0 | 312 | 658 | 0 | 312 | 1,282 |
| Support | 961 | 190 | 85 | 261 | 125 | 1,622 |
| Evaluation | 0 | 7 | 18 | 0 | 12 | 37 |
| Total | 17,014 | 3,357 | 1,506 | 4,612 | 2,216 | 28,705 |

RBSA in 2010-2011

In the biennium 2010-11, the ILO was appreciative of the further US\$ 50 million in new contributions from donors (as at November 2011). RBSA in 2010-2011 benefited from 6 donors (in descending order): the Netherlands, Belgium, Denmark, Norway, Germany and Italy with substantial increases from the Netherlands and Belgium. These funds, 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 pledges and contributions 2010-11 | | |
|--|---------------------------|--|
| Donor | Pledges in donor currency | Amounts received, US\$ (November 2011) |
| Belgium | EUR 6,400,000 | 8,813,904 |
| Denmark | DKK 40,000,000 | 6,931,551 |
| Germany | EUR 3,000,000 | 4,048,583 |
| Italy | US\$ 300,000 | 300,000 |
| Netherlands | EUR 19,300,000 | 26,970,295 |
| Norway | NOK 40,000,000 | 6,787,207 |
| Total | | 53,851,540 |

The ILO's 2010-2011 Programme and Budget confirmed the value of the RBSA funding modality. The flexibility of RBSA resources continues to support the ILO's capacity to respond to urgent priorities in the midst of a global crisis. Africa remains a high priority for the Office with about 30 per cent of the RBSA going to direct technical cooperation in the region. About 20 per cent of the RBSA is directed towards global priorities, in particular development of tools that can be adapted for use in different countries and regions.

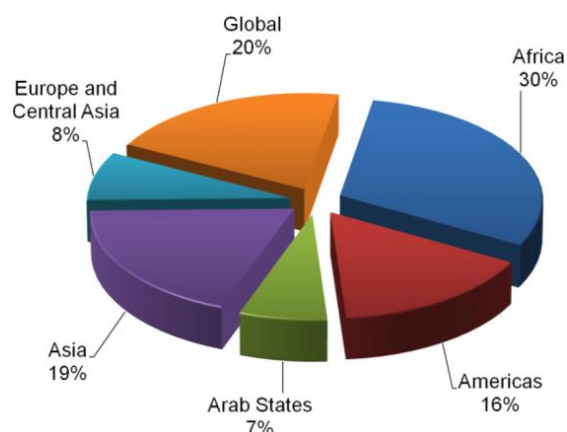
While actual results achieved for the 2012-2011 biennium will be presented in the Programme Implementation Report in March 2012, an assessment of RBSA in the ILO (November 2011) found that the flexibility and timely funding of RBSA has enabled the ILO –

- to respond quickly and effectively to urgent and emerging needs and priorities
- to provide a real incentive for effective results-based management, especially at country level, contributing to major changes in the ways in which the Office has been working
- to build on the learning experience and expand the ILO's knowledge base and knowledge sharing, thereby contributing to the development of capacity, especially for evidence-based policy work

- to strengthen ILO capacity to ensure sound and integrated technical support to the operational response to constituents in crisis affected countries
- to develop the capacity of the social partners and enable them to participate more effectively in the various stages of RBM to achieve decent work outcomes
- to enhance collaboration and team work within the ILO
- to build and extend external partnerships, especially with other UN agencies, within the context of the UN reform

The distributions of RBSA across regions and strategic objectives are set out in the 2010-2011 Programme and Budget as follows:

| Strategic Objective | RBSA share (%) |
|--|----------------|
| Create greater opportunities for women & men to secure decent employment and income | 33 |
| Enhance the coverage and effectiveness of social protection for all | 19 |
| Strengthen tripartism and social dialogue | 24 |
| Promote and realize standards and fundamental principles and rights at work | 19 |
| Policy coherence | 4 |



The ILO's Programme Implementation Report presented to the Governing Body in March 2012 will provide comprehensive information on results achieved, including through RBSA. This report will also include detailed information on donor contributions to RBSA and the expenditures across regions and Outcomes.

In order to provide an initial update to donors on how RBSA is making a difference, a number of success stories are presented in this brochure for the different regions. These are not yet 'results achieved' but do highlight the contribution RBSA is making to ILO's efforts in reaching certain results.

In terms of financial information, the tables below provide a provisional overview of RBSA allocations across regions and across the 19 Outcomes as per end of November 2011. Please note that this information is still subject to change as part of formal reporting for RBSA for the entire 2010-11 biennium. *Also it should be noted that these figures exclude programme support costs (7%) and monitoring and evaluation (M&E) provisions (5%).*

RBSA allocation by ILO region

| Regions | Allocations | |
|--------------|---------------|--------------|
| | \$ | % |
| Total | 35,807 | 100.0 |
| AFRICA | 14,173 | 39.7 |
| AMERICAS | 4,806 | 13.4 |
| ASIA | 6,461 | 18.0 |
| EUROPE | 2,444 | 6.8 |
| ARAB STATES | 1,807 | 5.0 |

RBSA allocation by ILO strategic objective

| | | |
|---|---------------|-------------|
| 1. Employment promotion: More women and men have access to productive employment, decent work and income opportunities | 5,808 | 16.2 |
| 2. Skills development: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth | 1,753 | 4.9 |
| 3. Sustainable enterprises: Sustainable enterprises create productive and decent jobs | 2,792 | 7.8 |
| Strategic Objective: Enhance the coverage and effectiveness of social protection for all | 9,227 | 25.8 |
| 4. Social security: More people have access to better managed and more gender equitable social security benefits | 5,221 | 14.6 |
| 5. Working conditions: Women and men have improved and more equitable working conditions | 913 | 2.5 |
| 6. Occupational safety and health: Workers and enterprises benefit from improved safety and health conditions at work | 635 | 1.8 |
| 7. Labour migration: More migrant workers are protected and more migrant workers have access to productive employment and decent work | 2,092 | 5.8 |
| 8. HIV/AIDS: The world of work responds effectively to the HIV/AIDS epidemic | 366 | 1.0 |
| Strategic Objective: Strengthen tripartism and social dialogue | 7,759 | 21.7 |
| 9. Employers' organizations: Employers have strong, independent and representative organizations | 1,243 | 3.5 |
| 10. Workers' organizations: Workers have strong, independent and representative organizations | 1,256 | 3.5 |
| 11. Labour administration and labour law: Labour administrations apply up to date labour legislation and provide effective services | 1,964 | 5.5 |
| 12. Social dialogue and industrial relations: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations | 2,827 | 7.9 |
| 13. Decent work in economic sectors: A sector-specific approach to decent work is applied | 468 | 1.3 |
| Strategic Objective: Promote and realize standards and fundamental principles and rights at work | 5,121 | 14.3 |
| 14. Freedom of association and collective bargaining: The right to freedom of association and collective bargaining is widely known and exercised | 400 | 1.1 |
| 15. Forced labour: Forced labour is eliminated | 1,339 | 3.7 |
| 16. Child labour: Child labour is eliminated, with priority being given to the worst forms | 1,805 | 5.0 |
| 17. Discrimination at work: Discrimination in employment and occupation is eliminated | 777 | 2.2 |
| 18. International labour standards: International labour standards are ratified and applied | 799 | 2.2 |
| 19. Mainstreaming decent work: Member States place an integrated approach to decent work at the heart of their economic and social policies, supported by key UN and other multilateral agencies | 3,348 | 9.4 |
| Total | 35,807 | ### |
| Notes: | | |

OUTLOOK FOR 2012-2013

The ILO's Governing Body has set a target for expenditures 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 implies a resource mobilization target of US\$ 35 million for 2012-2013.

The ILO is working with current RBSA donors and other potential donors that form part of the like-minded group to secure continued support to RBSA. The ILO is in the process of adjusting reporting arrangements to provide annual updates to RBSA donors. The Office is consulting with RBSA donors to enhance the visibility of such contributions.

RBSA continues to be the ILO's preferred funding mechanism for voluntary contributions and several donors have already indicated that they will be providing further funding. The ILO expects that the new target for 2012-2013 will be met.

SUCCESS STORIES IN THE AMERICAS

1. THE CARIBBEAN: FOSTERING A CULTURE OF SAFETY AND HEALTH

(CPO: SPS152) SPF 2010-15 - Outcome 6: Workers and enterprises benefit from improved safety and health conditions at work.

In almost all Member States of the Caribbean Community (CARICOM) occupational safety and health (OSH) laws and regulations in force need to be updated and harmonized in response to the realities of the modern workplace, and to help build the social floor for an integrated region. This was one of the findings of a needs assessment conducted by the ILO in 2009.

Since February 2011, the **RBSA**-funded Programme on Occupational Safety and Health and Environment (OSHE), supports governments, employers' and workers' organizations in their efforts to improve occupational safety and health and to contribute to environmental sustainability. This is a major issue given the potentially damaging impact of climate change on key sectors of Caribbean economies. The Programme draws on expertise available in the region and externally in the delivery of its capacity-building training workshops and advisory services.

In 2011 five CARICOM members (*Antigua and Barbuda, Belize, Montserrat, Saint Kitts and Nevis, and Saint Vincent and the Grenadines*) have either started or accelerated the process of drawing up OSH legislation and labour codes that contain provisions on OSH. They will also be developing accompanying regulations that draw on relevant international labour Conventions and Recommendations as well as ILO codes of practice and guides.

To date some forty OSHE training activities are being implemented in Caribbean countries with the aim of fostering a culture of safety and health through advocacy and capacity building, as well as promoting the adoption of new OSHE-related legislation and regulations. By the end of November 2011 some 1200 labour inspectors, workers' and employers' representatives and OSH committee members will have been trained, and a network of OSHE resource persons will have been established.

The OSHE Programme contributed to increased awareness of OSH:

The commemoration of the World Day for Safety and Health at Work on 28 April and the hosting of national Safety and Health Week activities helped to give focus to OSH among constituents and the wider public. In *Barbados*, for example, the theme for the week of activities was "Promoting the attainment and maintenance of desirable standards of OSH practices in Barbados."

In *Trinidad and Tobago* the OSH Agency and the ILO collaborated to host public events on the occasion of the World Day for Safety and Health at Work, at the end of which some 250 decision-makers and officials from institutions and ministries benefited from the presentations made and the overview of the situation with respect to OSHE in the country. The webpage of the OSHE Programme was launched at these public events. Similar tripartite events were organized with the support of the ILO OSHE programme in *the Bahamas* and in *Antigua and Barbuda*, all of which attracted media attention.



Commemoration of the World Day for Safety and Health 2011 in Trinidad



Street Fair Commemorating World Day 2011 in Antigua and Barbuda

2. CHILE: NEW NATIONAL POLICY ON OCCUPATIONAL SAFETY AND HEALTH AT WORK

(CPO: CHL127) SPF 2010-15 - Outcome 6: Workers and enterprises benefit from improved safety and health conditions at work.

After the collapse of the San José mine in Chile on 5 August 2010 and the subsequent rescue of the 33 miners trapped for 70 days at a depth of 700 meters, the Government of Chile needed to revise and improve the occupational safety and health system. The ILO – with **RBSA** funding – provided technical assistance for its redesign and implementation.

As part of project activities, members of the Decent Work Team based in Santiago and SECTOR and NORMES specialists participated in the discussion to assess safety conditions in the country. Based on this diagnosis, regulatory reforms to improve hygiene, safety and working conditions were proposed to ensure the right to a safe job. The employers' and workers' organizations also participated in the process.

As part of its new orientation, the President signed the Decree promulgating the ILO's Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) on 14 July 2011.



President Sebastián Piñera signs the draft act to ratify ILO Convention No. 187 in the presence of ILO Director-General Juan Somavia, and the Minister of Labour, Camila Merino.

For its implementation, progress has been made on the following points:

1) Modification of the constitution of the Social Security Superintendency and creation of the Labour Security Administration

- Inclusion in the functions of the Superintendency of the ability to systematize and propose the standardization of OSH regulations. This will increase the income of the Superintendency and allow it to engage extra staff.
- Establishment of the management and maintenance functions of a National OSH Information System. This will make it possible to design, evaluate and improve policies and programmes; it will centralize data on reported accidents and occupational diseases, diagnoses of occupational diseases, exams and assessments, descriptions of accidents, disease prevention and supervisory activities.

2) Creation of the OSH Constitutive Council

The Council will be a permanent advisory body of the President on OSH, analysing and advising on national and sectoral OSH policy and regulatory and legal changes in this area, and requesting opinions from employers' and workers' organizations on changes in the law and regulations. It will have five members appointed by the President: one belonging to the employers' organization and one belonging to the workers' organization; the three others will be professionals with proven expertise and experience in the OSH field.

3) Creation of the OSH Committee of Ministers

The Committee of Ministers will advise the President on the formulation of OSH guidelines and policies.

3. BRAZIL: FIGHTING FORCED LABOUR

(CPO: BRA125) SPF 2010-15 - Outcome 15: Forced Labour is eliminated.

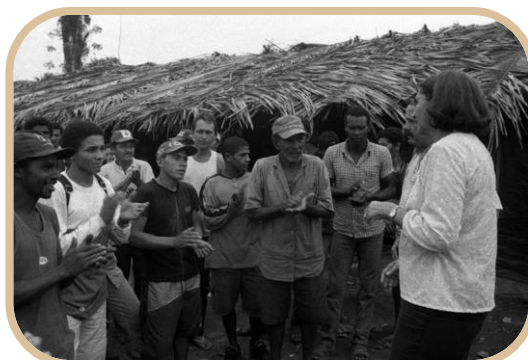
The ILO is working in Brazil together with constituents in a joint effort to eliminate forced labour. Since 2008-2009, **RBSA** funding has been supporting technical assistance in this area due to the encouraging results achieved and the explicit demand of the Brazilian federal government and several state governments.

During the period 2008 to 2010, through its Mobile Inspection Groups, Brazil's Government conducted 457 operations allowing the rescue 9,413 workers from slavery. Through legal intervention the government also succeeded to obtain the payment of more than 23 million Reais (about US\$ 15 million) in workers' benefits.

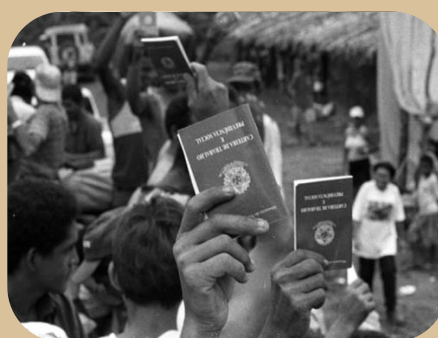
The institutional structures that facilitated the achievement of these results are the seven **State Committees against Slave Labour** (COETRAES) located in Rio de Janeiro, Mato Grosso, Bahia, Pará, Maranhão, Piauí and Tocantins. Among other activities the committees coordinate training for labour judges. The training materials are developed by the ILO.

The International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families was presented to Congress and laid the foundations for the **Second National Plan to Combat Human Trafficking**.

Since 2010 programmes in Mato Grosso **to rehabilitate and reintegrate victims** are being implemented as part of a public policy adopted by the State. Recently some 25 forced labour victims were reinserted into the formal labour market in the preparatory work for the football World Cup to be held in 2014. The ILO has provided technical assistance throughout this process and has begun working with other states to promote this strategy. The Office collaborates in the public consultation processes to identify other proposals to support victims of forced labour.



Rescued workers receive information on their rights



Rescued workers receive work permits and social security from the Ministry of Labour

Photos: João Roberto Ripper and Sérgio Carvalho.

4. MEXICO: LABOUR MODERNIZATION IN THE MEXICAN SUGAR INDUSTRY

(CPO: MEX102) SPF 2010-15 - Outcome 2: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth.

In 2008 Mexico's outdated sugar industry faced the opening of agricultural markets to international competition in the framework of NAFTA. At stake were 440 thousand jobs and the incomes of 2 million people in Mexico. The risk of increasing economic and social problems and violence in rural Mexico was high. Social dialogue was non-existent and industrial strife was the norm, with 80 sectoral strikes over the past 70 years. The industry had high levels of workplace injury, alcoholism and chronic disease; training was more the exception than the rule; productivity and wages were low.

In this context the ILO supported the employers and the sectoral union in a labour modernization plan, based on Decent Work principles, which was part of the sectorial collective bargaining agreement of 2008. Later, with **RBSA** funds, the ILO focused its activities on twelve of the 57 sugar mills, generating showcase practices for social dialogue and competency-based training, using the System for Integrated Measurement and Advance of Productivity (SIMAPRO). This was complemented by OHS risk mapping, and programmes of prevention of stress and addiction. The ILO's **SAFEWORK** Programme provided the related materials. The activities were performed in coordination with the International Training Centre of the ILO, Turin, and with the CINTERFOR (Montevideo), especially regarding the preparation of self-training guides and the training of trainers.

The main results of this intervention strategy are –

- **Reduction of labour disputes and improved working climate.** Social dialogue has intensified since 2007, and no further strikes have taken place. SIMAPRO established permanent communication and dialogue channels between operational workers, and middle and higher management. The sugar mills participating in the project showed an increase of 11% in their working climate index, with peaks under items of compensation (21% plus) and gender equality (16% plus).
- **Increase in training and employability.** A total of 1,100 production workers and middle management staff have been certified in core competencies, basically in health, safety and ecology. Training hours per worker have increased from close to zero before, to an average of 15 hours now. In a collaborative way, 17 competency-based Self Training and Assessment Guides have been developed, based on the criteria of sustainable enterprises and decent work.
- **Increased labour productivity and wages.** Each worker trained with a Self Training Guide generated on average one improvement proposal, with a 65% implementation rate. A new competency-based compensation model was designed, reducing categories ("broad banding") and increasing wages, with integral career planning for production workers.
- **Fewer workplace injuries.** The sugar mills participating in the project have reduced their workplace accidents three times faster than those not involved.
- **Prevention of addiction.** With the ILO SOLVE methodology, prevention programmes on stress, alcoholism and drugs have been implemented, addressing family integration and sport activities.



■ **Employment creation: implementation of the Self-Training and Assessment Guide**



Weekly SIMAPRO feedback session for workers and managers on the results of integral productivity measurement

SUCCESS STORIES IN AFRICA

1. SIERRA LEONE: LOCAL ECONOMIC DEVELOPMENT THROUGH LABOUR-INTENSIVE INFRASTRUCTURE DEVELOPMENT TO CREATE JOBS FOR YOUNG MEN AND WOMEN

(CPO: SLE103) SPF 2010-15 - Outcome 1: More women and men have access to productive employment, decent work and income opportunities

A pro-employment strategy at sectoral level and increased investment in employable skills and their acquisition are necessary preconditions for creating sustainable employment opportunities. A joint UN Programme on Youth Employment, Empowerment and Reintegration focusing on employment and growth potential sectors was proposed to address this.

RBSA has enabled the ILO to help formulate the joint UN youth employment project, preparing also a new project for the UN Peacebuilding Fund. The main results will include –

- increased revenue for small-scale contractors through increased labour-based infrastructure contracts
- the Sierra Leone Roads Agency's (SLRA) capacity strengthened through the training of contractors and implementation of road improvement work using employment-intensive approaches
- a maintenance system for feeder roads developed that encourages community participation in road maintenance
- greater youth participation in local economic development, youth encouraged to participate actively through skills and business training.

So far the project has trained small-scale entrepreneurs to partner with the government in delivering public infrastructure and creating employment opportunities. Twenty supervisors have been trained and access to equipment facilitated. SLRA's capacity has been strengthened by training nine engineers on the design and implementation of works using employment-intensive approaches. Over 20,000 person-days of employment have also been created.

RBSA funds will be used to upscale the activities carried out through the "Quick Impact Employment Creation for Youth through Labour-Based Public Works" project under the Multidonor Trust Fund. Activities will include –

- set-up procedures for the recruitment of youth
- developing a monitoring framework, including key indicators
- providing technical and business training for company directors, supervisors, foremen and skilled workers
- developing documentation, manuals and procedures for implementing labour-based works
- equipping trained contractors with light equipment on a revolving loan basis
- providing technical supervision for the execution of the work and conducting labour and wage surveys in the area



Training of managing directors of contracting firms



Ditching and preparing the road



Compaction after spreading and watering

2. SOUTH SUDAN: A COORDINATED LABOUR ADMINISTRATION SYSTEM IN SOUTHERN SUDAN

(CPO: SDN108) SPF 2010-15 - Outcome 11: Labour administrations apply up to date labour legislation and provide effective services

Following the signing of the Comprehensive Peace Agreement in January 2005 and the establishment of the new Government of National Unity in Khartoum, a Government of Southern Sudan was formally established in December 2005. As capacities were eroded by war, the need to develop the capacity of the new country, ten state governments and around 100 county governments has become the main developmental priority.

The ILO provided support to strengthen the capacity of the Ministry of Labour and the new State ministries of labour. Activities included –

- drafting of a new labour law and development of the Southern Sudan Vocational Training Policy and Implementation Strategy
- rehabilitation and equipment of eight State labour offices
- capacity building of staff in the central Ministry, state ministries and local offices
- establishment of employment service centres
- support to national institutions and service providers on the disarmament, demobilization and reintegration of ex-combatants, including children and women attached to the armed forces, and of returnees from the North
- work on youth employment and combating child labour, and on situations involving hazardous work
- provide systematic in-country capacity building of key staff from the Government and the social partners of what is now South Sudan, with exposure to world best practices through specializing training at the ILO International Training Centre in Turin.

After the referendum for independence, the Labour Ministry of the Government of South Sudan requested the ILO to increase its presence and assistance.

Through **RBSA** contributions a package of initiatives was delivered, centred around the First National Tripartite Labour and Employment Conference for South Sudan, to address the immediate operational capacity of both federal and the newly established State ministries for labour administration and to establish a basis for social dialogue. In a tripartite resolution signed at this First National Conference, constituents committed themselves to membership of the ILO, preparation of a DWCP, the adoption of all the fundamental Conventions and the adoption of a social dialogue modality for the implementation of the Decent Work Agenda for South Sudan at central and state level.

The ILO has strengthened the capacity of the new Government and of the social partners in the areas of employability, employment, labour market policies and systems, working conditions, international labour standards, social dialogue and training of employers' and workers' organizations. Sound labour administration will allow the South Sudan federal and state governments to implement the new labour law and the social partners to contribute to the development of industrial relations, providing legitimacy to the social policies the new country will have to adopt.

3. TOGO: A SOCIAL PROTECTION POLICY FOR ALL

(CPO: TGO126) SPF 2010-15 - Outcome 4: More people have access to better managed and more gender equitable social security benefits

Togo aims by end 2012 to provide all workers, employees and self-employed, urban or rural and particularly those from vulnerable groups, with a minimum social protection scheme. Eventually this will

provide the basis for a social protection floor (SPF) offering a minimum set of services and benefits to all. To support this effort, the ILO contributes by –

- supporting the process of identifying a set of guarantees, services and social transfers to comprise the SPF
- conducting a pre-feasibility study and a feasibility study for a national health insurance system and supporting implementation of the National Institute of Health Insurance (INAM)
- Strengthening the capacity of constituents and other stakeholders on social protection expansion practices, including the fight against HIV/AIDS and gender issues, in particular through national training and exchanges of experience at subregional level.

In February 2011 the **RBSA** enabled the ILO to support the Government in establishing compulsory health insurance for public sector and parastatal employees. The ILO collaborated with the Ministry of Labour, Employment and Social Security in a feasibility study for the National Health Insurance Institute (INAM), which was inaugurated in September 2011. It is foreseen that from November 2011 over 300,000 people will have access to quality health care throughout Togo. INAM's health budget represents about 25% of the current health budget, and is helping improve the country's performance to reach the Millennium Development Goals.

With the ILO's support, the Government intends to extend coverage to the entire population, and the first elements of the pre-feasibility study are under way. Partners such as P4H, WB, WHO and the Government of France have joined in implementing this policy. In 2012 health insurance will be extended to wage earners in the formal economy, who represent a population of about 600,000 people.

4. TUNISIA: INCREASED CAPACITY OF EMPLOYERS' AND WORKERS' ORGANISATIONS TO PARTICIPATE EFFECTIVELY IN THE DEVELOPMENT OF SOCIAL AND LABOUR POLICY

(CPO: TUN803) SPF 2010-15 - Outcome 12: Tripartism and strengthened labour market governance contribute to effective social dialogue and sound industrial relations

Tunisia is currently undergoing a period of transition. General elections will be held on 23 October 2011 for the appointment of the "National Constituent Assembly", whose mission will be to draft a new constitution. National partners – ministries and social partners – have sought the support of the ILO to develop and strengthen social dialogue in Tunisia.

ILO work will in particular support the Ministry of Social Affairs and the workers' and employers' organizations in their efforts to develop and strengthen social dialogue and collective bargaining at national, sectoral and local level.

ILO support, provided through **RBSA** funding, mainly addresses technical assistance and capacity building activities, as follows:

- To establish temporary ILO presence with a national expert to coordinate ILO work in the country
- a capacity building action plan to strengthen the institutions of social dialogue at national and sectoral level, and boost branch negotiation
- training for 60 participants to strengthen the capacity of social partners in social dialogue, collective bargaining and the prevention and resolution of labour disputes
- the review of the legal framework for social dialogue and collective bargaining, addressing the issue of the representativity of workers' and employers' organizations, in order to make proposals for reform.

RBSA also enabled the ILO to respond swiftly to the demands of the post-revolutionary Government and to establish a plan of action in the country.

SUCCESS STORIES IN ARAB STATES

1. GAZA: DEVELOPING GREEN JOBS IN THE CONSTRUCTION SECTOR

(CPO: PSE102) SPF 2010-15 - Outcome 3: Sustainable enterprises create productive and decent jobs

Palestinians in Gaza are struggling to cope with continued military incursions and closures, including the ban on the import of construction materials imposed in 2007, which has severely impacted the livelihoods, homes and infrastructure of thousands of people. During Israel's assault between December 2008 and January 2009 more than 15 per cent of available refugee housing in Gaza was destroyed or damaged, leaving thousands of families in damaged homes, under tents or in makeshift shelters. Some 12.000 refugees lost their homes, 2.300 refugee shelters were destroyed or damaged beyond repair, 1.700 sustained major damage, and a further 43.000 sustained minor damage. Unemployment in the Gaza Strip remains among the highest in the world, and an estimated 70 per cent of the population live on less than US\$1 a day.

In collaboration with UNRWA, the Cooperative Housing Fund and local partners, the ILO is striving to create **urgently needed housing and job opportunities** for the people of Gaza that are grounded in sustainable and green construction methods to promote increased efficiency; the re-use and recycling of raw materials, energy and water; and the reduction of waste and pollution. **RBSA** resources were critical in ensuring an immediate response to the emergency needs of the people of Gaza and have been crucial to the ILO's ongoing efforts to work with local communities on a job-centred recovery and reconstruction process.



Local job-centred recovery and reconstruction through the construction of temporary shelters using compressed earth blocks

With **RBSA** funding it was possible to introduce an alternative technology for the construction and winterization of temporary shelters; using compressed earth blocks (CEBs) instead of cement and other standard materials. CEB shelters are built using traditional architectural techniques, such as arches and domes that eliminate the need for steel reinforcement bars or concrete materials. Over a period of eighteen months the project will eventually create 19,000 working days for Gazans engaged in the construction of 50 green shelters and provide training and awareness raising of the impact and methods of green construction to technical experts and the wider population. In collaboration with a local NGO, the Sharek Youth Forum, ILO has also established an entrepreneurship information centre to provide counselling, technical assistance, and financial support to young entrepreneurs and to promote self-employment opportunities.

RBSA funding supports the building of more CEB shelters apply green construction solutions, including renewable energies and energy and water efficiency. The overall objectives are: to construct a Green Technology Centre that acts as a hub for promoting green construction through awareness raising, capacity

building and training; to conduct more skills training and promote occupational safety and health; and to provide entrepreneurship support and retrofitting activities.

2. JORDAN: CLOSING THE GENDER PAY GAP

(CPO: JOR152) SPF 2010-15 - Outcome 17: Discrimination in employment and occupation is eliminated

Jordan has a long standing commitment to achieving pay equity for women and men at work. The Kingdom has ratified several international Conventions that assert the right to equal pay for work of equal value and Section 23, 2(a) of the Constitution specifies that all workers shall receive wages appropriate to the quantity and quality of the work undertaken. However, the application of measures to ensure pay equity remains a challenge.

The ILO has provided technical support for pro-pay equity provisions in the National Employment Strategy, and has worked with the Jordanian National Commission for Women (JNCW) to conduct a national pay equity study and to launch a campaign in support of working women. The ILO has also supported the establishment of a National Steering Committee for Pay Equity (NSPCE) which aims to promote women's participation in the labour market through the implementation of the Equal Remuneration Convention, 1951 (No. 100) and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

The decision to establish the Committee follows the recommendations of a Policy Roundtable on Pay Equity held in Amman in March 2010. Co-chaired by the Ministry of Labour and the JNCW, the NSCPE was launched in July 2011. Its membership comprises of representatives from trade unions, professional associations, civil society, government bodies, the Chamber of Commerce, the Chamber of Industry, and the private sector. It will draft a national strategy and an action plan for achieving equal remuneration for men and women workers for work of equal value in Jordan.

Among the responsibilities of the NSCPE is the development of a National Strategy and Action Plan to Promote Pay Equity in Jordan. Technically supported by the ILO, the tripartite plus body has already started working through two technical subcommittees; the legal and policy subcommittee, and the research and statistics subcommittee. The legal and policy subcommittee has initiated a legal review under the leadership of its two co-chairs. The research and statistics subcommittee is currently in the process of identifying a sector for undertaking in-depth research on the gender pay gap in the sector.

The two subcommittees will work toward building a knowledge-base that enables decision-makers to formulate policies that promote pay equity; advocating for legislation that supports pay equity and addressing pay equity issues in specific sectors through the application of gender neutral job evaluations. Based on the findings from these two subcommittees an advocacy and media subcommittee will develop a campaign to bring broader based support for the initiative. In order to improve the understanding of the NSCPE members around the concept of equal value of jobs a capacity building workshop is taking place in early October.

RBSA resources have been key in advancing the Decent Work Agenda in Jordan, particularly in respect of supporting national commitments and priorities towards the application of Convention No. 100 and C. 111.



NSPCE promotes women's participation in the labour market



Jordan's pay equity initiative is the first of its kind in Arab states, and may serve as a model for other countries in the region looking to close the gender pay gap such as Egypt and Lebanon.

SUCCESS STORIES IN ASIA AND THE PACIFIC

1. CAMBODIA: IMPROVING THE EMPLOYABILITY OF RURAL WOMEN AND MEN WORKERS

(CPO: KHM105) SPF 2010-15 - Outcome 2: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth

Cambodia faces the serious challenge of creating adequate productive employment opportunities for its citizens. In addition to young people entering the labour market, both the quantity and quality of employment remain major concerns, especially for vulnerable groups that face additional constraints due to their location, sex, ability status, skills or access to capital. The ILO is working with constituents on a coherent employment strategy and an accompanying social protection floor. At local level the focus is on the practical demonstration of the advantages of linking

investment in infrastructure, informal economy development, entrepreneurship development, and skills development to secure multiple and mutually reinforcing gains in employment creation.

The ILO supported the Labour Force Survey in 2010, and through an EC-funded project built capacity in the collection, analysis and dissemination of decent work indicators and labour market statistics. ILO interventions also aimed at ensuring that disability issues were mainstreamed in the government's plans and programmes. ILO helped the country develop a National Social Protection Strategy for the Poor and Vulnerable. The ILO also took the lead in developing the income support component of this strategy, which was approved in March 2011.

Job centres have been established and are now able to develop and expand access to employment, highlighting its important role in the implementation of labour market policies and programmes. A number of tools and materials were developed to support the functioning of these job centres.

To be able to respond better to the skills requirements of the economy, skills standards in priority industry sectors were developed and adapted.

The **RBSA** contribution now enables the ILO to help shape the national social protection strategy and further strengthen employment services delivery. The ILO is now providing support in further developing and demonstrating a public works component and advantages in terms of income opportunities for poor and vulnerable families during times of crisis or in the slack season. It is also supporting the implementation of the national social protection strategy by testing an integrated mechanism – the PEOPLE service – to provide access to existing social protection and employment related services in two provinces, explore linkages between existing provisions to reinforce their respective impact and facilitate the coordination and monitoring of the NSPS. The Office assistance and the work conducted so far have been well appreciated by the Government and development partners, and further collaboration is envisaged. Further comprehensive ILO support to Cambodia is captured in the new Decent Work Country Programme for 2011-2015.



Employment creation



Opening ceremony at a job centre

2. CHINA: LABOUR LAW ENFORCEMENT AND LABOUR INSPECTION IMPROVED FOR BETTER PROTECTION OF WORKERS' RIGHTS

(CPO: CHN151) SPF 2010-15 - Outcome 11: Labour administrations apply up to date labour legislation and provide effective services

In order to strengthen the enforcement of recently adopted laws on labour contracts, employment promotion, labour dispute conciliation and arbitration, and social insurance, the Ministry of Human Resources and Social Security of China (MOHRSS) created a national Labour Inspection Bureau. The MOHRSS requested the ILO to support the capacity building of labour inspectors and in particular, to introduce international good practices. Based on the findings of the 2009 joint ILO/MOHRSS review of labour inspection in China, the ILO launched its first ever technical cooperation work on labour inspection under the framework of the ILO/Norway project on strengthening labour inspection services in 2010.

The **RBSA** funding has made it possible to continue and deepen the cooperation initiated under an existing Norwegian funded ILO project, enabling the ILO to promote the Labour Inspection Convention, 1947 (No. 81) and help the Government to prepare for its ratification. Much effort has been placed on developing a nation-wide training strategy, and in particular, the development of Master Trainers at the provincial level. Labour inspection is expected to play an increasingly active role in promoting decent work for all and building up a harmonious society in China.

Highlights of our work include –

- Translation and publication in Chinese of the ILO's *Fundamentals of Labour Administration*, the ILO training manual *Building efficient, modern labour inspection services* recently developed by LAB/ADMIN and ITC-ILO, as well as workers' and employers' handbooks on labour inspection.
- Organization of a workshop on labour inspection and the emerging challenges of the world of work to address the impact of issues such as discrimination, gender equality, forced labour, child labour, CSR, OSH and green jobs on the role of labour inspectors. (April 2011)
- In preparation for the 2011 general discussion on labour administration and labour inspection at the International Labour Conference (ILC), the ILO and MOHRSS jointly produced a film describing an innovative labour inspection development strategy now being piloted in China, known as Twin Networks Management.
- A tripartite seminar on strengthening labour inspection services was held (June 2011) to improve the partnership between labour inspectorates and the social partners as well as other stakeholders.
- Training of master trainers selected from among experienced labour inspectors from each province, to begin the process of cascading training from the national to the provincial and eventually to the local level. The Chinese edition of the ILO training manual will be used. (scheduled for November 2011)
- Support to Chinese labour inspectors to participate in international cooperation on labour inspection via overseas training, study tours and seminars.



Fundamentals of Labour Administration



Building efficient, modern labour inspection services – training manual



Emerging challenges of the world of work and labour workshop

3. INDIA: STRENGTHENED POLICY FRAMEWORK FOR REDUCING VULNERABILITY TO BONDAGE

(CPO: IND151) SPF 2010-15 - Outcome 16: Child labour is eliminated, with priority being given to the worst forms

Vulnerability to bondage in unorganized sectors of the Indian economy is one of the factors that trap already marginalized groups of men and women workers in poverty in India. Its roots are tied to long-standing patterns of inequality, social exclusion and discrimination, in addition to labour market failures in the informal economy. The ILO has worked closely with the Government of India and social partners to address the root causes of vulnerability to labour exploitation and bondage.

Examples of progress include a new approach to the recruitment of migrant workers that needs pilot testing; improved mechanisms to establish bank accounts for workers, through which wage payments and advances can be routed; and innovative means of providing migrant workers with the documentary evidence necessary for them to access government schemes away from their district of origin. More than 33% of the target group have been enrolled in social security schemes through worksite enrolment camps. Employers in the brick kiln sector have a new code of conduct and are implementing their action plans.

Child labour has been greatly reduced in the project area due to schools being run at 33 brick kilns for about 823 children of target workers. Day care centres for children of migrant workers are being approved for government funding due to advocacy efforts by the unions. Workers are more aware of their rights, and with facilitation from national trade unions are pursuing their charter of demands with the employers and Government.

The Government of India has requested ILO assistance to build on progress in Tamil Nadu to facilitate the engagement and build the capacity of local partners to eliminate bonded labour in other States, particularly those in the eastern migration corridor, in the states of Andhra Pradesh and Orissa.

The ILO is helping the new States to establish inter-state coordination systems to provide reciprocal access to schemes for migrant target groups and to improve labour recruitment and management practices.

Concrete milestones identified include –

- establishment of State level social dialogue mechanisms to improve labour recruitment and management practices
- social security coverage extended by facilitating access to government schemes for workers and family members both in source and destination areas
- enhanced capacity of participating institutions, including on safety and health issues and productivity
- greater integration of the needs of poor migrant workers at state level and in national policies and programmes.



Women workers discuss their working conditions



Summer camp for school drop outs

An **RBSA** allocation has complemented other ILO resources and has been applied to specific outputs under the first two milestones. It should be noted that the overall programme of work is fully demand-driven, with a strong political commitment, requesting the ILO to play the role of facilitator to replicate the prevention of bonded labour approach at an all-India level.

4. PHILIPPINES: NATIONAL AND LOCAL WAGE POLICIES, INCLUDING THE MINIMUM WAGE

(CPO: PHL128) SPF 2010-15 - Outcome 5: Women and men have better and more equitable working conditions

Under the current minimum wage policy in the Philippines prescribed by Republic Act 6727 or the Wage Rationalization Act of 1989, regional (sub-national) minimum wage fixing is intended to respond to the need to protect the most vulnerable workers. However, problems have been experienced in the applying the current minimum wage policy, e.g. non-compliance, growth of the informal sector and even disincentives to collective bargaining and pay-for-performance schemes. Aggravating the situation is the systematic exclusion by law of workers in micro-enterprises.

The ILO was asked to help assess the minimum wage setting machinery, identifying both the intended and unintended consequences. Through a study of wage fixing mechanisms in neighbouring countries and a report on the consultation process involving the National Wages and Productivity Commission (NWPC), the Government issued directives on wage policy reform.



Wage system workshop

As a major strategy to roll-out the reform, NWPC has proposed a two-tiered approach to wage-setting in which the first tier involves a wage floor while the second tier is focused on productivity-based pay. To fine-tune the concept of a two-tiered approach, NPWC has undertaken further consultations and has sought to learn directly from successful wage-setting mechanisms in other countries in the region. A study visit to Singapore by the tripartite commissioners of the NWPC was held in November 2010, highlighted by discussions with the National Wages Council, the Singapore National Employers Federation, and the National Trade Union Congress.

A tripartite workshop involving national and local constituents was held in April 2011 to resolve remaining technical and operational issues, including making the statistics required by the two-tiered wage system available.

An **RBSA** allocation complements other ILO resources in providing support to the ongoing wage policy reform, particularly in conducting research and capacity building of the NWPC and the wage boards, e.g. on determining the impact of minimum wages on collective bargaining, updating the family living wage data, setting up an empirical framework for estimating the floor wage, and designing productivity improvement and gain-sharing schemes.

SUCCESS STORIES IN EUROPE

1. ARMENIA: ENHANCED DECENT WORK OPPORTUNITIES AND INCREASED EMPLOYABILITY FOR MARGINALIZED GROUPS

(CPO: ARM152) SPF 2010-15 - Outcome 2: Skills development increases the employability of workers, the competitiveness of enterprises, and the inclusiveness of growth

In Armenia the ILO helps constituents to carry out analyses of marginalized groups and their job opportunities. Cooperation includes drafting a strategy for increased employability of marginalized groups, with a special focus on people with disabilities. Knowledge and experience gathered in Armenia will be used for drafting a manual on increasing the employability of vulnerable groups, thus contributing to the Eastern Europe and Central Asia subregional knowledge base.

Through the use of **RBSA** funding it will be possible to –

- Strengthen the institutional capacities of public employment services and rehabilitation centre(s) through staff training on the provision of services to people with disabilities and marginalized groups.
- Develop a new Active Labour Market Programme, with a focus on workplace adaptation to the needs of people with disabilities and placement of beneficiaries in wage or self-employment in the open labour market. The ILO already provides advice and technical support to the development and piloting of an active labour market programme that contributes to adapting workplaces for people with disabilities.
- Produce a policy paper for increased employability of people with disabilities. **RBSA** funding will directly serve the adaptation of guidance material related to the adaptation to workplaces for disabled jobseekers in Armenia and for an expert on vocational rehabilitation and the employment of people with disabilities. Funding will also be allocated on equipment for adaptation to workplaces, translation and interpretation, seminars and workshops.



RBSA funding in Armenia aims to promote employability of people with disabilities

2. MOLDOVA: STRENGTHEN THE EFFECTIVENESS OF THE LABOUR INSPECTION SYSTEM

(CPO: MDA102) SPF 2010-15 - Outcome 11: Labour administrations apply up to date labour legislation and provide effective services

A labour inspection audit was conducted in Moldova in 2009, which led to the agreement of an Action Plan with the labour inspectorate that included: training activities for inspectors on risk assessment and new inspection techniques; establishment of new inspection tools to make labour inspection visits more effective; implementation of a registration system for enterprises and inspection activities; campaigns against undeclared work; simplification of sanctioning administrative procedure; submission of proposals on career plan for inspectors, on labour inspection visits and on administrative procedures; strengthening of social partners knowledge on the role of the labour inspection.

The main support delivered with **RBSA funding included –**

- technical assistance for a computerized workplace registry with gender-disaggregated data
- based on a training needs assessment, a training-of-trainers course for 15 labour inspectors through the Turin Centre, including training on labour inspection and gender equality
- tools to help the labour inspectorate improve the planning and programming of inspection visits
- a one-week training course for 25 labour inspectors, involving previously trained inspectors from the training-of-trainers course
- a one-week training course on labour inspection in agriculture for 25 labour inspectors, covering risk assessment, risks and preventive measures in the use of machinery and dangerous substances, and methods of tackling undeclared work in agriculture
- an information and inspection campaign for health and safety and undeclared work in agriculture, with awareness raising through radio spots, posters, calendars and booklets on undeclared work, the use of tractors and other machinery and pesticides
- a study visit to the European Union to share experience of planning, programming, evaluation cycles and the organization of campaigns.