



SECOND ITEM ON THE AGENDA

**The ILO's Technical Cooperation
Programme 2007–08***Contents*

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I. Introduction

1. This report provides an overview of the ILO's technical cooperation programme during 2007–08. The data regarding expenditure for 2008 are preliminary. The purpose of the report is to give an overview of the scope of the programme, taking into account all sources of funds. Therefore, in addition to Extra-budgetary Technical Cooperation (XBTC) resources, the report also includes references to Regular Budget for Technical Cooperation (RBTC) resources and the Regular Budget Supplementary Account (RBSA). Full reporting on the use of these regular budget resources is provided to the Programme, Financial and Administrative Committee.

II. Approvals

2. Approvals are an indication of the ILO's ability to mobilize XBTC resources.¹ Figure 1 shows approvals by source of funds. Approvals in 2008 amounted to a record of \$302.5 million, a 35 per cent increase compared to the \$223.9 million in 2007, and a 98.5 per cent increase since 2004. During the period 2005–08, the ILO mobilized close to \$1 billion. XBTC resources are a significant part of overall ILO expenditure, accounting for 36 per cent of total expenditure (RB and XBTC) in 2006–07.
3. Approvals from multi-bilateral, direct trust funds, international financial institutions, and non-state actors constituted around 79 per cent of total approvals, with approvals from the United Nations system amounting to 9 per cent and from other intergovernmental organizations (nearly all from the European Commission) to 12 per cent. The significant increase of multi-bilateral approvals is due in part to the conclusion of partnerships with seven new donors in 2008. The ILO is also beginning to receive funds from a number of the recently established multi-donor trust funds, such as the UNDP–Spain Millennium Development Goals (MDG) Achievement Fund.
4. As reflected in Appendix I, in 2008 the Government of the United States topped the list of donors in 2008, with \$52 million in contributions, followed by the European Commission with \$36 million. Both donors have also provided the largest share of average contributions over the past five years, as shown in figure 2. Other major donors during this period include the Governments of the Netherlands, Norway, the United Kingdom and Italy. Romania became a new donor in 2008. Significantly fewer resources were mobilized in 2008 from foundations and the private sector. New office procedures on public–private partnerships will provide clear guidance on mobilizing resources from private sources, in line with the Governing Body decision in March 2008.² They are expected to help achieve greater success in tapping funds from these sources. Approvals from the World Bank were also under projected expectations, in part due to difficulties caused by the complex contracting arrangements. The recently signed Financial Management Framework Agreement and the Fiduciary Principles Accord should facilitate further collaboration with the World Bank in 2009.

¹ Approvals refer to the amount donors award to the ILO in a given year through the conclusion of framework or project-specific agreements. Such agreements usually cover several years, meaning that approvals may be high for one donor in one year, and negligible for several subsequent years until a new agreement is concluded.

² GB.301/PV, para. 249.

Figure 1. Extra-budgetary technical cooperation approvals by source of funds

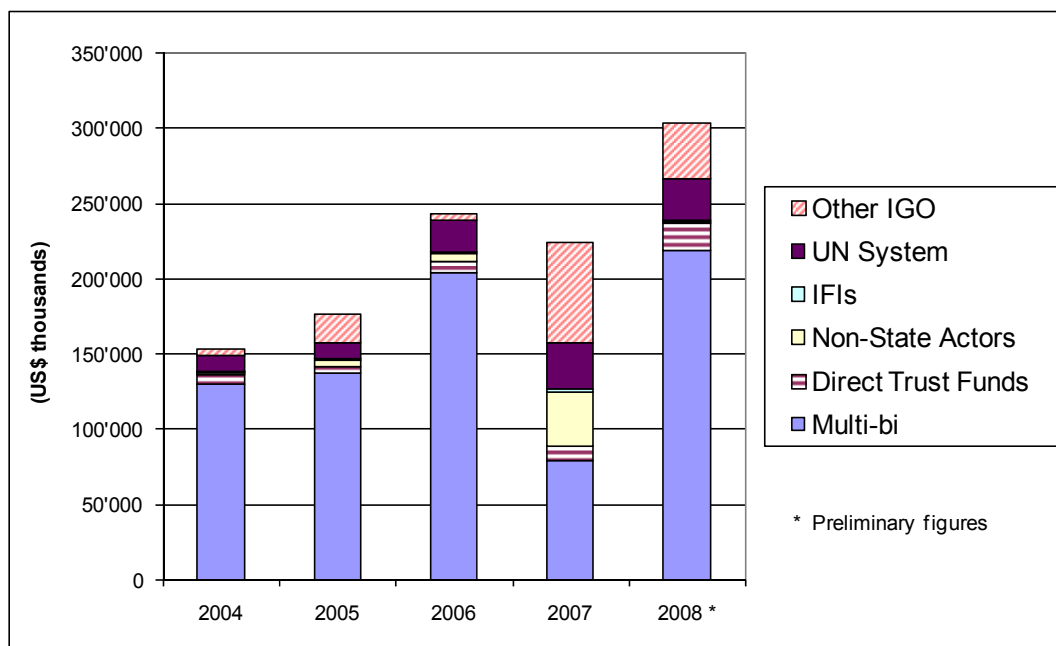
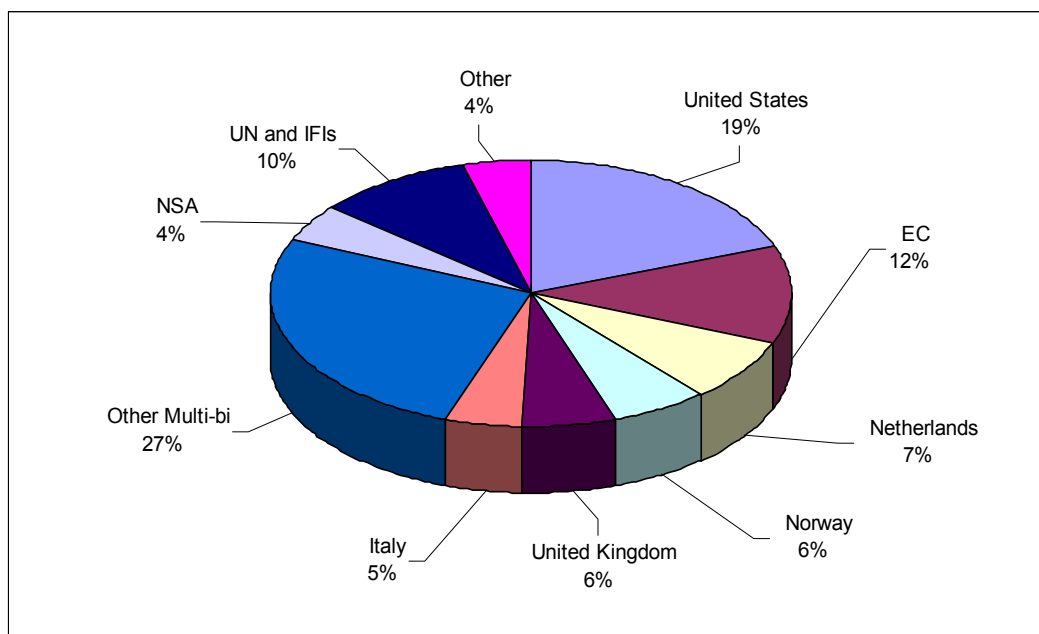


Figure 2. Average XBTC approvals 2004–08 by donor



5. In line with recent trends in development cooperation, which call for more predictable aid that is fully aligned with country priorities,³ the ILO has entered into a number of multi-annual partnerships with its donors. The agreements with Denmark, Flanders, France, Germany, Ireland, Netherlands, Norway, Sweden and the United Kingdom are considered to fulfil the criteria of aiming at predictable funding and supporting multi-annual and

³ See GB.304/TC/1.

multi-thematic programmes. It is of some concern that not all partnerships fully consider the strategic importance of targeted contributions to promote international labour standards, gender equality, capacity building through the ILO's International Training Centre of the ILO in Turin (Turin Centre), and social dialogue and tripartism. Five of the partnerships are well aligned with the ILO's programming cycles. Only two out of the nine donors provide light earmarking, while three define in great detail the entire partnership and its goals. The release of funds is reliable and predictable in all but two cases. Partnerships account for 15 per cent of approvals in the period 2007–08.

6. The ILO partnerships were recently cited in a report on multilateral aid prepared by the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC), which notes that such partnerships “have led to more predictable long-term funding, which feeds into more effective outputs as less time is spent on chasing funding and more on substantive work.” It recommends examining the wider adoption of such principles of “good multilateral donorship”.⁴
7. A breakdown of the 2008 approval figures by technical sectors indicates that XBTC for the strategic objective on employment accounted for 42 per cent of approvals (\$119 million), followed by standards and fundamental principles and rights at work with 30 per cent (\$86 million), social protection with 12 per cent (\$33 million) and social dialogue with 11 per cent (\$30 million). Other programmes account for the remaining 5 per cent. These figures show a relative rebalancing of approvals between the four strategic objectives.

III. Regular Budget Supplementary Account

8. The RBSA, established to expand and deepen the ILO's capacity to deliver on decent work outcomes and priorities and to overcome gaps in the 2008–09 regular budget, has been received in contributions from the following donors: Brazil, Germany, Italy, Ireland, Netherlands, Norway, Spain, Sweden and the United Kingdom (see Appendix II). Out of the target of \$56 million, over 75 per cent (nearly \$42 million) has been received or pledged. The original target of \$22 million for Africa was reached, and allocations have been made to the other regions in line with regional, subregional and national decent work outcomes and priorities.

IV. Overall expenditure of XBTC and RBTC

9. Expenditure is an indication of the volume of technical cooperation resources in a particular region or in relation to a strategic objective. Appendix III shows the expenditure figures in the period 2006–08. Total expenditure increased to \$193 million in 2008. This represents a 2 per cent increase from the previous year, and a 15 per cent increase compared to 2006. XBTC expenditure amounted to \$184 million, representing the ninth consecutive year of growth.
10. There was a marked increase in expenditure from direct trust funds, non-state actors and international financial institutions, as well as UN organizations other than the UNDP and UNAIDS. RBTC expenditure in 2008, which tends to be lower in the first year of a biennium, was 30 per cent higher than in 2006, the first year of the previous biennium.

⁴ OECD Development Assistance Committee: *DAC Report on Multilateral Aid*, 2008 (DCD/DAC(2008)58/ADD), Paris, p. 36.

V. Strategic breakdown of expenditures

11. In 2008, the share of expenditure of each strategic objective was similar to that in previous years (table 1). Standards and fundamental principles and rights continued to maintain the highest share of expenditure at 36 per cent (39 per cent in 2007) of which about 77 per cent was targeted on action against child labour. Employment retained the second largest share of expenditure, followed by social protection and social dialogue. Appendix IV shows a more detailed breakdown of expenditure in 2008 by immediate and joint outcomes.

Table 1. Distribution of ILO technical cooperation expenditure (XBTC and RBTC) by strategic objective (2006–08)

Strategic objective	2006		2007		2008 (preliminary)		2008/07 % change
	\$	% share	\$	% share	\$	% share	
Standards	77 170	45.8	73 802	38.9	70 369	36.4	-4.7
Employment	55 110	32.7	66 478	35.0	66 707	34.5	0.3
Social protection	21 220	12.6	26 434	13.9	26 539	13.7	0.4
Social dialogue	13 313	7.9	17 192	9.1	17 212	8.9	0.1
Others ¹	1 770	1.0	5 945	3.1	12 520	6.5	110.6
Total	168 582	100.0	189 852	100.0	193 348	100.0	1.8

¹ Including Joint Immediate Outcomes (2008) and Governance, Support and Management.

VI. Regional distribution

12. Table 2 provides an overview of expenditure by region. In 2008, expenditure increased in Africa and the Americas. The Arab States experienced a marked increase. Expenditure in Asia and the Pacific and Europe declined. Africa had the largest share of expenditure, with a share of 28 per cent. Least developed countries accounted for a 21 per cent share of expenditure, an increase from 18 per cent in 2007.

Table 2. Total expenditures (XBTC and RBTC) by geographical region

Region	2006		2007		2008 (preliminary)		2008/07 % change
	\$	% share	\$	% share	\$	% share	
Africa	40 487	24.0	49 388	26.0	53 593	27.7	8.5
Americas	23 588	14.0	24 211	12.8	27 108	14.0	12.0
Asia and the Pacific ¹	53 471	31.7	56 880	30.0	51 763	26.8	-9.0
Europe ²	11 991	7.1	13 213	7.0	9 928	5.1	-24.9
Arab States	2 844	1.7	3 925	2.1	6 391	3.3	62.8
Interregional and global	36 201	21.5	42 235	22.2	44 564	23.0	5.5
Total	168 582	100.0	189 852	100.0	193 348	100.0	1.8

¹ Including Afghanistan and the Islamic Republic of Iran. ² Including Israel.

VII. Delivery rates

13. Table 3 indicates the delivery rates by region, measured as per cent of resource allocation spent per year. In 2008, overall XBTC delivery increased from 63 per cent in 2007 to 66 per cent. The delivery rate varied significantly between regions however. There were notable improvements in the delivery rates in Africa and the Americas, with the latter achieving the highest delivery rate of 2008. Asia and the Pacific and Europe held relatively steady but there was a marked decline in the Arab States.

Table 3. Delivery rate by region (extra-budgetary funding only)

Region	2007				2008 (preliminary)			
	Alloc.	Expend.	% share (expend.)	% delivery rate	Alloc.	Expend.	% share (expend.)	% delivery rate
Africa	75 778	43 321	25.6	57.2	75 695	50 418	27.4	66.6
Americas	31 785	20 827	12.3	65.5	34 991	24 884	13.5	71.1
Asia and the Pacific ¹	76 045	52 635	31.1	69.2	71 658	49 449	26.9	69.0
Europe ²	17 873	12 195	7.2	68.2	14 399	9 454	5.1	65.7
Arab States	5 933	2 760	1.6	46.5	14 364	5 693	3.1	39.6
Interregional and global	59 633	37 556	22.2	63.0	69 480	44 121	24.0	63.5
Total	267 048	169 294	100.0	63.4	280 586	184 020	100.0	65.6

¹ Including Afghanistan and the Islamic Republic of Iran. ² Including Israel.

14. The Office is endeavouring to increase the delivery rate through enhanced analysis of resource gaps for the purpose of resource mobilization and allocation, and regular training on results-based management and project cycle management. The Office has also strengthened its appraisal mechanism, which ensures that technical cooperation programmes and projects meet quality design standards and are consistent with and instrumental to the promotion of tripartism, the application of international labour standards and respect for gender equality, and that they make appropriate use of the expertise and services provided by the Turin Centre. A greater emphasis is also being placed on the decentralization of technical cooperation, and better implementation planning combined with an increased focus on monitoring.
15. Evaluation plays a key role by providing an opportunity for the Office and its funding partners to assess the appropriateness of ILO technical cooperation activities in relation to the strategic objectives and national policy frameworks, and to consider the efficiency, effectiveness and sustainability of outcomes. All technical cooperation projects are subject to evaluation. The Office is committed to enhancing the evaluation function and its usefulness as a management and organizational learning tool. ⁵ The strengthened appraisal mechanism will help ensure that evaluation lessons learned and good practices are taken into account to improve project design and implementation.
16. Finally, on a wider scale, the Office is taking steps to ensure that its technical cooperation programme contributes to UN system-wide coherence. Training on mobilizing resources and implementing results-based Decent Work Country Programmes in the context of United Nations reform is provided to ILO staff in the field and headquarters on a regular basis. Efforts are also being made to improve coordination and information sharing, with regular formal and informal meetings of ILO donors and through newsletters. The ILO is

⁵ See GB.294/PFA/8/4.

also increasingly coordinating its resource mobilization and technical cooperation activities with other specialized agencies and United Nations funds and programmes.

17. At the same time, as highlighted in the proposals concerning resource mobilization and technical cooperation in the Strategic Policy Framework⁶ and in the paper on trends in international development cooperation⁷ that is before the Committee at its present sitting, the increasing recognition of the central role of decent work in national development has led to greater pressure for the ILO to deliver more and better technical cooperation. Together, ILO constituents, as Members, donors, implementing partners and beneficiaries, and the Office will have to continue their joint efforts to ensure that the ILO's technical cooperation programme meets this challenge effectively.
18. ***The Committee may wish to recommend that the Governing Body encourage the Director-General to continue to strengthen the ILO's technical cooperation programme to ensure that it effectively discharges the role foreseen in the implementation of the Declaration on Social Justice for a Fair Globalization.***

Geneva, 18 February 2009.

Point for decision: Paragraph 18.

⁶ GB.304/PFA/2.

⁷ GB.304/TC/1.

Appendix I

Approvals by donor, 2007–08 (in thousands of US\$)

Donors	2007	2008 (preliminary)
Multi-bilateral donors		
United States	20 399	52 282
United Kingdom	4 993	28 917
Norway	2 570	24 667
Spain	8 185	16 072
Italy	10 251	14 558
Belgium	1 118	14 237
Ireland	3 746	14 218
Denmark	512	12 526
Australia	0	6 969
Luxembourg	3 231	5 665
Portugal	274	4 911
Germany	2 406	4 632
Sweden	4 251	3 757
Austria	0	2 269
Flanders	600	2 200
Canada	2 723	2 159
Japan	1 571	2 041
Switzerland	3 300	1 277
Finland	2 430	1 225
Republic of Korea	1 336	1 131
Multi donors	71	1 125
Saudi Arabia	0	500
New Zealand	400	427
France	2 585	361
Panama	250	261
Czech Republic	0	254
Poland	50	0
Brazil	755	0
Netherlands	571	0
Subtotal multi-bi donors	78 577	218 640
Direct trust funds	9 790	17 224

Donors	2007	2008 (preliminary)
Non-state actors		
Foundations	34 717	769
Public institutions	113	321
Social partners	0	369
Private sector initiatives	443	99
Others	270	0
Subtotal non-state actors	35 542	1 558
International financial institutions	2 171	1 514
United Nations		
UNDP	13 343	12 476
One UN Fund	0	5 864
UNTFHS	1 065	2 114
UNIDO	0	1 568
UN-HABITAT	0	1 250
IFAD	0	870
UNAIDS	9 500	869
UNCDF	0	793
UNRWA	0	650
UNFPA	122	260
UNDCP	0	200
UNICEF	0	200
UNIFEM	0	12
UNOPS	968	0
UNDG Iraq TF	5 239	0
UNHCR	382	0
Subtotal United Nations	30 618	27 126
Other intergovernmental organizations (EC) *	67 196	36 391
Total donors	223 894	302 453

*Including US\$1.4 million from IOM, OSCE and SPC in 2007.

Appendix II

Pledged RBSA contributions 2008–09

Donor	Pledged (in millions of US\$)
Brazil	0.30
Germany*	9.34
Italy	1.47
Ireland	0.59
Netherlands	6.07
Norway	7.19
Spain	3.95
Sweden	1.00
United Kingdom	12.00
Total	41.90

*Three million euros pledged by Germany for 2010 are not included in this figure.

Appendix III

ILO technical cooperation expenditure by source of funding, 2006–08 (preliminary figures) (excluding administrative expenditure) (in thousands of US\$)

Source of funds	2006		2007		2008 (preliminary)		2008/07 % change
	\$	% share	\$	% share	\$	% share	
Extra-budgetary							
Multi-bilateral donor	134 835	80.0	131 001	69.0	142 208	73.6	8.6
Direct trust funds	3 829	2.3	6 534	3.4	8 185	4.2	25.3
Non-state actors ¹	2 486	1.5	3 316	1.7	4 712	2.4	42.1
International financial institutions (banks)	908	0.5	781	0.4	1 502	0.8	92.3
United Nations							
UNDP	7 641	4.5	11 389	6.0	10 220	5.3	-10.3
UNAIDS	3 362	2.0	4 671	2.5	4 609	2.4	-1.3
Other UN ²	2 693	1.6	3 585	1.9	5 709	3.0	59.3
Subtotal United Nations	13 696	8.1	19 644	10.3	20 538	10.6	4.5
Other intergovernmental organizations ³	5 677	3.4	8 017	4.2	6 875	3.6	-14.2
Total extra-budgetary	161 432	95.8	169 294	89.2	184 020	95.2	8.7
Regular Budget for technical cooperation	7 151	4.2	20 558	10.8	9 327	4.8	-54.6
Total	168 582	100.0	189 852	100.0	193 348	100.0	1.8

¹ Includes foundations, public institutions, social partners: trade unions, employers' associations, joint initiatives and private sector initiatives. ² Includes UNCDF, UNDCP, UNDG, UNESCO, UNFIP, UNFPA, UN-HABITAT, UNHCR, UNTHFS, UNICEF, UNIFEM, UN-OCHA, UNOPS, UNRWA, IFAD, etc. ³ Includes EC, IOM, OSCE and SPC.

Appendix IV

Technical cooperation expenditure by immediate and joint outcomes in 2008 (preliminary figures) (excluding administrative expenditure) (in thousands of US\$)

Immediate/joint outcomes	RBTC	XBTC	Total
Promote and realize standards and fundamental principles and rights at work			
Fundamental principles and rights at work are realized			
Increase member State capacity to develop policies or practices reflecting fundamental principles and rights at work	194	12 740	12 933
Targeted action progressively eradicates child labour, with a particular focus on the worst forms of child labour			
Increase constituent and development partner capacity to develop or implement policies or measures focused on reducing child labour	101	53 966	54 067
International labour standards are broadly ratified and significant progress is made in their application			
Increase member State capacity to ratify and apply international labour standards	499	2 870	3 369
Subtotal	794	69 575	70 369
Create greater opportunities for women and men to secure decent employment and income			
Coherent policies support economic growth, employment generation and poverty reduction			
Increase constituent capacity to develop policies and policy recommendations focused on job-rich growth, productive employment and poverty reduction	690	5 300	5 990
Increase member State and development partner capacity to develop and implement policies and programmes on employment-intensive investment focusing on infrastructure	128	16 133	16 261
Increase member State capacity to develop policies or programmes focused on youth employment	273	7 194	7 466

Immediate/joint outcomes	RBTC	XBTC	Total
Workers, employers and society benefit from the wider availability of relevant and effective skills development and employment services			
Increase member State and constituent capacity to develop or implement training policies	159	7 233	7 392
Improve member State capacity to develop or implement employment services	55	687	741
Sustainable enterprises generate productive jobs			
Increase the capacity of constituents and other organizations to develop policies or regulations that generate more and better jobs in sustainable enterprises and cooperatives	130	14 653	14 784
Increase the capacity of constituents and other organizations to develop programmes for local economic development and upgrading of value chains and enterprises that generate more and better jobs	172	4 816	4 988
Increase the capacity of member States to develop post-crisis recovery programmes	256	8 829	9 085
Subtotal	1 862	64 845	66 707
Enhance the coverage and effectiveness of social protection for all			
More people have access to better managed social security benefits			
Increase member State capacity to develop policies focused on improving social security systems	397	4 465	4 862
Improve member State capacity to manage social security schemes and to implement policies focused on improving social security systems	102	1 725	1 827
Safety and health and working conditions in workplaces are improved			
Increase constituent capacity to develop or implement policies and programmes on improving working conditions and safety and health at work	327	2 998	3 325
Labour migration is managed to foster protection and decent employment of migrant workers			
Increase member State capacity to develop policies or programmes focused on the protection of migrant workers	99	3 794	3 893

Immediate/joint outcomes	RBTC	XBTC	Total
Workplace policies respond to needs for HIV/AIDS prevention, treatment, care and support			
Increase tripartite constituent capacity to develop policies and programmes that address the HIV/AIDS epidemic in the world of work and within the framework of the promotion of decent work	91	1 486	1 577
Improve member State implementation of policies and programmes that address the HIV/AIDS epidemic in the world of work and within the framework of the promotion of decent work	5	7 494	7 499
Increase the participation of employers' and workers' organizations in policy development and in accessing national and international funding	2	3 555	3 557
Subtotal	1 023	25 516	26 539
Strengthen tripartism and social dialogue			
Employers and workers have strong and representative organizations			
Increase the value of employers' organizations to existing and potential membership	501	1 732	2 233
Increase the value of workers' organizations to existing and potential membership	783	1 203	1 986
Social partners influence economic, social and governance policies			
Increase the capacities of employers' and workers' organizations to participate effectively in the development of social and labour policy	625	2 370	2 994
Tripartite dialogue occurs widely in policymaking, labour law reform and implementation			
Increase member State's capacity to develop policies and labour legislation through more tripartite dialogue between constituents	397	4 689	5 086
Improve the capacity of the tripartite constituents to implement labour policies and programmes, including through coordination at regional and subregional levels	347	3 173	3 519
Sectoral social dialogue promotes the improvement of labour and social conditions in specific economic sectors			
Increase the level of consensus on social and labour issues in specific economic sectors	25	53	78
Increase constituent capacity to develop policies or programmes focused on improving labour and social conditions in specific sectors	115	1 200	1 315
Subtotal	2 794	14 419	17 212

Immediate/joint outcomes	RBTC	XBTC	Total
Miscellaneous	1 104	2 560	3 665
Joint immediate outcomes			
Coherent economic and social policies in support of decent work: increase capacity of member States and development partners to promote coherent economic and social policies in support of decent work at national, regional and global levels	1 200	2 228	3 428
Integrated policies for the informal economy: increase constituent capacity to develop integrated policies for upgrading the informal economy and facilitating transition to formality	446	124	569
Strengthening labour inspection: increase member States' capacity to carry out labour inspection	5	0	5
Advancing gender equality in the world of work: increase capacity of constituents to develop integrated policies and programmes to advance gender equality in the world of work	99	2 264	2 364
Microfinance for decent work: increase the participation of constituents in the formulation of financial policies	1	2 488	2 489
Subtotal	1 750	7 105	8 855
Total	9 327	184 020	193 348