



Governing Body

323rd Session, Geneva, 12–27 March 2015

GB.323/POL/5

Policy Development Section
Technical Cooperation Segment

POL

Date: 17 February 2015

Original: English

FIFTH ITEM ON THE AGENDA

The ILO's Development Cooperation Strategy 2015–17

Purpose of the document

As requested by the Governing Body at its 322nd Session in November 2014, this paper proposes: (a) the objectives and mechanisms for informal tripartite consultations on strategic matters pertaining to development cooperation; and (b) new and revised operating principles, deliverables and targets of the ILO's Development Cooperation Strategy 2015–17.

The Governing Body is invited to request the Office to: (a) proceed with the organization of informal, tripartite consultations on strategic matters pertaining to development cooperation; and (b) endorse the new and revised operating principles as well as deliverables and targets of the ILO's Development Cooperation Strategy 2015–17 (see the draft decision in paragraph 10).

Relevant strategic objective: Effective and efficient utilization of ILO resources.

Policy implications: The Office will implement the ILO's Development Cooperation Strategy 2015–17, as revised.

Legal implications: None.

Financial implications: None.

Follow-up action required: None.

Author unit: Partnerships and Field Support Department (PARDEV).

Related document: GB.322/POL/6.

Introduction

1. Further to the decision adopted by the Governing Body in November 2014 concerning the ILO's Development Cooperation Strategy 2015–17, which requested the Office: ¹
 - to submit “a document, for decision, on the mechanisms in place to ensure the involvement of constituents in strategic matters pertaining to development cooperation”; and
 - to present “refined deliverables and/or targets”,

the Office seeks guidance of the Governing Body on two matters:

 - (a) consultation mechanism on development cooperation;
 - (b) refined deliverables and/or targets of the ILO's Development Cooperation Strategy 2015–17.
2. The current paper incorporates guidance received from constituents during informal consultations with the regional coordinators, the Employers' as well as the Workers' groups held in January 2015.

Consultation objectives and mechanisms

3. The Office will ensure more and better involvement of constituents in strategic matters concerning development cooperation through informal, tripartite consultations in addition and in preparation to discussions of the Technical Cooperation Segment. ² The Office would organize such consultations upon requests from constituents or upon its own initiative.
4. The purpose of the informal tripartite consultations would be to seek the views of constituents on strategic matters pertaining to development cooperation. Constituents would share their views and provide preliminary advice to the Office, based on a draft paper. The consultations should not pre-empt the discussion at the Governing Body itself, but help the Office to identify critical and possibly contentious items.
5. The three groups (Governments, Employers and Workers) would participate in the informal consultations simultaneously. Regional coordinators, the Employers' and Workers' secretariats may decide to involve other representatives from their groups to the extent this would not entail budgetary implications for the Office. For the sake of efficiency, the informal tripartite consultations on development cooperation could coincide with other informal consultations.
6. In addition to the informal consultations, other informal exchanges with constituents on the ILO's development cooperation will continue to take place. Recent examples of such exchanges include the meetings on child labour, the ILO's response to special situations such as the Rana Plaza factory collapse in Bangladesh as well as to the typhoon Haiyan in the Philippines.

¹ http://www.ilo.org/gb/decisions/GB322-decision/WCMS_319840/lang--en/index.htm.

² A proposal to change the name of the Technical Cooperation (TC) Segment into: *Development Cooperation and Partnership Segment*, is included in GB.323/WP/GBC/2.

Refined deliverables and/or targets of the ILO's Development Cooperation Strategy 2015–17

7. The ILO's Technical Cooperation Strategy 2015–17 discussed in November 2014³ proposed a revised Development Cooperation Strategy encompassing four areas, namely:
- focus (alignment, integrated resource management, flexibility, flagships);
 - effectiveness (results, decentralization, value for money, staff development);
 - capacity development (specific programmes for constituents and learning standards);
 - resource mobilization (diversification, predictability, flexibility, local mobilization, visibility).
8. Under each of these areas the Office proposed operating principles as well as deliverables and/or targets. The Governing Body had requested the Office to present refined deliverables and/or targets for tables 1, 2 and 4 in document GB.322/POL/6, for adoption, at the 323rd Session of the Governing Body (March 2015).
9. The deliverables and/or targets contained in tables 1 (focus), 2 (effectiveness) and 4 (resources) are reproduced below, with suggested changes highlighted.

Table 1. Development cooperation focus for 2015–17

Focus	
Operating principles	Deliverables and/or targets
<p>i. Alignment with global goals and ILO priorities, including international labour standards. Development cooperation supports the programme and budget outcome areas as ILO's contribution to the post-2015 sustainable development goals, and development cooperation programmes and projects contribute to the achievement of Decent Work Country Programmes (DWCPs) and country outcomes that are aligned with national policy frameworks, including the United Nations Development Assistance Framework.</p> <p>ii. Integrated resource management is further enhanced, combined with the above principle (i), through a better oversight of allocation decisions of regular and voluntary resources, <u>while ensuring a balanced distribution across ILO's programme and budget Outcomes.</u></p> <p>iii. Preparedness and flexibility are required to make development cooperation responsive to needs in countries facing fragility and special situations. See box 2 in <u>document GB.322/POL/6.</u></p> <p>iv. Larger programmes enhance the programmatic approach to development cooperation as well as resource integration. At the country level, they facilitate better synergies between projects. See box 3 in <u>document GB.322/POL/6.</u></p>	<ul style="list-style-type: none"> ■ By the end of 2017, existing decent work committees in at least 15 ILO member States with substantial development cooperation portfolios (<u>in terms of number of projects and total budget</u>) will encompass the oversight of ILO projects in that country.* ■ A fund for kick-starting and coordinating responses to fragility and special situations, as well as a global team will have been set up by the end of 2015⁴. ** (Note: to be aligned with the timespan of the strategy 2015–17). ■ A maximum of five global flagship programmes will have been designed by the end of 2015, responding to the criteria provided in box 3 in <u>document GB.322/POL/6.</u>

* GB.317/POL/6, para. 16(b), and GB.317/PV, paras 112, 116 and 121.
** GB.320/POL/9.

³ GB.322/POL/6.

Table 2. Development cooperation effectiveness 2015–17

Effectiveness	
Operating principles	Deliverables and/or targets *
<p>v. High quality and results. All development cooperation activities are built on a theory of change to ensure the focus is on attaining results and on providing a relevant, high-quality service mix, including research, knowledge, networks, policy, capacity building and direct support.</p> <p>vi. The Office takes action on challenges in its performance as outlined by evaluations and reviews of development partners.</p> <p>vii. Decentralization: enforce the rule that projects must be managed where activities take place, that is, in the field, with the DWCPs as service delivery mechanisms.</p> <p>viii. Value for money: the Office delivers development cooperation in an effective and cost-efficient way.</p> <p>ix. Improve efficiency and impact gains of staff development on development cooperation.</p>	<ul style="list-style-type: none"> ■ By the end of 2015, enhanced functionalities of the ILO development cooperation dashboard shall be in place, in line with the International Aid Transparency Initiative standards. ■ <u>A system improving knowledge sharing and workflows will be launched and implemented for project cycle management, including an improved version of the ILO development cooperation (DC) dashboard, in line with IATI ** transparency standards, by the end of 2015.</u> ■ The share of projects managed by field offices will reach 80 per cent by the end of 2017 (69 per cent in 2013). ■ From 2015 to 2017, the Office-wide delivery rate will not descend below 80 per cent (81.2 per cent in 2013). ■ A comprehensive development cooperation training programme for up to 75 ILO staff in the field and at headquarters to be piloted and evaluated in 2015.
<p>* Baseline figures may need to be updated.</p> <p>** <u>International Aid Transparency Initiative to which the ILO adhered in 2013.</u></p>	

Table 4. Resource mobilization 2015–17

Resource mobilization																														
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<p>xii. Consolidation and diversification: consolidate partnerships with the top 20 contributors (see Appendix I in document GB.322/POL/6) while developing alternative funding sources such as domestic trust funds, international finance institutions, the private sector and partners from emerging economies.</p> <p>xiii. Greater predictability: the Office seeks to conclude a greater number of multi-annual partnerships with core funding partners, as well as with emerging and private partners.</p> <p>xiv. Flexibility: the Office continues its efforts to increase the number of partners willing to provide RBSA funding and will follow up on the RBSA review recommendations. In addition, lightly earmarked funding enables the Office to flexibly allocate resources to country and global priorities associated with programme and budget outcomes, and to report on results in the programme implementation report.</p> <p>xv. Local resource mobilization is pursued including through DWCP resource mobilization plans.</p>	<ul style="list-style-type: none"> ■ The share of XBTC and RBSA as a percentage of total resources available to the Office has increased to 45 per cent by the end of 2017 (38.3 per cent in 2012–13). ■ The share of funding sources from middle-income countries, domestic sources, international finance institutions, regional development banks, and from the UN has grown from 20.4 per cent in 2013 to 25 per cent by the end of 2017. ■ <u>Extra-budgetary resources (XBTC and RBSA) available to the Office will have increased up to US\$288,500,000 by the end of 2017 (baseline US\$267,376 annual average XBTC and RBSA contribution 2012–14.</u> ■ <u>Consolidation and diversification:</u> <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th rowspan="2">Development partners</th> <th colspan="2">Annual average XBTC and RBSA (2012–14)</th> <th colspan="2">Targets for 2017</th> </tr> <tr> <th>US\$ thousands</th> <th>% share</th> <th>US\$ thousands</th> <th>% share</th> </tr> </thead> <tbody> <tr> <td>OECD–DAC members</td> <td>204,016</td> <td>76.3</td> <td>205,000</td> <td>71.1</td> </tr> <tr> <td>Non OECD–DAC members</td> <td>5,200</td> <td>1.9</td> <td>10,000</td> <td>3.5</td> </tr> <tr> <td>International financial institutions</td> <td>10,710</td> <td>4.0</td> <td>14,000</td> <td>4.9</td> </tr> <tr> <td>Domestic development funding</td> <td>12,445</td> <td>4.7</td> <td>14,000</td> <td>4.9</td> </tr> </tbody> </table> 	Development partners	Annual average XBTC and RBSA (2012–14)		Targets for 2017		US\$ thousands	% share	US\$ thousands	% share	OECD–DAC members	204,016	76.3	205,000	71.1	Non OECD–DAC members	5,200	1.9	10,000	3.5	International financial institutions	10,710	4.0	14,000	4.9	Domestic development funding	12,445	4.7	14,000	4.9
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Resource mobilization

Operating principles

Deliverables and/or targets *

xvi. Converging efforts: the Organization has the potential to reinforce resource mobilization by the Office. Constituents can support the case for decent work funding with development partners at national, regional and global levels.	UN organizations and agencies/ other intergovernmental organizations	25,015	9.4	25,000	8.7
	Public-private partnerships	9,823	3.7	20,000	6.9
xvii. Visibility: the Office pursues and extends communication on results <u>and human impact</u> .	Social partners	167	0.1	500	0.2
	Total	267,376	100.0	288,500	100.0
¹ Preliminary 2014 data.					

- The share of un-earmarked and lightly earmarked resources as a percentage of total voluntary contributions have increased to 15 per cent by the end of 2017 (in 2012–13, 10 per cent).
- Regional Offices have developed and/or updated a regional resource mobilization strategy in line with the current Office-wide strategy and the regional specifics by the end of 2015.
- The share of resources mobilized locally have increased to 50 per cent by 2017 (46 per cent in 2013).
- ~~Brochures~~ Communication material (web-based, audio-visual or printed) on results and development partners; and biennial global and regional results reports published at least each biennium.

* Baseline figures may need to be updated.

Draft decision**10. The Governing Body:**

- (a) *requests the Office to proceed with the organization of informal, tripartite consultations on strategic matters pertaining to development cooperation, as outlined in paragraphs 1–5 and taking into account the guidance given in the discussion; and*
- (b) *endorses the new and revised operating principles as well as deliverables and targets of the ILO's Development Cooperation Strategy 2015–17.*