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# FINANCING DECENT WORK

CONTRIBUTIONS TO THE ILO 2008-09

**FINANCING DECENT WORK**  
**CONTRIBUTIONS TO THE ILO 2008-09**

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## Abbreviations

CEAC	Central African States Economic Community
DWCP	Decent Work Country Programme
EAC	East African Community
ECOSOC	The United Nations Economic and Social Council
EIIP	Employment Intensive Investment Programme
ILO	International Labour Organization
IOE	International Organisation of Employers
IPEC	International Programme on the Elimination of Child Labour
ITUC	International Trade Union Confederation
KAB	Know About Business
OBW	Outcome-Based Workplans
OECD	Organisation for Economic Co-operation and Development
RB	Regular budget
RBSA	Regular Budget Supplementary Account
TUCA	Trade Union Confederation of the Americas
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WAEMU	West African Economic and Monetary Union
WED	Women's Enterprise Development
XBTC	Extra-budgetary funding for technical cooperation

## INTRODUCTION

The world is gradually moving towards recovery from the global economic and financial crisis. However, in several countries and regions employment and social recovery will only be very gradual. While the Decent Work Agenda has become increasingly recognized as a key approach to development over the past decade, the current crisis has underscored the urgent need for response measures that focus on job protection, job creation and social safety nets.

The constituents of the ILO responded to this challenge by adopting the Global Jobs Pact at the International Labour Conference in 2009. The Pact focuses on immediate employment and social protection measures within a framework of rights and dialogue. It is designed to make economic recovery and jobs recovery go hand in hand while contributing to longer-term sustainable patterns of growth.

The Pact subsequently received strong support from United Nations Secretary-General Ban Ki-moon, the wider United Nations system, the G8 and the G20, as well as from meetings of labour ministers of the Organisation for Economic Co-operation and Development (OECD), the African Union, the Organization of American States and the Arab Labour Organization. At a recent meeting organized by the Asian Development Bank on the impact of the global economic slowdown on poverty and sustainable development, participants highlighted the need to promote decent employment and improve the conditions for those outside the formal labour market. In January 2010, in the context of the crisis, the Executive Board of the United Nations Development Programme (UNDP) adopted a decision entitled “UNDP response to the financial and economic crisis: promoting the Global Jobs Pact”.

In recognition of the importance of decent work in the global development agenda, many ILO Member States, as well as United Nations agencies, the European Commission and other public and private sector institutions, have increased their contributions to the ILO in recent years. With the introduction of and support for the Regular Budget Supplementary Account (RBSA), the Office has been able to attract un-earmarked funding for the key priorities of the Organization and its constituents, and to react to urgent needs provoked by the crisis. More governmental donors have signed multi-annual partnership agreements with the ILO than ever before, and the Organization has also been instrumental in facilitating South-South and triangular cooperation and new public-private partnerships.

The following report on contributions to the ILO recognizes the generous and strategic contributions the ILO has received from a growing number of Member States and donors over the years. The first part of the report summarizes results achieved in 2008-09, with a special focus on the added value provided by the RBSA, and offers a glimpse of the future as the ILO moves towards setting priorities and achieving results through Decent Work Country Programmes and Outcome-Based Workplans. The second part provides an overview of the contributions that the ILO received from Member States and donors during the most recent Strategic Policy Framework period (2006-09), with a focus on contributions received during the last biennium.

The entire report can also be accessed on the public web pages of the ILO, which also contain individual donor profiles that provide information about all contributions received from donors and Member States (<http://www.ilo.org/public/english/bureau/pardev/>). The overall aim of the publication is to underscore the critical difference Member States and donors are making through their contributions to the ILO, both through assessed contributions and voluntary funding.

The 2010-15 Strategic Policy Framework contains ambitious projections for programme deliver and expenditure. ILO constituents have repeatedly called on the ILO not to lower its ambitions, but to step up its work to mitigate the social impact of the crisis and to contribute to a future in which financial markets service the real economy of productive investment, enterprises and workplaces. The increasing impact of unemployment and poverty on a growing number of women and men, the risks to security, rights and stability, and the urgent needs of constituents will require an even greater commitment, both from the Office and from constituents, to delivering on the Decent Work Agenda.

# I. ILO RESULTS AND THE RBSA

## 1. SUMMARY OF ILO RESULTS AND ACHIEVEMENTS 2008-09<sup>1</sup>

The 2008–09 Programme and Budget results framework supported ILO constituents in moving forward the Decent Work Agenda and its four strategic objectives in countries, regions and globally. Knowledge and policy development, advisory services, and capacity building in various forms for workers, employers and governments formed the key instruments of the Programme. This overview captures some of the main results achieved during the biennium.

### Strong expressions of global support to the Decent Work Agenda were reflected in –

- The Leaders statement adopted at the G20 Pittsburgh Summit in September 2009.
- The Leaders statement adopted at the expanded G8 Summit in July 2009.
- Two United Nations (UN) General Assembly resolutions, one welcoming the ILO Declaration on Social Justice for a Fair Globalization, the other on the UN Second Decade for Poverty Eradication, both focusing on employment and decent work and a system-wide plan of action.
- The United Nations Economic and Social Council (ECOSOC) resolution on the Global Jobs Pact and the subsequent plans for UN funds and programmes to integrate the Pact into crisis responses.
- The first social Encyclical Letter of Pope Benedict XVI, *Caritas in Veritate*, highlighting the role of decent work in development and progress towards the common good of all peoples.

***“We commit to implementing recovery plans that support decent work, help preserve employment, and prioritize job growth. In addition, we will continue to provide income, social protection, and training support for the unemployed and those most at risk of unemployment. We agree that the current challenges do not provide an excuse to disregard or weaken internationally recognized labour standards. To assure that global growth is broadly beneficial, we should implement policies consistent with ILO fundamental principles and rights at work”.***

*Source: Leaders’ statement, The Pittsburgh Summit, 25 September 2009.*

### Decent Work Country Programmes as the main vehicle for delivery of ILO assistance

- At the end of 2009, there were over 80 Decent Work Country Programmes at different stages of development in as many countries.
- Decent Work Country Programmes have helped focus on essential priorities, while allowing flexibility to reprioritize activities in reaction to events, notably the global economic and financial crisis.
- In over 65 countries Decent Work Country Programmes or drafts are aligned with specific UNDAF priorities. The Decent Work Country Programme is explicitly mentioned, alongside other development frameworks, in four of the eight “Delivering as One” pilot countries.

<sup>1</sup> Based on the Executive Overview in ILO programme implementation 2008–09 (GB.307/PFA/2).



- As a result of capacity building and quality assurance initiatives, the second generation of Decent Work Country Programmes is more results-based, with priorities, outcomes, outputs and implementation plans.
- The involvement of the social partners in the Decent Work Country Programme process has improved. Tripartite national committees guide the implementation, monitoring and evaluation of the programme in an increasing number of countries, including Albania, Bosnia and Herzegovina, Brazil, Jordan, Kenya, Republic of Moldova, Syrian Arab Republic, Uganda, United Republic of Tanzania and Yemen.
- Decent Work Country Programmes are also the main mechanism for allocating regular budget and mobilizing extra-budgetary resources. Extra-budgetary and Regular Budget Supplementary Account (RBSA) funds remain the principal sources for Decent Work Country Programmes. In 2008, out of US\$225 million of extra-budgetary resources almost 60 per cent were directly contributing to Decent Work Country Programme outcomes. RBSA funding is fully aligned with Decent Work Country Programmes.

## Countries taking action with ILO cooperation

### For labour law, labour standards and their application

- Forty-two countries ratified ILO Conventions or strengthened the application of ILO standards on safety and health, labour inspection and working conditions.
- Thirty-seven countries undertook labour law reform in line with international labour standards and through tripartite consultation.
- Twenty-five countries adopted new or revised legislative provisions related to the elimination and prevention of child labour, based on input and advice from the social partners and the ILO along with other United Nations agencies.
- Fifteen countries adopted policies on migration for employment or included legal provisions on migration for employment in labour or migration laws with ILO support.
- In all, 119 new ratifications of ILO Conventions were registered, of which 23 concerned fundamental Conventions – a major step towards the goal of universal ratification by 2015. The total number of ratifications of all ILO Conventions reached 7,651 in 2009, of which 1,316 concerned fundamental Conventions.
- A total of 117 cases of important changes in national law and practice were noted with satisfaction by the Committee of Experts on the Application of Conventions and Recommendations in 68 countries.
- In 29 countries, 73 cases of improvements in the application of freedom of association were noted following interventions by the supervisory bodies.

### For employment and enterprise development policies and programmes

- Twenty-six countries developed policies, programmes or other measures on employment-intensive investment focusing on infrastructure.
- Twenty-three countries included employment and decent work objectives in main policy or development frameworks such as national development strategies, poverty reduction strategies and UNDAFs.
- Seventeen countries developed policies, programmes or action plans on youth employment.

- Sixteen countries developed employment-centred reconstruction and recovery programmes.
- Fifteen countries developed training policies.
- Twenty-two countries developed policies or regulations focused on promoting cooperatives.
- The ILO's "Know About Business" (KAB) programme expanded its presence from 35 to 48 countries.
- Seventy-five organizations developed programmes focused on local economic development, value chain upgrading and workplace practices.
- In 44 countries constituents and financial institutions developed policies to extend access to financing among the working poor or micro- and small enterprises.

*The Employment Intensive Investment Programme (EIIP) is one of the largest technical cooperation programmes of the ILO. The programme works with ILO constituents, the private sector and community associations in orienting infrastructure investments towards job creation, while improving access to basic goods and services for the poor. Work in this area has proved to be a central element of the crisis response. Resources mobilized under the programme in 2008–09 amounted to some US\$62 million, of which about 40 per cent was funded out of the national budgets of Member States requesting ILO assistance. Labour standards, social dialogue and social protection are an integral focus of the programme.*

#### **For expanding and consolidating social protection**

- Through ILO support, constituents accessed funding in five countries under round eight of the Global Fund to Fight AIDS, Tuberculosis and Malaria in 2008, and in six other countries under round nine in 2009. The Office provided guidance and technical support on HIV and AIDS in the world of work to over 80 countries, with special emphasis on Africa. HIV/AIDS issues were incorporated into almost 50 Decent Work Country Programmes.
- Fifty-one countries generated additional social security data, 16 countries developed policies focused on extending social security coverage and/or benefits, and some 40 countries took other measures to strengthen social security.
- Seventeen countries developed policies on improving working conditions, safety and health, and in 23 countries constituents took measures focused on these areas.

#### **Stronger employers' and workers' organizations**

- The ILO provided technical support and advisory services to employers' organizations in over 120 countries. This led, among other things, to employers' organizations setting up new or improving existing services for their members in some 40 countries. A new training programme to improve capacity in the design, monitoring and evaluation of Decent Work Country Programmes and results-based management was provided for the first time in 35 countries.

- The ILO provided technical support and advisory services to workers' organizations in 142 countries. Substantial progress in freedom of association and collective bargaining was achieved in 22 countries across all regions, in all of which trade unions strengthened their activities. At the regional level, cooperation with the International Conference of Arab Trade Unions focused on capacity-development initiatives on workers' rights, social dialogue and the role of trade unions in response to the crisis. The Office supported the newly created Trade Union Confederation of the Americas (TUCA) in implementing a regional campaign on freedom of association.

### Expanding and sharing global knowledge

The ILO's knowledge base was expanded and more widely shared, for example, through the following:

- The Global Jobs Crisis Observatory web site, through which the Office began to make available information on the impact of, and responses to, the global jobs crisis, including the latest national labour market data.
- The *Global Wage Report 2008/09* and its 2009 update, together with a global wages data base covering some 80 countries.
- The 2008 and 2009 World of Work Reports of the International Institute of Labour Studies, which provided analysis and data on globalization and the global jobs crisis.
- The Multinational Enterprises Helpdesk, which provides advice to a variety of users, in particular company managers and workers, to foster the implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) in company operations.
- A newly developed diagnostic tool based on the 17 conditions of sustainability set out in the conclusions on the promotion of sustainable enterprises adopted by the Conference in 2007.

### Performance

The results framework for 2008–09 included 14 intermediate outcomes and 34 immediate outcomes. The latter comprised 26 immediate outcomes across the four strategic objectives, five joint immediate outcomes in areas that drew from multiple technical fields and three immediate outcomes for governance, support and management. The framework included a total of 78 indicators, of which ten under the outcomes for governance, support and management.

On average the results achieved for 2008–09 exceeded targets by 26 per cent. For 76 per cent of the indicators (i.e. 52 out of 68 indicators), the targets were reached or exceeded. For the remaining 16 indicators, targets were not met, but in most cases by only small margins. This information should be interpreted with caution. As the baseline exercise shows, targets under some indicators were easier to reach under the 2008–09 framework than will be the case in 2010–11.

The ILO's results framework has since been radically simplified. The new results framework found in the Strategic Policy Framework 2010–15 and the Programme and Budget for 2010–11 has been set for the period through 2015 to allow better comparability over time. It is centred on the priorities of the Decent Work Agenda, captured in 19 outcomes. Streamlined performance indicators provide details on results and on the measurement of results.

## 2. VALUE ADDED BY THE RBSA

RBSA is used to address the highest priorities of the ILO. When the financial and economic crisis hit, it became evident that ongoing technical cooperation projects had not been designed to respond to the needs the crisis created. RBSA was accordingly used for high-priority action to address the impact of the crisis, allowing the ILO to deploy rapid and visible action.

Despite some challenges faced by the Office in introducing this new funding modality and the receipt of some contributions only late in the biennium, the delivery rate for programmed technical work was 77 per cent. Allocated to official development assistance-eligible countries, RBSA has been instrumental in boosting Decent Work Country Programmes in all regions, through the optimized use of resources where they are most needed.

This flexible and timely funding has, for instance, helped the Office –

- respond quickly and effectively to urgent and emerging needs and priorities
- strengthen ILO capacity to ensure sound and integrated technical support to help constituents in countries affected by the crisis give effect to the Global Jobs Pact
- strengthen the capacity of constituents to achieve the policy goals of the Organization and to participate more effectively to achieve decent work outcomes
- kick-start innovative programmes and activities
- extend geographical outreach and upscale ongoing programmes
- 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
- 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
- enhance collaboration and team work within the ILO
- enhance the sustainability of ILO assistance through partnerships, especially with other United Nations agencies, in the context of United Nations reform
- support regional and subregional integration initiatives
- leverage additional funding from other sources.

In line with the principles laid out in the Paris Declaration on Aid Effectiveness and the UN General Assembly Triennial Comprehensive Policy Review resolution (62/208), the flexibility of RBSA has enabled the ILO not only to provide better services to constituents, but also to respond quickly and effectively to urgent and emerging needs and priorities. A key added value of RBSA is that it can provide the real incentive for effective results-based management, especially at country level, and for changes in the way in which staff and constituents operate to achieve the goals of the ILO. This is most effective when RBSA contributions are completely free from earmarking and can be allocated on the basis of well-prepared results-based DWCPs.

RBSA further contributes to results-based management in the ILO through support for those tools and approaches that normally are not or are only inadequately supported by other sources of funding. An RBSA reserve for evaluation, monitoring and oversight has been created to finance: (i) the establishment and maintenance of results-focused monitoring and reporting practices in the regions and at headquarters; (ii) the development of monitoring systems and the establishment of baselines against which to assess and report on results; and (iii) the conduct of

independent evaluations and internal reviews of activities directly linked to RBSA allocations. Gender has been mainstreamed throughout RBSA operations and implementation.

RBSA has supported upstream policy interventions and institutional capacity building backed by a solid body of evidence. One example is the Pan-African Forum, organized in October 2009, which resulted in the adoption of the Cairo Platform for Action. It brought together constituents from different Member States to identify the factors of success or failure in Women's Enterprise Development (WED) activities and to determine what is needed to upscale and enhance the effectiveness of the WED programme. RBSA is also offering important fresh opportunities to develop the capacities of the social partners and strengthen their involvement in the country development frameworks (such as in national negotiations on priorities in the UNDAF and in the implementation of joint programmes). This has also helped make the social partners better known to the other United Nations agencies, and vice versa.

RBSA has furthermore enabled the Office to build and expand internal and external partnerships on account of the opportunity it offers to combine and use funds flexibly. In terms of external partnerships, RBSA also makes it possible for the ILO to respond not only to its traditional constituents, but also to work more closely with other United Nations agencies and thereby raise its profile at the country level.

Another important added value of RBSA is that it enables the Office to leverage additional funding. In Tunisia, for example, the fact that the ILO was able to invest RBSA resources in a joint programme motivated UNDP to appoint the ILO as lead agency for the Youth Employment Programme under the Spanish Millennium Development Goals Achievement Fund. In Malawi RBSA funds are being used to bridge the gap between two IPEC projects; one which was ending and another which will start in 2010 with new donor funding. RBSA made it possible to keep staff and facilities in place so that there is no need to start from scratch in 2010 when new project funding becomes available.

#### RBSA contributions received in 2008–09

<b>Contributor</b>	<b>US\$ ('000)</b>
<b>United Kingdom</b>	<b>12,000</b>
<b>Germany</b>	<b>8,857</b>
<b>Norway</b>	<b>7,346</b>
<b>Netherlands</b>	<b>5,516</b>
<b>Spain</b>	<b>3,947</b>
<b>Italy</b>	<b>1,475</b>
<b>Kuwait</b>	<b>1,000</b>
<b>Sweden</b>	<b>1,000</b>
<b>Belgium</b>	<b>602</b>
<b>Ireland</b>	<b>532</b>
<b>Brazil</b>	<b>300</b>
<b>Poland</b>	<b>250</b>
<b>TOTAL</b>	<b>42,825</b>

## 2.1 Value added by RBSA in the Arab States

The RBSA has enhanced the ILO's credibility in the Arab States, as it has provided the Organization with a tool to respond rapidly to the challenges presented by the financial and economic crisis. It supported the wider resource mobilization strategies and facilitated several strategic activities that would not have taken place without this flexible source of funding.

- In *Lebanon* RBSA resources were used to help strengthen local stakeholder involvement during the design of the second phase of the local economic recovery project and to attract additional funds for the next 15 months of that project.
- In the *Syrian Arab Republic* the RBSA-funded preparatory phase for a social protection reform initiative helped leverage a new three-year long partnership with the European Commission and the UNDP.
- In *Yemen* and *Jordan* the RBSA enabled the ILO to quickly enhance the labour market information systems necessary to provide an immediate response to the growing demand for precise information, and to improve assistance on action plans for the national employment agenda during the crisis.

## 2.2 Value added by RBSA in Asia and the Pacific

In the Asia and Pacific region RBSA resources were utilized mainly in four areas: (i) green jobs; (ii) labour-based infrastructure building; (iii) promotion of gender equality and prevention of trafficking; and (iv) microfinance. The resources supported the development of policy recommendations, training materials, tools and good practices. It was also used to kick-start the Green Jobs Initiative in Asia, supported by ILO, UNEP, ITUC and the IOE.

In *China* the implementation of national employment policies was strengthened through improved knowledge of employability, employment and enterprise development. In *Bangladesh* improved skills training and entrepreneurship for enhanced employability and livelihoods was provided. In *India* decent and productive employment was integrated into socioeconomic policies. In *Nepal, Philippines, Timor Leste, Indonesia* and *Cambodia* the ability to quickly reprogramme RBSA resources allowed the ILO to respond to the post-crisis situation by developing infrastructure and local economic development projects. In the Greater Mekong subregion RBSA resources helped sustain measures for preventing the trafficking of women and children implemented under technical cooperation projects that had come to a completion.

## 2.3 Value added by RBSA in the Americas

In Latin America the RBSA helped set in place a regional strategy on gender equality. The activities generated under this initiative enabled the Office to reinforce ILO work on gender in 13 countries, including some where this topic had been absent for several years. RBSA resources contributed towards the following results:

- expansion of the knowledge base on issues such as work and family, and the gender dimension of the global economic crisis
- stronger constituents' capacity to tackle and promote gender issues, including through the extension of the network of tripartite commissions on gender equality across the region and greater gender mainstreaming into the policies and programmes of the Ministries of Labour and of the social partners

- development of new tools and products that helped to position the ILO's regional strategy vis-à-vis constituents, the United Nations system and other partners in the region.

Other achievements supported by RBSA in the Latin America region included –

- In Mexico, the unveiling global crisis severely affected the sugar mills and created tension between the industry's workers and employers. The ILO was able to respond swiftly by strengthening a new management system based on dialogue.
- The RBSA-funded pilot Decent Work Country Programme for the State of Bahia was a model for other states within Brazil.

## 2.4 Value added by RBSA in Africa

As a third source of funding that complements regular budget and extra-budgetary resources, RBSA has helped improve the quality and delivery of Decent Work Country Programmes (DWCP) so as to meet the needs of constituents in Africa more effectively. RBSA resources made it possible to scale up or accelerate activities, thereby helping achieve results and impact. RBSA has also helped jump start important new initiatives which lacked funding, such as the expansion of the multi-country action plan on child labour, which is a key element of the Global Plan for the Elimination of Child Labour. In Africa, RBSA support is directly linked to the 2007-2015 targets for the national plans of action to eliminate child labour within the Decent Work Agenda.

At the regional level RBSA funds were used to help foster regional integration in the East African Community (EAC) in the field of youth employment and for a manpower survey for the Community. In Central and West Africa the RBSA is facilitating collaboration with the Central African States Economic Community (CEAC) and the West African Economic and Monetary Union (WAEMU) on employment-intensive investment policies and methodologies to assess the employment impact of public investments.

In October 2008 all RBSA proposals were reviewed in light of the impact of the financial and economic crisis, taking into consideration issues such as exports, remittances, foreign direct investment, tourism, and Official Development Assistance. In February 2009 a tripartite meeting of experts was convened to develop a crisis-response portfolio, which includes a catalogue of policy and practical measures to review or develop Decent Work Country Programmes. The ILO areas of intervention included social security, migration, microfinance, labour market information, child labour, women's entrepreneurship, youth employment, and employment intensive programmes, and to upscale a capacity building programme for national financial planning and the management of social security systems in Africa. This has paved the way for the ILO's ongoing work to help constituents in Africa give effect to the Global Jobs Pact.

## 2.5 Value added by RBSA in Europe and Central Asia

In its second round of Decent Work Country Programme implementation, RBSA funding allocated to Europe and Central Asia was instrumental in filling funding gaps for the agreed country-level outcomes. Examples of the use of RBSA in Europe and Central Asia include –

- In Caucasus and Central Asia, the ILO Moscow Office delivered capacity building and training of trainers' activities for the application of ILO tools for employment, to social partners and governments. These workshops and the joint development of an e-learning platform were supported by the International Training Centre of the ILO in Turin, Italy and by vocational training institutes.

- In Turkey RBSA resources were used for Ankara and three regions, mainly through public institutions, to deliver training for access to employment and enterprise creation for young women.
- In Serbia RBSA was used to strengthen the capacity of constituents to achieve the policy goals of the Organization (e.g. a pilot initiative on people with disabilities).

### 3. THE WAY FORWARD: OUTCOME-BASED WORKPLANS AND THE ILO'S ENHANCED RESOURCE MOBILIZATION STRATEGY

The ILO Declaration on Social Justice for a Fair Globalization calls for an “integrated strategy for decent work” and steps to ensure “coherence, coordination and collaboration within the ILO”. This requires new methods of work across ILO units and between headquarters and the regions. The 2010-15 Strategic Policy Framework has been redesigned to encourage joint Office-wide action within the framework of a limited number of outcomes linked to the highest priorities of ILO constituents.

To focus the work of the Office and to give effect to the new methods of work, Outcome-Based Workplans have been developed for the duration of a biennium for the 19 substantial ILO outcomes. These Outcome-Based Workplans are high-level workplans that set out how the Office will implement the strategy for each Outcome and how the different resources – regular budget, RBSA or XBTC resources – will be allocated accordingly and used in an increasingly integrated way.

Each Outcome-Based Workplan is composed of –

- an updated Outcome Strategy, building on the 2010-11 Programme and Budget and taking into account the response to the crisis and the Global Jobs Pact
- one or several Global Products that capture the deliverables of a global nature for the Office in 2010-11, either advocating different elements of the Decent Work Agenda at the global level or supporting the achievement of results in Member States through the development of global tools and services
- a series of Country Programme Outcomes that reflect measurable results in a country and form part of a global target. These Country Programme Outcomes are directly derived from the Decent Work Country Programmes, and they now correspond to the indicators established for each of the 19 Outcomes.

The development, implementation, monitoring of and reporting on the Outcome-Based Workplans is led by Outcome Coordinators for each of the 19 Outcomes. The Integrated Resource Information System (IRIS) system is used to support the preparation of the plans, the dialogue between units and offices, and the monitoring of resource commitments and progress on results. Regular formal reviews will help identify bottlenecks in implementation that can drive changes in resource allocation or changes in the plans going forward.

The Outcome-Based Workplans thus provide a basis for ILO units at headquarters, field offices and the ILO's International Training Centre, in Turin, Italy, to plan their work contributing to the achievement of prioritized Country Programme Outcomes and the delivery of the Global Products over the next two years. The built-in transparency encourages and rewards collaboration between units, sectors, regions, and the Turin Centre.



As the Outcome-Based Workplans specify the priorities for the Office, they also guide the allocation of resources to those priorities, not only from the Regular Budget but also from XBTC and RBSA resources. The enhanced resource mobilization strategy aims at directing extra-budgetary and RBSA resources to decent work outcomes through targeted fund-raising efforts from a diversified donor community. Donors will be encouraged to shift away from earmarked funding for particular technical cooperation projects, towards unearmarked, predictable and inclusive multi-annual partnership agreements; direct contributions to decent work outcomes and the RBSA; and jointly programmed One United Nations funds.

Through Outcome-Based Workplans and in line with results-based management principles, the Office is also strengthening the quality control of RBSA-funded activities and its ability to measure their contribution to knowledge, standards and building the capacity of constituents. Prioritized Country Programme Outcomes will contain indicators of achievement, targets and implementation plans, leading to reportable results and Global Products, and will specify outputs, quality requirements and time-frames.

In addition, South-South and triangular cooperation, as well as public-private partnerships combining ILO expertise with that of private enterprises, trade unions and governments, will also be pursued. Extended partnerships will allow the Office to reduce the gap between currently available resources and those required to fully implement the Decent Work Agenda and help ILO constituents give effect to the Global Jobs Pact.

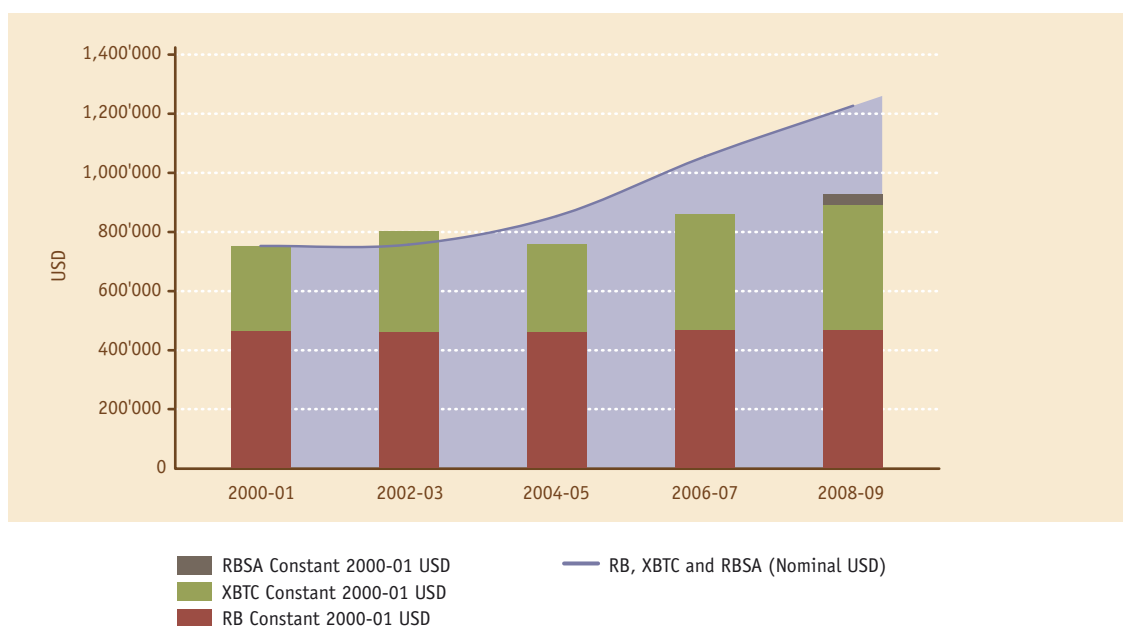
## II. CONTRIBUTIONS TO THE ILO

### 1. OVERVIEW OF CONTRIBUTIONS

The results and achievements of the ILO are financed through three main funding sources: the Regular Budget (RB),<sup>2</sup> the Regular Budget Supplementary Account (RBSA), and Extra-Budgetary resources for Technical Cooperation (XBTC).<sup>3</sup> The close integration of different budgetary resources available to the ILO is central to its strategy to deliver successfully on priorities in countries, regionally and globally, through Outcome-Based Workplans.

In 2008-09, the ILO received contributions (RB, XBTC and RBSA) amounting to US\$1,234.2 million. This is US\$172.8 million or 16.3 per cent more than in the previous biennium and US\$376.0 million or 43.8 per cent more than the biennium 2004-05 in nominal terms (in constant Dollar terms, the increase is 22.4 per cent for the corresponding period).

#### Contributions to the ILO, 2000–09



While regular budget contributions to the ILO have remained constant in real terms during the last ten years, voluntary contributions (XBTC and RBSA) have increased by 60.1 per cent in real terms. The majority of this increase – 47.8 per cent – came from XBTC contributions alone.

Overall, the ILO has noted a continuous trend of increased support from all major governmental donors, as well as the addition of new donors and new sources of funding. Four new donors entered into multi-annual partnerships with the ILO, bringing the total number of partnership agreement donors to thirteen. In 2008-09, twelve Member States contributed some US\$42.8 million for the new, innovative RBSA.

<sup>2</sup> It should be noted that the RB figures quoted here are based on assessed contributions and not on actual contributions received or credited. For a full account of assessed contributions, contributions received, and arrears, see GB.301/PFA/1/1 and GB.307/PFA/1.1.

<sup>3</sup> XBTC and RBSA approvals represent written resource agreements between the ILO and cooperating organizations. Where relevant, amounts have been converted into US Dollars at the United Nations exchange rate prevailing at the time of the receipt of funds.

Some donors make similar levels of extra-budgetary resources available to the ILO year after year, while other donor contributions are recorded as large, one-time contributions at the beginning of a multi-annual partnership. The Government of the Netherlands, for instance, entered into a partnership agreement with the ILO in the amount of US\$38.5 million to correspond with the 2006-09 Strategic Policy Framework (SPF). While this significant contribution was recorded by the Office in 2006, it covered two biennia – a four-year period. In order to place the top 20 contributions to the ILO for 2008-09 in their proper context, the table below presents an overview of the combined contributions (RB, RBSA and XBTC) during the previous SPF 2006-09.

#### Top 20 contributors (RB, XBTC and RBSA), 2006-09

Contributor	US\$ ('000)	Ranking
United States	435,344	1
Japan	230,447	2
United Kingdom	139,875	3
UN Agencies*	135,868	4
Germany	129,961	5
European Commission*	115,251	6
Netherlands	99,274	7
Italy	96,138	8
France	95,184	9
Spain	83,551	10
Denmark	72,316	11
Norway	61,582	12
Canada	47,894	13
Sweden	34,967	14
Bill and Melinda Gates Foundation*	34,222	15
Belgium	30,029	16
Australia	29,507	17
China	29,334	18
Korea, Republic of	28,720	19
Switzerland	28,706	20

\* The United Nations, the European Commission and Foundations only provide XBTC contributions and not RB or RBSA.

The United States, Japan, the United Kingdom and Germany remain the four largest governmental contributors to the ILO. Contributions from the UNDP and other United Nations agencies have increased significantly in recent years. This is largely a result of ILO's active role in United Nations reform at the country level and United Nations system-wide coherence efforts.

## Top 20 Donors (XBTC and RBSA), 2006-09

Donor	US\$ ('000)	Ranking
United States	163,415	1
UN Agencies	135,868	2
European Commission	115,251	3
Netherlands	77,198	4
Denmark	63,301	5
United Kingdom	60,783	6
Norway	52,516	7
Spain	49,498	8
Italy	34,470	9
Bill and Melinda Gates Foundation	34,222	10
Germany	23,367	11
Sweden	22,151	12
Ireland	21,566	13
France	18,857	14
Belgium	16,592	15
World Bank	15,378	16
Switzerland	13,776	17
Canada	12,041	18
Madagascar (Direct Trust Fund)	11,977	19
Luxembourg	11,443	20

The key contribution of UNDP and other United Nations agencies is also reflected in the table above, which displays the top 20 voluntary contributions (XBTC and RBSA) received to the ILO during the SPF 2006-09. The table also reflects how the United States of America, in addition to its assessed contribution, remains the single largest supporter of ILO technical cooperation projects and programmes, followed by United Nations agencies, the European Commission and key EU Member States. The high ranking of Denmark in the table reflects the significant support received within the framework of the Africa Commission where the ILO as well as the joint World Bank/United Nations/ILO Youth Employment Network are implementing two out of the five Key Initiatives identified by the Commission as the most effective way forward in the promotion of youth employment in Africa.

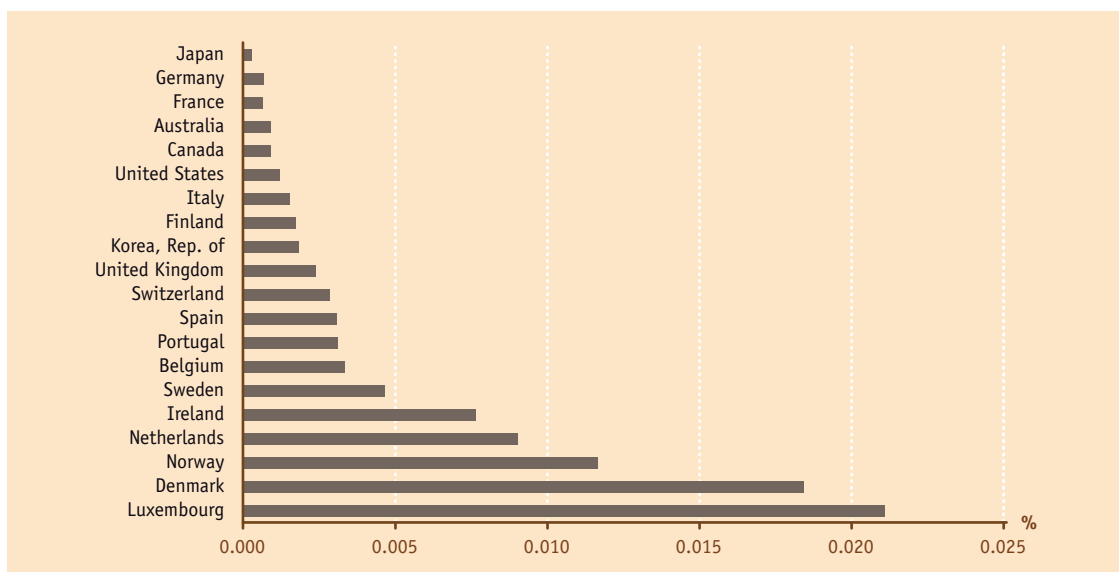
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### *The ILO budget in perspective*

*The total resources available to the ILO for 2008–09 have been just over US\$1 billion. This consisted in approved regular budget resources of US\$641.7 million, US\$350 million in estimated extra-budgetary expenditure and US\$42.8 million in RBSA. The ILO's regular budget is equivalent to about 4.0 per cent of the total regular budget of the entire United Nations system. The ILO's projected extra-budgetary income for 2008–09 is 2.6 per cent of the equivalent figure for the entire United Nations system.*

The following chart provides an overview of average 2006-09 voluntary contributions (XBTC and RBSA) to the ILO from top governmental donors relative to the GDP of the country in question.

## Top voluntary contributions as a percentage of GDP, 2006-09



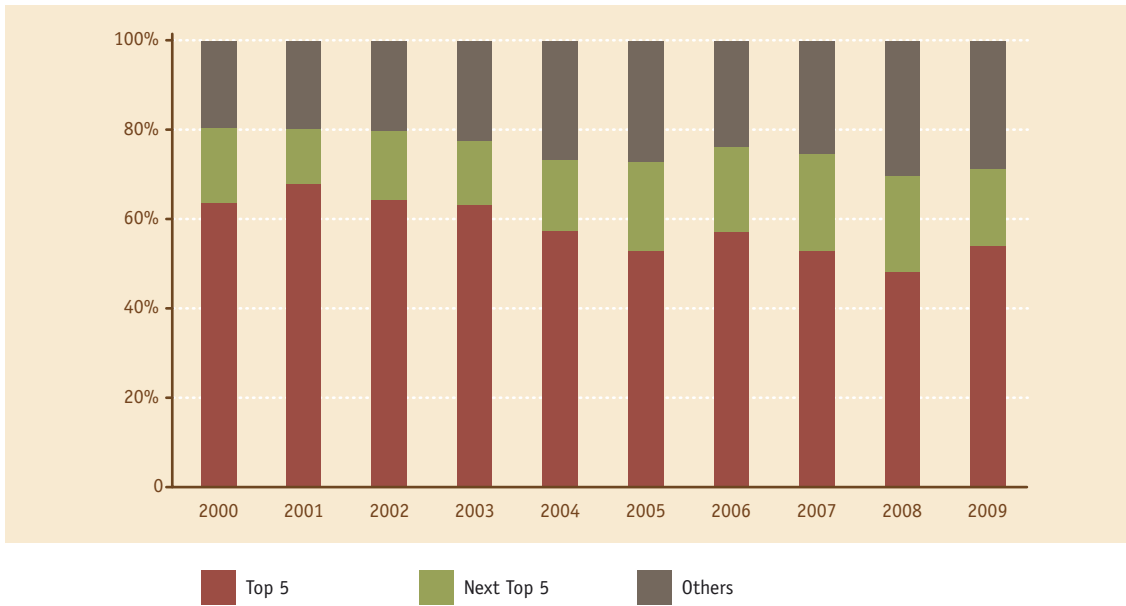
## 2. BROADENING AND DIVERSIFYING THE DONOR BASE

Despite being among the worlds' largest economies, some G20 countries provided only a small share of the voluntary contributions that the ILO received in 2008-09 and some have not yet become ILO donors. In this regard, the need to broaden and diversify the funding base continued to be a key objective for the Office. This has begun to bring some results, but more work is required. In this regard the ILO is increasing its efforts on South-South and triangular collaboration, public-private partnerships and with newly emerging donors in Eastern Europe, the Middle East, Asia, Latin America and beyond.

In 2006 the ILO was cooperating with 53 different institutions. This grew to 61 in 2008, and fell to 55 in 2009. At the National level the ILO continued to reach out to new donors and funding sources in line with its strategy on local resource mobilization for decent work. XBTC resources mobilized locally through the ILO field structure grew to US\$74.5 million in 2008 or 25 per cent of total approvals that year, and to US\$90.5 million or 37 per cent of total approvals in 2009.

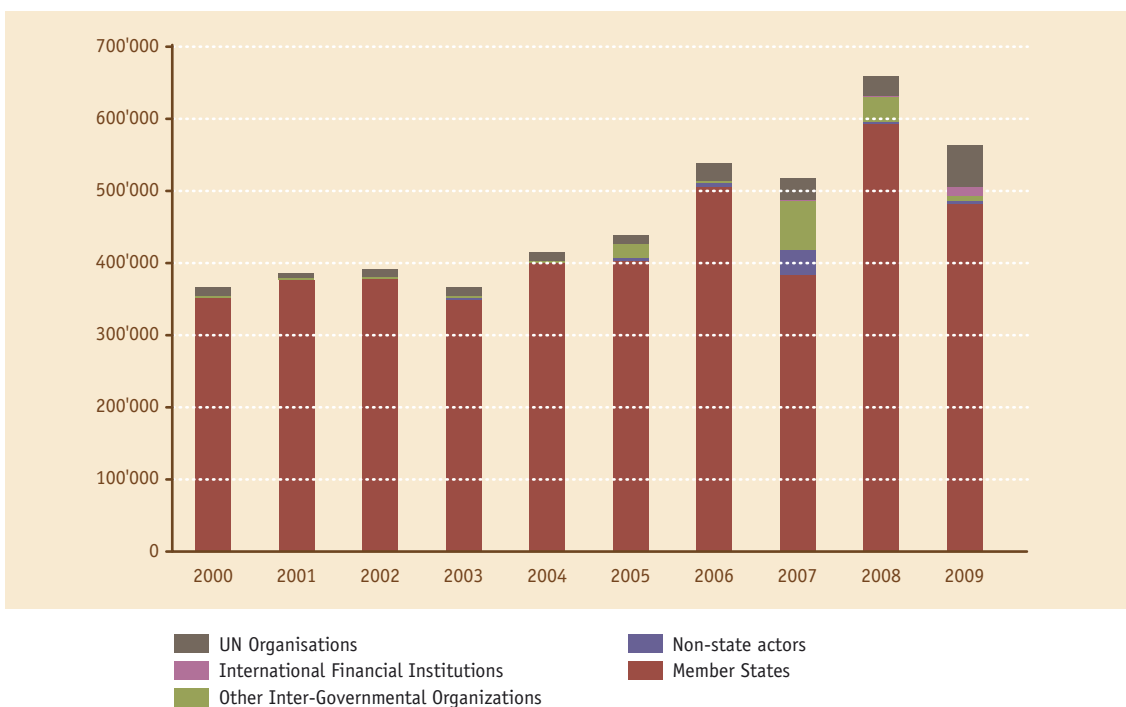
The chart below further shows a trend towards a broader funding base by comparing the main contributors' relative share over the past ten years. The top five donors' contributions grew from US\$1,227.0 million during 2000-04 to US\$1,448.2 million during 2005-09. At the same time the relative share of the top five donors compared with all other donors fell from 63 per cent during the first five years to 53 per cent during the following five-year period, whereas the share of the next top five donors and other donors has shown a significant increase.

### Share of contributions by ILO Donors, 2000-09



At the same time, the table below demonstrates how the ILO's dependence on RB, XBTC and RBSA contributions from governmental donors – while still high – has decreased over the past three years. During the 2008-09 biennium the ILO received US\$588.3 million in XBTC and RBSA contributions. Of all contributions, 74.9 per cent was received from governmental donors; 14.2 per cent from United Nations agencies; 7.6 per cent from the European Commission and other intergovernmental organizations; 2.4 per cent from the World Bank and other international financial institutions; and 0.9 per cent from public-private partnerships or non-state actor donors.

### Source of contributions to the ILO, 2000-09



### 3. THE RBSA AND PARTNERSHIP FRAMEWORK AGREEMENTS

During the biennium the Office has taken concrete steps to enhance the quality of technical cooperation and strengthen the overall capacity of the ILO to deliver results. An appraisal mechanism has been put in place and applied systematically to all new technical cooperation programmes and projects; new technical cooperation policy and guidance notes have been issued; more than 350 staff has been trained in results-based management and project cycle management; and the ILO has launched its new Donor Dashboard, which will provide up-to-date information about all projects managed and implemented by the ILO.

At the same time the Office has engaged more frequently with its donors, for example, through the annual Informal Meeting of Donors, an annual RBSA meeting and other briefings, with a view to discussing how the quality of resources mobilized for decent work can be improved and the technical cooperation programme of the ILO can be better managed. The ILO has continued to advocate for reliable, predictable, flexible and timely funding in line with its mobilization strategy. Un-earmarked or lightly earmarked RBSA and XBTC contributions are of key importance, as they enable the Office to allocate funds where they are most to pursue priority results agreed with constituents in Decent Work Country Programmes.

A total of twelve Member States provided RBSA contributions amounting to US\$42.8 million for the period 2008-09. This new and innovative mechanism was established in response to the call for more reliable, predictable and timely financing of United Nations operational activities for development in UN General Assembly resolution 59/250, and RBSA has now become an integral part of the ILO's budget structure. It is encouraging to note that Germany, Sweden and Belgium have already made contributions to the RBSA for 2010-11.

At the end of 2008 nine governmental donors had signed partnership framework agreements with the ILO. The number of partnerships increased to thirteen<sup>4</sup> by the end of 2009, reaching a total value of US\$191.8 million. This represents 18.9 per cent of the US\$1,012.7 million that the ILO received in XBTC resources during the SPF 2006-09.

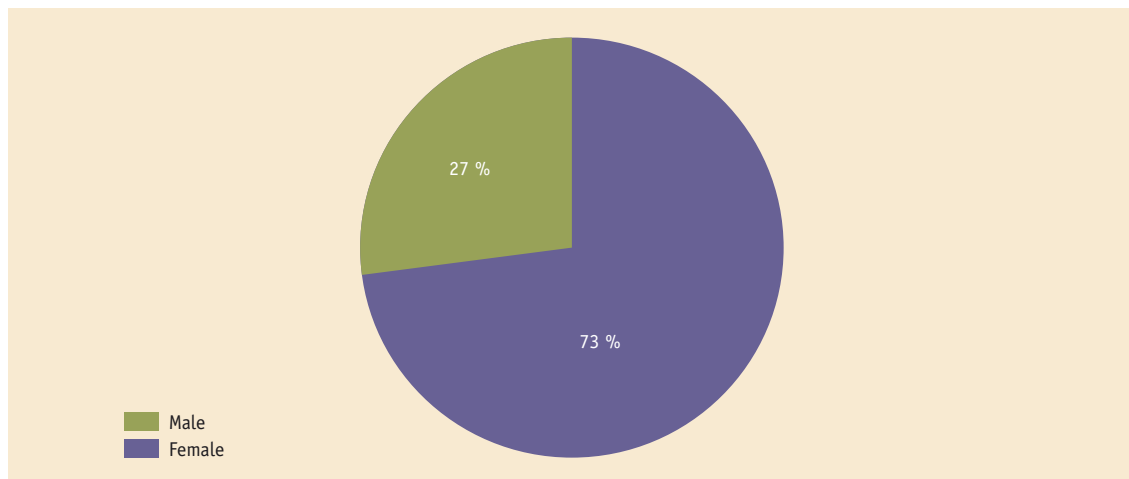
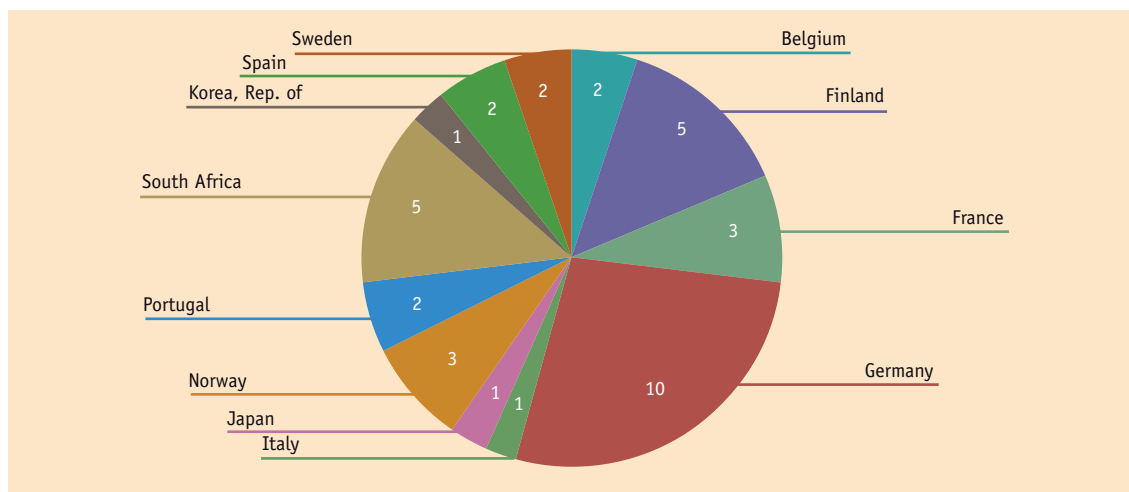
Partnerships such as these are an integral part of the ILO's enhanced resource mobilization strategy. They provide the Office with reliable and relatively flexible resources. Most of the current partnerships cover a period of two to four years, and donors have been encouraged to align the time-frames of the partnerships with the ILO's Programme and Budget and Strategic Policy Framework programming cycles. The Office undertakes regular comparative reviews of its partnership agreements in order to ensure the highest level of compatibility and support for key Governing Body decisions concerning tripartism, social dialogue, international labour standards, gender equality, and capacity building through the ILO's International Training Centre in Turin, Italy. The findings of these reviews have been shared and discussed with donors with a view to improving the partnership cooperation modalities and documenting best practices.

<sup>4</sup> Brazil, Czech Republic, Denmark, Flanders, France, Germany, Ireland, Luxembourg, Netherlands, Norway, Sweden, Switzerland, and the United Kingdom.

## 4. OTHER CONTRIBUTIONS TO THE ILO

The Associate Expert programme is a key part of the ILO's human resource policy. Thanks to generous contributions by donor governments from the North and the South, a significant number of young professionals have provided important input in the ILO's operations world-wide. At the end of 2009, 27 women and ten men were employed by the ILO under an associate expert arrangement around the world.

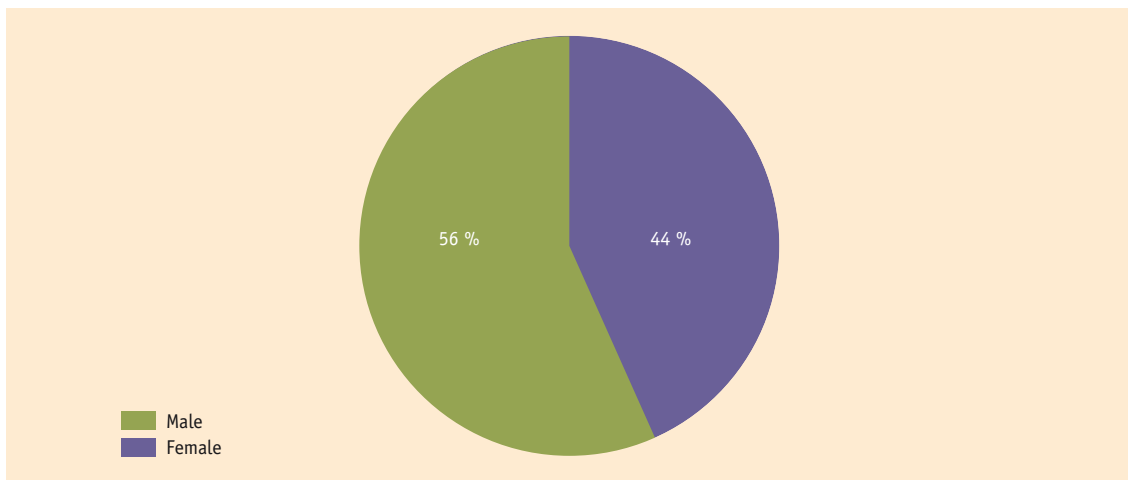
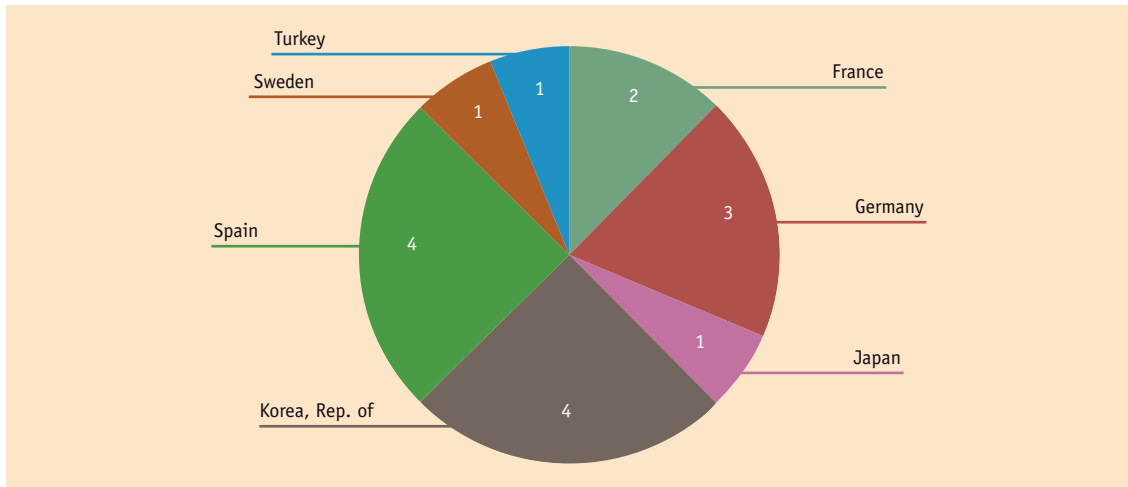
### Associate experts, 2009



In addition, nine men and seven women were on loan to the ILO from the governments of France, Germany, Japan, Republic of Korea, Spain, Sweden and Turkey. These experts were working with the ILO and providing a valuable contribution to some of the ILO's most important areas of work.



## Experts on loan



The majority of the experts on loan and Associate Experts were based in Geneva, others in Bangkok, Beijing, Beirut, Dakar, Hanoi, Kigali, Lima, Lisbon, Lusaka, Madrid, New Delhi, Paris, and San José.

The ILO also received a variety of gifts and in-kind contributions, ranging from a significant contribution by the Government of Portugal in the amount of US\$534,000 for the Eighth European Regional Meeting in Lisbon (February 2009), to the office space that the ILO is provided free of charge in Algiers, Ankara, Beirut, Budapest, Dakar, Kuwait, Lisbon, Madrid, Rome, and Yaoundé. These gifts and in-kind contributions are also accounted for in Governing Body documents GB.300/PFA/2 and GB.306/PFA/2.

The individual "Contributor Profiles" and the rating of ILO donors may be consulted on line on the ILO website at [www.ilo.org/public/english/bureau/pardev/](http://www.ilo.org/public/english/bureau/pardev/)

The ILO's Department of Partnerships and Development Cooperation (PARDEV) is responsible for initiating and strengthening partnerships with a wide range of actors at the international, regional and national level, including UN funds, programmes and agencies, international financial institutions, donor agencies, regional organizations, the private sector, NGOs and faith-based organizations, Parliamentarians and others.

The Department coordinates ILO involvement in the United Nations reform process and is responsible for the overall management and oversight of the ILO's Development Cooperation Programme including resource mobilization.

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