



SECOND ITEM ON THE AGENDA

Developments regarding technical cooperation activities in the United Nations system

1. Introduction

1. During the current reporting period, the ILO made use of a number of meetings, sessions and gatherings within the UN system to play an active role in promoting decent work as an integrating and consolidating agenda for development, particularly in the operationalization of its four strategic objectives.
2. The ILO participated in the major United Nations Development Group (UNDG) meetings through the year and chaired a review of UN system involvement in the Poverty Reduction Strategy Paper (PRSP) process; engaged in the activities of the UN's Core Strategy on Millennium Development Goals (MDGs); and contributed to discussion in the major economic and social intergovernmental forums including ECOSOC's substantive session and follow-up to the Monterrey Conference on Financing for Development (FfD).

2. Highlights of major developments

UNDG

3. Having joined the UNDG in March 2002, the ILO was provided with the opportunity to influence and sensitize UN system partners, including the Bretton Woods institutions (BWIs), to its particular concerns and experience; to ensure that the Group's common programming frameworks and coordination arrangements (Common Country Assessment and United Nations Development Assistance Framework (CCA and UNDAF), PRSPs, MDGs) took social aspects into account; to provide a basis for better informing the ILO's field structure of the implications for coordination and cooperation with UN system partners at the country level; and to participate in selected working groups on issues directly linked to its mandate.
4. The ILO attended both meetings of the UNDG in Paris (24 April 2003) and Geneva (3 July 2003). A major item on the agenda of the first meeting was initial discussion of the draft Plan of Action for Strengthening National Human Rights Promotion and Protection

Systems. The Plan is a response to the United Nations Secretary-General's second reform report to further strengthen the United Nations entitled *Strengthening of the United Nations: An agenda for further change* (September 2002). The report contains a set of 36 concrete action points. Action 2, referring to the Millennium Declaration in which member States resolved to promote respect for all internationally recognized human rights and fundamental freedoms as well as strengthen their capacity at the country level, proposes that the United Nations Office of the High Commissioner for Human Rights (OHCHR) develop and implement a plan in cooperation with the UNDG, to strengthen human rights-related UN actions at the country level. A joint UNDG/ECHA (Executive Committee on Humanitarian Affairs) working group established in June 2003 has reviewed and finalized the draft Plan prepared by OHCHR which includes a commitment to establish an inter-agency mechanism for pursuing the integration of human rights in the activities of UN agencies. Resident Coordinators will be used as an entry point for the Plan's implementation and additional resources will be needed to ensure the deployment of Human Rights Advisers to the country offices and for training of United Nations Country Teams (UNCTs). The final Plan will be presented to the Secretary-General in September 2003.

5. The Director-General attended the second UNDG meeting at which a major focus of discussion was preparation for Iraq reconstruction in 2003 and the UNDG/World Bank joint needs assessment for the Iraq reconstruction process, leading up to a donor conference to be held in October this year. The UNDG exchanged views on a number of issues including conflict prevention, funding mechanisms and the possible use of joint programming and pooled funds, child protection and the Oil-for-Food Programme.
6. At the request of the UNDG Programme Group which is responsible for developing policies, guidelines and procedures to improve the quality and effectiveness of UNCT programme collaboration, the ILO chaired a working group that prepared an assessment of the role and experiences of UN agencies with PRSPs. The ILO also participated in the Programme Group's Working Group on CCA and UNDAF and Country Office (CO) support to revise the CCA and UNDAF guidelines.
7. The ILO's chairing of the working group on PRSPs ensured that both employment and decent work issues were addressed as an integral part of the economic and social analysis of poverty reduction especially given the experience of the ILO's National Policy Group in this area, as well as the wider ambition of the UNDG that poverty reduction remains the overarching objective of UN development policies and that the PRSPs become both fully participatory and nationally driven. The assessment also provided the basis for an update of the Guidance Note to UNCTs on participation in the PRSP process.
8. The assessment was based on reviews and reports of experiences of PRSPs made by individual UNDG agencies, BWIs and NGOs, as well as on the PRSPs themselves, on discussions with UNCT staff involved in their preparation, and on scholarly reviews. The merit of this approach lay in allowing the comparison of differing experiences and applying some of these lessons learned to the UN and in particular, UNCTs' working methods as regards PRSPs.
9. The recommendations of the assessment included encouraging the UN and especially UNCTs to: strengthen participation by parliaments and civil society, especially the poor, in the PRSP process; provide governments with advice on policy issues; identify opportunities for implementation and programme formation; support the development of national capacities in monitoring and evaluation; and improve the harmonization of CCA and UNDAF with the PRSP process.
10. The assessment concluded that –

PRSPs do not consistently address employment and the functioning of labour market institutions, nor fundamental principles and rights at work. Stronger PRSPs would consider the design of employment and labour relations policies in order to train, attract and retain the significant numbers of people required to provide quality services needed to meet national poverty reduction targets. Discussion about the role of cooperatives and the scope for using employment-intensive methods of infrastructure construction could also be strengthened.

The assessment and the guidance note based on it will be circulated to UNCTs.

11. Participation in the Working Group on CCA and UNDAF and CO support enabled the ILO to ensure that the updated guidelines: refer to human rights instruments of the UN system so that ILO Conventions can be accommodated; provide for the participation of sectoral line ministries (such as labour ministries) in the CCA and UNDAF processes; explicitly state the need to involve employers' and workers' organizations; provide for collaboration between UNCTs and regional offices of UN agencies not resident in CCA and UNDAF roll-out countries; and recognize the relevance for CCAs and UNDAFs of projects and programmes by UN agencies not involved in UN country programming.

Millennium Development Goals

12. The strength of the UN system's commitment to the MDGs has meant that strategies and policies related to their achievement have been the focus of considerable and quite detailed activity in the UN. The latest report from the Secretary-General on the implementation of the Millennium Declaration (2 September 2003) states that "For every Goal, there are encouraging signs of progress in some areas alongside worrying evidence of stagnation and reversal in others ...".
13. The MDGs provide a number of valid entry points to promote the Decent Work Agenda, the most obvious ones being poverty reduction and youth employment. The four pillars (Millennium Project, Millennium Campaign, operational activities at the country level and monitoring MDGs) of the MDG Core Strategy have attempted to consolidate the UN system's activities in assisting countries to meet the MDGs.
14. The **Millennium Project**, a three-year initiative launched in mid-2002 and directed by Professor Jeffrey D. Sachs, Director of the Earth Institute at Columbia University, New York, is proposing strategies for meeting the MDGs. The Project's main analytical work is performed by ten thematic task forces with two advisory groups: the UN Experts Group which oversees UN participation, and an International Advisory Panel. The first major output of the Millennium Project has been the *Human Development Report for 2003* and the *Millennium Development Compact*. The ILO is a member of the largest task force 1 (poverty and economic development) and the UN Experts Group. The second principal output will be a report due early in 2004 on the theme of "Cutting extreme poverty by half by the year 2015". This is to be a collaborative report to which many agencies and scholars including the ILO are contributing.
15. The **Millennium Campaign** mobilizes political support for the Millennium Declaration among developed and developing countries and is led by Evelyn Herfkens, the Secretary-General's Executive Coordinator for the MDG Campaign.
16. UN agencies are expected to realign and focus their **operational activities at the country level** to achieve development outcomes contributing directly to the MDGs using existing resources such as UNCTs, and instruments such as CCA/UNDAF, and ensure that MDGs form the central objective of national poverty reduction strategies including the PRSPs.

- 17. Monitoring of MDGs** at the country level focuses on periodic (every two to three years) MDG country progress reports known as the Millennium Reports (MDGRs) and UNCTs are assisting countries to prepare these reports. So far more than 35 countries have issued MDGRs and another 60 will launch theirs shortly. The ILO has been collaborating with the UN secretariat in collating the latest available statistics on two specific indicators (related to youth employment and to the share of women in wage employment in the non-agricultural sector) for the reports. All ILO field offices have been briefed about the MDGs and asked to actively participate in the UN system's work of assisting countries in drafting the MDGRs.

ECOSOC 2003: High-level, operational and coordination segments

- 18.** The Council's substantive session was held in 2003 in Geneva. The theme of the high-level segment was "Promoting an integrated approach to rural development in developing countries for poverty eradication and sustainable development". The Office actively participated in preparations for this segment. The theme provided the Office with an opportunity to enhance visibility of its second strategic objective and in particular its operational objective of employment creation (2c). On 30 April, the ILO organized a preparatory round table discussion in New York on "Increasing productivity of rural work". ILO representatives from the Employment Sector made presentations emphasizing the effectiveness of employment-intensive rather than capital-intensive techniques of infrastructure construction.
- 19.** The ILO was represented at the actual high-level segment in Geneva (30 June-2 July) by the Director of the ILO Office in New York. The Council received the Secretary-General's report on the theme and the ILO emphasized that productive employment is the principal route out of rural poverty; that it is through the growth of agricultural productivity, the production of a surplus, and the transfer of people to other types of work that human societies have grown and livelihoods improved.
- 20.** In the operational activities segment (3-7 July), key decision-makers including directors-general of bilateral cooperation agencies, senior panellists from developing countries, OECD/DAC, UNDP and UN Department of Economic and Social Affairs (DESA), addressed fundamental issues at the centre of the current dialogue on international development cooperation. During the segment, strong calls were made for renewed commitment and for innovation in the funding architecture of the UN development system particularly given the shortfall in both core funding and official development assistance (ODA). The Council had before it a number of reports of the Secretary-General including *Funding of Development Cooperation of the United Nations System*, *Operational activities of the United Nations for international development cooperation: Assessment of the lessons learned by United Nations organizations from evaluation activities at the field level*, and *Progress in the implementation of General Assembly resolution 56/201*.
- 21.** During its coordination segment (8-10 July), the Council considered its role following the meetings of the General Assembly's Ad Hoc Working Group on the integrated and coordinated implementation of the outcomes of and follow-up to the major United Nations conferences and summits in the economic and social fields. The Ad Hoc Group was set up early in 2003 to review the reasons why implementation of conference outcomes has been so slow and to suggest recommendations for pursuing this more vigorously. The ILO was one of the few UN agencies to have made a statement to the Ad Hoc Group in New York. The Group adopted, in May, General Assembly resolution 57/270 which recommends that ECOSOC adopt by 2004 a multi-year work programme on common conference issues. An interactive dialogue was held between the Council and the Vice-Chairperson of the Ad

Hoc Working Group to discuss this and other recommendations. The Council also held two panel discussions, the second entitled “Working together for rural development to help realize internationally agreed development goals” in which the Chief of the Employment-Intensive Investment Programme of the ILO participated.

Financing for Development (FfD)

22. The ILO has been actively cooperating with DESA and been involved in events at the UN concerned with ways of increasing finance for development, especially in follow-up to Monterrey.
23. The 2003 special high-level meeting of ECOSOC with the BWIs and the World Trade Organization (New York, 14 April 2003) in which the ILO participated, provided a unique occasion for substantive deliberations on the implementation of the Monterrey Consensus. These proceedings will provide important input to the high-level dialogue of the General Assembly on financing for development, to be held on 29 and 30 October 2003 in New York.
24. The ILO has supported the view in the UN that all developing countries would benefit from increased external finance for development to fund the investment, services and infrastructure that are essential for growth of opportunities for decent work and standards of life. The World Bank estimates that additional external financial assistance totalling in the order of \$50 billion will be required each year until 2015 to enable countries to reach the MDGs. Donors promised at Monterrey to increase ODA by a total of just over \$12 billion during the next three years, leaving close to \$40 billion still to be found. It is therefore essential to seek and implement additional sources of external financing if the minimal MDGs are to be reached.

Geneva, 1 October 2003.

Submitted for information.