



**MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**

ORGANISATION STRATEGY

ILO (THE INTERNATIONAL LABOUR ORGANISATION) 2020-22

May 2020

Danish Organisation Strategy for ILO

Introduction: *ILO* is a key partner for Denmark in multilateral development cooperation, in the field of human rights as well as in social and economic development. The strategy covers 2020-22 and envisages a total Danish contribution of DKK 75 million, 15 of which will be softly earmarked to ILO country programs in Mali, Morocco and Tanzania, with a special focus on quality apprenticeships.

Key results (2021):

- 18 member states with national strategies for youth employment and 12 member states with policy measures for transition towards green economy
- 15 member states with competencies to address skills mismatches and 12 member states applying ILO best practices on quality apprenticeships
- 28 member states with up to date action plans to tackle child labour and 24 member states with protective labour migration frameworks

Justification for support:

The selected key results support the government priorities with respect to Africa, transition to a green economy, youth employment, migration and protection of labour rights. They also directly relate to SDG 8, for which the ILO is the key agency in the UN. ILO has a strong focus on its mandate, brings normative insights to development cooperation and achieves development results through tripartite social dialogue.

How will we ensure results and monitor progress:

- Through regular policy dialogue with ILO Secretariat, bilaterally and in donors' group
- Through annual consultations with the participation of Danish labour market organisations
- Through dialogue at country level, in particular between ILO field offices and Danish embassies in Mali, Morocco, and Tanzania
- Through ongoing governance and normative work in the Governing Body and the International Labour Conference, in close cooperation with the Ministry of Employment

Risk and challenges:

- The Covid-19 pandemic may have significant impact on ILO's ability to achieve the results prioritized by the strategy
- New national employment policies in Africa do not translate into more green jobs and jobs for youth, women and migrants
- In spite of ILO's efforts, skills mismatches in African labour markets do not decrease significantly
- No improvement on child labour and labour migration indicators in Africa
- ILO has too little impact on joint UN programs at country level.

File No.	2016-13952				
Responsible Unit	FN-Geneva				
<i>Mill.</i>	2020	2021	2022	2023	to
Commitment¹	35	20	20		
Projected ann. Disb.	25	25	25		
Duration of strategy	2020-22				
Finance Act code.	06.38.02.15				
Desk officer	Carl Christian Hasselbalch				
Financial officer	Alla Kvasnina				

SDGs relevant for Programme



Budget

DKK 75 million from 2020-22

Danish involvement in governance structure

- Denmark is a member of the Nordic constituency group in ILO Governing Body (current GB representative Finland) and the annual International Labour Conference
- Denmark participates in regular donor meetings on ILO's use of earmarked funds
- Denmark and Sweden are institutional leads in the 2020-21 MOPAN assessment of ILO
- Danish labour market organisations are active within their respective constituencies (employers and workers)

Strat. objectives	Priority results	Core information
-To strengthen ILO's involvement and contribution to SDG 8	Tangible progress on green and inclusive (youth, women, migrants) jobs	ILO is a specialised agency within the UN system with 187 member states and a tripartite structure.

¹ Subject to approval by the responsible authorities

partnerships at country level;
-And to obtain substantial progress on green and inclusive jobs, quality apprenticeships and the protection of labour rights in Africa

Tangible progress on addressing skills mismatches and building capacities for quality apprenticeships

Tangible progress on child labour and labour migrants

The regular budget finances about 50 % of ILO's development activities, for the two-year period 2020-21 USD 628 million of an estimated total for development activities of USD 1,266.4million

DKK 20 million of the Danish contribution is to ILO's account un-earmarked funding for the biennial work plan. DKK 15 million are focused on quality apprenticeships within ILO's Decent Work country programs in Mali, Morocco and Tanzania.

ORGANISATION

STRATEGY

ILO

2020-22

1. Objective of the Organisation Strategy

This organisation strategy sets out overall priorities and strategic goals for Denmark's engagement with ILO (International Labour Organisation) with respect to development cooperation. It forms the basis for Denmark's voluntary contributions to ILO's regular budget and a number of its DCWP's (Decent Work Country Programs) in Africa.

Denmark's cooperation with ILO with respect to its important normative work is briefly covered in **2. ILO**, but lies outside the scope of this strategy.

2. ILO

2.1 Governance

ILO has 187 member states. Director-General Guy Ryder's second and last term expires in 2022. The governance structure consists of a general conference – the International Labour Conference (ILC), a board – the Governing Body (GB), and a Secretariat – the International Labour Office.

The Governing Body meets three times a year, and the ILC once. The Nordic countries have one seat in the Governing body, held on rotational basis for three-year periods. The current Nordic member of the Governing Body is Finland. Denmark will take the Nordic seat in 2023.

ILO is a specialised agency within the UN system – but differs from other specialised or subsidiary UN agencies, funds and programmes in **its tripartite structure of governance**. Member States are thus represented at ILO meetings by governments, as well as by representatives of workers and of employers.

2.2 Budget

ILO's budget for development cooperation consists of regular budget funds from assessed (membership) contributions, "core" (un-earmarked) funding and earmarked funding. The regular budget finances about 50 % of ILO's development activities, for the two-year period 2020-21 USD 628 million of an estimated total for development activities of USD 1,266.4million. The Governing Body approves the regular budget every other year. As part of the regular budget, the Secretariat proposes how to allocate funds for development cooperation across the organisational priorities or biennial "work plan".

The other 50 % of ILOs estimated development funds for 2020-21 come from:

- bilateral donors as earmarked funding (USD 470 million) or un-earmarked funding (USD 30 million);
- other international organizations, including the UN and the IFIs (about USD 100 million), and the private sector (about USD 30 million).

2.3 Normative work. Overall Danish policy

The foundation of the ILO is its normative work. Adopting and monitoring international labour standards and ensuring that countries implement the ILO conventions are the core functions of the organisation. Eight of the 190 conventions are recognized as "core conventions". They are the conventions on forced labour, freedom of association, right to collective bargaining, equal pay for men and women, abolition of forced labour, discrimination in employment and occupation, minimum age, and worst forms of child labour. ILO's latest convention is the Violence and Harassment Convention from 2019 (no. 190).

The Danish Ministry of Employment has overall responsibility for managing Denmark's membership of ILO and for Danish policy vis-à-vis the organisation (excluding its development cooperation). It also pays the annual assessed contribution, currently standing at USD 2.190.073 (2020). The most representative social partners in the Danish labour market are members of the Danish Permanent ILO Committee, which is chaired by the Ministry of Employment.

Due to its tripartite structure, the ILO has a unique voice within the multilateral system. One of the Ministry of Employment strategic objectives is to maintain the ILO's relevance and reform it into a modern and effective international organization. The Ministry focuses in particular on the ILO's unique supervisory system and protection of fundamental universal labour rights, on decent work to all, gender equality in the world of work, and the fight against inequality. The Ministry of Foreign Affairs will closely follow ILO's normative work for inspiration in its development cooperation with the organisation.

2.4 Development cooperation

Guided by its "Decent Work" principles, ILO's work has four strategic objectives: 1. promotion and realization of standards, fundamental principles and rights at work; 2. creating equal opportunities for women and men for decent work and income; 3. social security for all; and 4. strengthening tripartite bargaining and social dialogue.

ILO's Centennial Declaration from June 2019 lays down the priorities for the organisation, its member states, and social partners in the coming years, based on the recommendations of the Global Commission on The Future of Work, established by the Director General in 2017. Inspired by the Centennial Declaration, ILO has revised its biennial programme of work and results framework for 2020-21 to focus on 8 policy outcomes for ILO:

1. Strong tripartite constituents, influential and inclusive social dialogue
2. Effective application and supervision of international labour standards
3. Economic, social and environmental transitions for full, productive and freely chosen employment
4. Sustainable, innovative enterprises as generators of employment
5. Skills and lifelong learning
6. Gender equality in the world of work
7. Adequate and effective protection at work for all
8. Comprehensive and sustainable social protection for all

ILO's new development cooperation strategy 2020-25 will focus on these policy outcomes and be discussed at ILO's Governing Board in November 2020. The draft is not yet ready, but it is expected to reflect ILO's Covid-19 response and recent trends in the international development environment, not least the focus on SDG implementation and larger joint programs at country level, including with the other UN agencies.

3. Justification for Support and Danish Priorities

ILO is the leading UN agency in the world of work and is strongly focussed on the implementation of SDG 8, the promotion of inclusive and sustainable growth, employment and decent work for all. ILO is custodian agency or co-custodian agency not only for SDG 8, but also for sub-targets under SDG 1 (no poverty), 4 (quality education), 5 (gender equality), and 10 (reduced inequalities).

With its tripartite structure, Decent Work agenda and strong body of labour conventions on rights and standards ILO is uniquely placed to add a social, inclusive dimension to economic policy-making as well as to all industrial and agricultural sectors with respect to their production, domestic business and foreign trade. ILO's normative work not only contributes to poverty reduction and protection of basic human rights, but also to higher quality standards and productivity, potentially leading to a modernisation of the economy in developing countries and emerging market countries. ILO's focus on decent work and social protection strongly supports Denmark's fight against inequality in developing countries, in the world of work as well as in society at large.

For Denmark ILO is therefore a natural partner in development cooperation, including in fragile and conflict-prone countries. The range of partnerships between Denmark and ILO (cf. 3.1 – 3.3.) clearly reflects this. Even though the strategy does not deal in detail with the partnerships with ILO mentioned in 3.3, Denmark approaches all its engagements with the organisation from the same point of departure. On the one side, Denmark puts ILOs comparative advantages to good use in pursuit of Danish development policy objectives,

while having, on the other side, a keen eye on areas where the effectiveness and efficiency of the organisation could be strengthened.

ILO's mandate is more relevant than ever: Global employment growth since the financial crisis in 2008-9 has averaged only 0.1% annually, compared with 0.9% between 2000 and 2007. 600 million new jobs need to be created by 2030, just to keep pace with the growth of the working age population. It is too early to predict what the longer-term consequences of the Covid-19 crisis will be for global employment, but as of end May 2020, ILO estimates a downturn in global working hours in the second quarter of 2020 equivalent to 305 million full-time jobs.

The most serious situation is in Africa where the population will double from 1.25 billion people today to 2.5 billion in 2050. Even before the Covid-19 crisis, a third of the 420 million young people in Africa were unemployed, while another third could not meet their basic needs through the work they have. The crisis is likely to increase this challenge.

In the government's priorities for development cooperation as set out in e.g. Development Policy Priorities for 2020, the creation of decent jobs in Africa is a top priority. Consequently, the government has decided to increase the core contribution to ILO from DKK 9.5 million in 2019 to DKK 20 million a year from 2020-22. In addition, Denmark will make a contribution of DKK 15 million specifically to ILO's Decent Work Country Programs (DCWPs) in selected countries in Africa. The countries in focus are Mali, Morocco, and Tanzania. The selection of the three countries is a consequence of Africa being a priority in Danish development policy. Moreover, all these countries have a strong Danish engagement. Finally, the selection is balanced between East, West and North Africa.

Denmark has cooperated with ILO for decades and has a nuanced view on the capacities and potential of ILO, a view shared by the latest MOPAN assessment of ILO in 2015-16. ILO's greatest strengths are its tripartite structure, its normative work based on a comprehensive range of conventions and standards as well as an unwavering focus on its mandate. This mandate has remained highly relevant in development cooperation over the years, from a human rights as well as a socio-economic development perspective.

The biggest challenges for ILO are its uneven field presence, strong orientation towards earmarked funding and cumbersome administration of projects. However, a continued reform process under Director General Guy Ryder is addressing these weaknesses. Key priority area no. 4 in 3.1. is part of a broader effort by RBSA donors to monitor closely present developments in ILO towards greater efficiency and effectiveness.

Danish multilateral contributions to ILO 2020-22

Funding type:	2020	2021	2022
Core	20	20	20
Earmarked committed	15	-	-
Earmarked disbursed	5	5	5

3.1 Core funding for ILO through the RBSA

All core funding is channelled through ILO's Regular Budget Supplementary Account (RBSA). RBSA funds are modest compared to ILOs' regular budget resources and earmarked extra-budgetary funding (see 2. above); however, they are used strategically.

The funding is allocated by the Secretariat across ILOs eight policy outcomes, but according to strategic criteria, e.g. scale up successful programs, pilot innovative initiatives, and strengthen social dialogue as well as the capacity of ILO's social partners at country level. Proposals that can be successful in leveraging funding from other sources and aim to build ILO partnerships with UN agencies, not least in the context of UN reform, also have priority.

Consequently, the new Danish annual contribution will support all eight policy outcomes. However, Denmark will focus dialogue and policy work on the outcomes where ILO can make *the greatest difference for Africa* in line with the government's development policy priorities.

Three of the policy outcomes are particularly in line with Danish priorities; they are:

3. Economic, social and environmental transitions for full, productive and freely chosen employment

5. Skills and lifelong learning

And

7. Adequate and effective protection at work for all

As a fourth priority area, Denmark will focus on ILOs ability to form *partnerships with other international actors* in its field of operations, to increase the effectiveness and efficiency of the organisation's work. This key priority area will build on two of ILO's so-called "enabling outcomes" (in addition to the eight policy outcomes) on:

- Authoritative knowledge and high-impact partnerships for promoting decent work and
- Efficient support services and effective use of ILO resources.
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Key priority area no. 1 (within ILO's Outcome 3) - Increased capacity of African member States to formulate and implement policies for green jobs and gender-responsive national employment policies, including for youth:

ILOs objectives for its priority outcome 3 are to achieve a modernization of national employment policies so that they integrate gender, youth and environmental concerns as well as opportunities; and to work with partners and national governments to increase coherence between these modernised employment policies and the broader economic environment at national level as expressed in macroeconomic, trade, sectoral and industrial policies.

In its policy dialogue with ILO, Denmark will follow the implementation of this modernization effort in African countries and pay special attention to the rights of women and girls as to youth in general and to the transition towards green jobs and greater environmental sustainability. ILOs so-called Development Cooperation Dashboard and Decent Work Results Dashboard (cf. ILO's homepage) will provide the Danish Mission in Geneva, the Danish

embassies in Africa and the MFA in Copenhagen with a good oversight of ILOs activities in the priority area at any given time. The key concern for Denmark will be that modernised national employment policies translate to more green jobs, more jobs for youth and a better integration of gender aspects.

Key priority area no. 2 (within ILO's Outcome 5) - Increased capacity of African governments, employers and trade unions to address skills mismatches in the labour market and to develop, promote and implement quality apprenticeships: ILO has identified skills mismatches in labour markets as a major obstacle to higher employment and decent jobs. The problem is particularly acute in developing countries, not least in Africa. On a global scale, 45 per cent of employers in 2018 could not find people with the right set of skills, up from 31 per cent in 2008. The mismatch not only affects the chances of employment for those that have received training, but also the wages and working conditions of workers that do get jobs. ILO's objective in technical and vocational training (TVET) is to strengthen the often weak links between education and training institutions, businesses and social partners. ILO constituents must play a stronger role, and effective partnerships with training and educational institutions are needed.

Denmark will work with the Danish Labour Market Consortium and use the experiences from the future skills development engagements in a number of African countries (see 3.2 below) in its policy dialogue on skills with the Secretariat. The initial learnings from the engagements will inform Denmark's contribution to work on the issue during the International Labour Conference 2021 when "Standard-Setting on Apprenticeships" will be a formal agenda item, at the ILC in 2022 and 2023. The agenda item is a response not least to the call for ILO assistance on skills development from the 54 African countries in the Abidjan Declaration from December 2019². In this context, Denmark will pay close attention to the integration of skills development for women and population groups in vulnerable situations, including young people and migrants.

Key priority area no. 3 (within ILO's Outcome 7) – Increased capacity of African member States to ensure respect for, promote and realize fundamental principles and rights at work, including for migrant workers: ILOs Development Cooperation Dashboard (see key priority area no. 1 above) confirms that the organization continues to be strongly involved in Africa within this area of activity, its second-largest in Africa after Outcome 3. In spite of considerable progress in recent years with respect to e.g. the respect for freedom of association and the right to collective bargaining, huge challenges remain. Two major ones are securing a transition of workers from the informal to the formal economy, while ensuring respect for ILO's standards for decent work; as well as protecting migrant workers through fair and effective labour migration frameworks, institutions and services.

On key priority area no. 3, the Mission will work with ILO, the MFA in Copenhagen and embassies to identify "pressure points" concerning fundamental principles and rights at work in relevant African countries. The objective is to identify areas where interventions for improved

2 https://www.ilo.org/global/meetings-and-events/regional-meetings/africa/arm-14/reports-and-documents/WCMS_731646/lang--en/index.htm

working conditions and livelihoods can reduce poverty and decrease migration to other African countries and Europe. In regards to workers that do migrate, or that will need to be re-integrated in the labour market after return to their homelands, Denmark will support ILO in promoting effective labour migration frameworks, in terms of both policies and institutions, as well as services and access to decent work.

Key priority area no. 4 (within ILOs functional, “enabling” outcomes A and C) – Effective development cooperation and strengthened ILO partnerships within the multilateral system:

Two of ILOs so-called “enabling outcomes” (see above) essentially aim to help implement a key component in its draft development strategy 2020-25: to strengthen ILOs work in partnership with other international agencies, both within the UN system in the context of UN reform, and outside it, not least the International Financial Institutions.

With respect to UN reform, ILO has worked steadfastly to be a key member of the UNDS (UN Development System) at country level and to provide social dialogue and decent work inputs to the common UN analyses and programs at country level. It has two major challenges in this regard: it does not have field offices in all developing countries, and UNDS partners have sometimes found it difficult to provide “room” for ILOs local constituents, Ministries of Labour, employers’ organisations and trade unions.

Outside the system, ILO is making steady progress in establishing fruitful partnerships with the IFIs and with the EU Commission, which now ranks as ILOs biggest donor in terms of extra-budgetary, earmarked funding. The Commission has also found ILO to be an indispensable partner in its free trade agreements with developing countries and emerging market countries, monitoring the proper implementation of ILO Conventions by EU’s FTA partners.

In its policy dialogue with ILO, Denmark will give increased attention to substantive partnerships between ILO and other international agencies, in the UN and outside the UN.

With other governments, Denmark will seek to address the concerns of employers and workers in ILO’s tripartite structure about their role in the UNDS at country level. To alleviate the lack of field offices in some countries, Denmark will encourage ILO to develop its “agile delivery” model at country level, combining its capacities at headquarters, regional and country level. Denmark will also be keen to learn about ILOs experience with the UN Joint Fund for Agenda 2030, and what will be needed to address possible shortfalls in funding.

Deeper and more ambitious partnerships with the IFI’s, the EU Commission and the private sector, not least in multi-stakeholder partnerships, will help leverage more resources for the decent work agenda. Denmark will work with other RBSA donors to encourage the Secretariat to expend a maximum effort in this regard.

3.2 Earmarked funding to Decent Work Programs in Mali, Morocco, and Tanzania with a focus on skills

Denmark will provide soft earmarked funding (DKK 15 million in total) for results in Tanzania, Mali and Morocco for the period 2020-2022. The three countries are selected based on a high potential for synergy between the ILO and Danish programmes and priorities. The main objective will be to enhance the skills and decent work prospects of young people through quality apprenticeships taking into account green transitions and migratory pressures.

These results will be based on ILO's outcome 5 with links to other relevant outcomes in the ILO biennial programme of work and results framework for 2020-21. This funding supplements the general Danish RSBA contribution.

The ILO will address the challenges that these countries face in establishing, scaling up or sustaining high-quality apprenticeship systems and programmes. It will review the policy environment for apprenticeships, develop the capacity of 1050 policymakers, employers' and workers' organizations, trainers and master crafts persons in implementing quality apprenticeships and benefit 3200 people. The interventions funded by the soft earmarking will also promote skills for the green transition, gender equality and inclusion of migrants throughout. The interventions in the selected countries will thus all have three main components: 1) quality apprenticeships, 2) development of skills for green transitions, 3) addressing challenges linked to migration.

In Tanzania and Mali, apprenticeships in the informal economy remain the major source of skills development for the majority of youth. These, however, have several shortcomings. As part of the intervention, the ILO will in all three countries conduct research on the key challenges confronting apprenticeships such as the inclusion of women and migrants; low participation of enterprises, low quality of training and meeting the needs of the green economy etc. The principles of the ILO's Quality Apprenticeship model will be adapted to mitigate the challenges of the apprenticeship training systems while building on identified good-practices. The aim is to develop frameworks for modernising apprenticeships adapted to each of the countries' contexts, including pilot intervention and the expansion of existing initiatives. In Tanzania and Morocco, ILO will develop innovative approaches for the inclusion of vulnerable youth in apprenticeships.

The interventions will be monitored using the following overall results framework:

Development objective		Enhanced skills and decent work prospects of young people through quality apprenticeships and other flexible learning options taking into account green transitions and migratory pressures.	
Impact Indicators (Development objective indicator)		1. Enhanced access to Technical and Vocational Education and Training (TVET) including apprenticeship programmes to address skills needs of new economies including green economy; 2. Migrant workers benefited from guidance, counselling and increased access to skills development programmes including apprenticeships.	
Baseline	Year	2020	1. Strategies to address the impact of COVID-19 pandemic on TVET and apprenticeships not available; 2. Weak capacity of constituents and other stakeholders to promote TVET and quality apprenticeships particularly in the informal economy and for migrants.
Target	Year	2022	1. A Global strategy on modernising apprenticeships; 2. Two country level apprenticeship strategies for Morocco and Mali validated and available; 3. Strengthened capacity of 1,050 policymakers, representatives of employers' and workers' organizations, trainers and master crafts persons in implementing quality apprenticeships;