

Australian Independent Review of Aid Effectiveness

Submission by the ILO

Introduction

The Australian Government's commitment to increasing its aid program is commendable. Successfully expanding any aid program requires building on existing partnerships and developing new delivery partners.

The ILO's member States, including Australia, make assessed contributions to the Organization which enable the ILO to discharge its global mandate to promote standards and fundamental principles and rights at work, employment opportunities including through enterprise development, the extension of social protection and social dialogue, cross cut by the promotion of gender equality. As a member State, Australia has contributed to the development of the organizational objectives and strategies of the ILO summarized in the overall goal of decent work for all.

Australia also works with the ILO through contributions to technical cooperation programmes that support the application of the decent work agenda. It does so under the recently signed Partnership Agreement (April 2010) between the ILO and the Australian Government as well as through project specific agreements with local AusAID missions.

In terms of AusAID's goal of contributing to the Achievement of the MDGs in its collaboration with UN organizations, MDG 1 (Target 1b: Achieve full and productive employment and decent work for all, including women and young people), in particular, is a critical goal in the partnership between Australia and the ILO which is expressed in the Australia/ILO Partnership Agreement signed in April 2010

The structure of the programme

- **the appropriate geographic focus of the program, taking into account partner country absorptive capacities**

The priority given by Australia to and the focus of the ILO/Australia Partnership programme on the Pacific Island Countries, has been particularly welcome in view of the needs expressed by the ILO's tripartite constituents in these countries for support in the implementation of their Decent Work Country Programmes (DWCPs) – the main vehicles for ILO service delivery. The absorptive capacity of the tripartite constituents in these countries needs to be strengthened and reinforcing these capacities is among the priorities for action in their DWCPs. Indeed, the strengthening of national capacity is being reinforced in all ILO programmes based on feedback from constituents. This focus of the Partnership Programme in the Pacific has been complemented by country specific approaches in response to decent work gaps in the respective countries. In addition an appropriate a (sub)-regional approach has been applied for transnational issues such as migration.

Much of Australia's aid program is implemented in fragile states. Supporting democratically elected governments and representative organizations such as workers' and employers' organizations is an important contribution to stability and peace development alongside action in support of poverty eradication and economic development. The processes involved,

including the development of social dialogue take time to be consolidated. The contribution of such processes to development objectives is sometimes missing from traditional aid approaches. The review and methods of evaluation should be able to take this into account.

- **the appropriate sectoral focus of the program, taking into account Australia's area of comparative advantage and measured development effectiveness results**

Australia's areas of focus connect with many themes of the ILO's Decent Work Agenda and are pertinent to the goal of realizing decent work for all - as is reflected in the present themes of the collaboration. There are also a number of areas with rich potential for further collaboration under the Agreement including social protection, labour market governance and youth employment.

What the ILO would urge in the aid programme is close attention to the coherence of action and linkages between areas. For example, from the ILO's perspective, decent work is the sustainable way of enabling women and men to rise out of poverty. Decent work objectives and the workplace as a channel of action (including in the informal economy) can be effectively integrated into many thematic areas including infrastructure development, environment, food security, rural development, HIV/AIDS, gender equality, human rights, to name a few, whenever programmes are being implemented, bilaterally or multilaterally and through a range of organizations.

- **the relative focus of the aid program on low and middle-income countries**

ILO projects supported by Australia, focus on selected Low Income Countries as well as certain Middle Income Countries (MICs) of the Asia-Pacific region. This is an adequate reflection of the regional development status. Given that significant levels of poverty and inequality persist in Middle Income Countries and the risk that recent development achievements of MICs may be lost due to external or internal shocks, the support to the MICs enables the ILO to act in some strategic and pioneering areas. The results of these activities can be used to expand and bolster the further development of MICs. Two examples are the Better Work Programme which works with multi nationals to ensure good working conditions along the supply chain and the Green Jobs Programme, which enhance both social and environmental sustainability, two core development challenges of MICs in the Asia Pacific Region.

- **the relative costs and benefits of the different forms of aid, including the role of non-government organisations and the appropriate balance between multilateral and bilateral aid funding arrangements.**

Australia's commitment to working with multilateral organizations is consonant with the ILO's own commitment to partnerships within the multilateral system. Multilateral cooperation can help to bring Australian experience to bear on a wide range of development challenges – from skills development, to social security, tourism development and social security.

Cooperation with multilateral organizations also facilitates new ways of responding to the needs of national partners – today for example there is a strong demand for technical cooperation to facilitate the exchange of experience among countries of the South. Multilateral organizations like the ILO are well placed to facilitate North/South – South cooperation.

Sound partnerships with development cooperation agencies such as AusAID are crucial in securing sustainable, long-term results and development impact through the interaction of specific project action, policy development and the capturing and dissemination of experience. A longer-term perspective is also critical when addressing sensitive issues in a particular context where the development of trust and confidence has to be built – as is often the case with elements of the mandates of international organizations. The assessment of costs and benefits should be able to take this into account.

With respect to the specificity of the ILO, its tripartite structure and tripartite engagement in technical cooperation may not necessarily be familiar in the established development cooperation context. Specific initiatives to improve understanding may enhance the cooperation.

An examination of the program’s approach to efficiency and effectiveness and whether the current systems, policies and procedures in place maximize effectiveness

A key dimension of AusAID’s review might be to ensure that the efficiency and effectiveness focus do not preclude an assessment of end results and sustainable impact of aid, including approaches that extend beyond individual activities, which allow for a real improvement in people’s lives over time.

The performance of the aid program and lessons learned from Australia's approach to aid effectiveness.

The most mature ILO programme funded by Australia is the Youth Employment Programme in Timor Leste. The independent mid-term evaluation of the programme undertaken in March 2010 concluded that the YEP Programme had been well-designed and that its objectives were valid particularly in the context of the Government’s national priorities for 2010 as well as AusAID’s Australia – Timor-Leste Country Strategy. Good progress was reported across all four components of the YEP programme and strong signs of growing capacity within the concerned government agencies was identified. Collaboration arrangements among concerned agencies were considered to be working extremely well and a Decree Law to formalize this was being prepared by the Ministry of Education for approval by the Parliament. The ILO emphasizes such approaches wherever relevant in the Programme.

The appropriate future organisational structure for the aid program and coordination of Australia's ODA with other donors and institutions.

Achieving greater coherence among all actors is critical for enhancing effectiveness. However, such coherence should not be sought only at the organizational level but also at the policy level internally and externally to ensure that the policy signals given in bilateral and multilateral contexts which guide operational action are mutually reinforcing.

The appropriateness of current arrangements for:

- **review and evaluation of the aid program, including an examination of the role of the Office of Development Effectiveness and options to strengthen the evaluation of the aid program**

The ILO-Australia cooperation provides for regular review at headquarters, regional and country level and thus allows for an adaptive approach and risk management. In addition supplementary field visits are envisaged for monitoring purposes.

The TRIANGLE project to combat the exploitation of migrant labour in the Greater Mekong subregion plus Malaysia has developed a detailed monitoring and evaluation system in a joint and cooperative effort with AusAID.

- **the management of fraud and risk in the aid program.**

ILO and Australia undertook a rigorous risk analysis in the TRIANGLE project document which fed into the project design with regard to mitigation measures and is now monitored throughout the project cycle through the monitoring and evaluation system. The ILO has rigorous internal and external audit procedures that manage fraud and risk. In addition the Partnership Agreement provides for a funding review in the first half of 2012 which will inform funding decisions for subsequent years and therefore allows for risk management assessment and forward looking risk analysis.