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ANNEX 5

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Asia Pacific region for 2023 Part 3

Action Document for ‘Managing a decent future of work together (Asia)’

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23(2) of the NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

<p>1. Title CRIS/OPSYS business reference Basic Act</p>	<p>Managing a decent future of work together (Asia) OPSYS number: ACT-62179 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)</p>
<p>2. Team Europe Initiative</p>	<p>No</p>
<p>3. Zone benefiting from the action</p>	<p>The action shall be carried out in high- and middle-income countries in the Asia Pacific region, notably Japan, Republic of Korea, Singapore, Australia, New Zealand, Palau, India, Malaysia and Thailand, with possible activities also in Brunei.</p>
<p>4. Programming document</p>	<p>Regional Multi-annual Indicative Programme 2021-2027 for Asia and the Pacific (Regional MIP)</p>
<p>5. Link with relevant MIP(s) objectives / expected results</p>	<p>In line with priority area of 2.2.4 of the Regional MIP for Asia and the Pacific 2021-2027, the proposed action intends to pursue EU and mutual interests with Asian partners in Asia and the Pacific (high income countries (HICs) and other key partners).</p> <p><i>Relevant specific objectives from the 2021-2027 Regional MIP:</i></p> <p>SO1– Reinforced cooperation with the EU’s partners in Asia and the Pacific to strengthen multilateralism (partnerships and multilateralism) by effectively implementing the EU strategy for Cooperation in the Indo-Pacific and enhance the EU’s role and profile as a global action in Asia and the Pacific.</p> <p>SO2 – Promotion and projection of EU policies and standards in collaboration and alliance with Asian and Australasian HICs (alliance diplomacy)</p> <p><i>Expected Results of MIP to which this action is contributing:</i></p> <p>ER.1.1: Effective policy dialogue on global and regional challenges, increased cooperation on rules-based multilateral order and governance and enhanced EU participation in Asian multi-lateral organisations leading to improved understanding, appreciation and alignment with EU positions, including on the European Green Deal.</p>

	ER 2.2: Effective coordination and improved alignment with EU positions in various regional and international fora.			
PRIORITY AREAS AND SECTOR INFORMATION				
6. Priority Area(s), sectors	Priority Area 2 – Pursuing EU Interests with Key Partners Sectors: Employment Creation, Social Protection, Social Dialogue, Labour Rights			
7. Sustainable Development Goals (SDGs)	Main SDG: SDG 8 – Decent Work and Economic Growth Other significant SDGs: SDG 1 - No Poverty SDG 5 - Gender Equality SDG 9 - Industry, Innovation and Infrastructure SDG 10 - Reduced Inequality SDG 16 - Peace and Justice Strong Institutions SDG 17 - Partnerships to achieve the Goals			
8 a) DAC code(s)	16020 (Employment creation/policy) – 50% 16070 (Labour rights) – 20% 16010 (Social protection) – 20% 16080 (Social dialogue) – 10%			
8 b) Main Delivery Channel	41302 – International Labour Organisation – Assessed Contributions			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality and women's and girls' empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective

	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	YES <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	BUDGET INFORMATION			
12. Amounts concerned	Budget line(s) (article, item): 14 02 01 31 South and East Asia (EUR 4 000 000) Budget line(s) (article, item): 14 02 01 32 The Pacific (EUR 1 000 000) Total estimated cost: EUR 5 000 000 Total amount of EU budget contribution: EUR 5 000 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing	Indirect management with an international organisation as specified in the section 4.3.1			

1.2 Summary of the Action

Catalysed by economic globalisation, **new technologies, demographic shifts, climate change, shifts in societal attitudes and changing trade patterns** have a major impact on working conditions.

The EU and its Asian partners share alongside many other countries the challenges and opportunities arising from these transformations. The EU, in line with its ambition for a “Stronger Europe in the World”, should share its

findings, standards and policy practices to promote better understanding, work together on research and advocacy to foster mutual learning, and inspire collective action with partner countries to address the challenges and harness the opportunities. It is in both the EU's interest and the interest of partner countries to promote a convergence of high standards for worker protection based on **global standards and principles agreed at the International Labour Organization (ILO)**, also to ensure smooth functioning of existing or future trade agreements and resilient and sustainable supply chains.

This action aims (i) to reinforce international cooperation on **the opportunities and risks related to labour rights and protection in the context of the megatrends affecting the future of work**, by strengthening the mutual understanding and reciprocal learning between the EU and selected partner countries in Asia/Pacific, as well as (ii) to support the effective implementation of ILO standards by increasing the capacity and coordination of stakeholders.

With its focus on social justice and labour protection, the action will also help **increase resilience** of the EU and partner countries to future health crises, energy crises, economic crises (which could disrupt trade), as well as security crises. In line with the EU Global Gateway value-based offer to meet global infrastructure development needs, the action will help the selected middle-income partner countries to adhere to the rule of law, upholding high standards of human, social, and workers' rights and respecting international rules and norms.

2 RATIONALE

2.1 Context

2.1.1. Current situation in the concerned policy domain:

The EU has made **important political commitments** to promote Decent Work Worldwide much more effectively. This was most recently reaffirmed in the Communication of 23 February 2022¹, with a particular focus on social and labour protection systems. The Communication foresees action at bilateral, regional and multilateral level, as decent work and international labour standards are key for a rules-based multilateralism, in line with the Joint Commission/High Representative Communication of 17 February 2021².

The **universal concept of decent work** has been developed by the ILO and is reflected in the United Nations (UN) Sustainable Development Goals (SDGs), in particular the SDG 8 on decent work for all. These elements include: (1) promoting employment; (2) standards and rights at work, including the elimination of forced labour and child labour; (3) social protection; (4) social dialogue and tripartism. Gender equality and non-discrimination are crosscutting issues.

Decent work is influenced by a number of **mega-trends, like new technologies, demographic change, climate change, changing societal attitudes, work patterns, and trade patterns**, etc. These influences of megatrends on decent work and the reflections about best policies to address both opportunities and challenges of such developments are often summarised under the heading 'The Future of Work'. The ILO has put this topic very high on the international agenda since its 'Centenary Declaration on the Future of Work' of 2019.

In many aspects, EU Member States can be considered as **global front-runners in implementing ILO conventions** (and/or existing EU laws which exceed the standards foreseen in ILO conventions). The EU is therefore in a good position to share its experiences. The rapid pace of change in the world of work creates new challenges for all. The new forms of work, including those that involve the use of algorithmic management, oblige an adaptation of existing labour market institutions. Considering the speed and depth of changes in labour markets, the EU is also very interested to learn from other countries how they have found approaches to challenges which could still be better addressed in the future in the EU. The project could also help Asia-Pacific countries to learn from each other's experiences.

¹ COM (2022) 66 - Communication of the European Commission to the European Parliament and the Council on decent work worldwide for a global just transition and a sustainable recovery

² JOIN (2021) 3 - Joint Communication to the European Parliament and the Council on strengthening the EU's contribution to rules-based multilateralism

2.1.2. Current situation in the targeted countries:

Asia-Pacific is a **priority region to mobilise activities to shape the future of work together**. The future of work is about jobs and people – vital components of any society and economy. The Asia-Pacific region hosts 60% of the world population and generates around 40% of the global GDP³ ⁴. It hosts most of the world’s jobs, human lives, production hubs, translating into trade ties and economic opportunities. The EU should therefore try to build up partnerships in this region that may help set convergent policies, standards and practices to better define what decent work means in the face of the mega-trends and global shifts, with a view **to subsequently expanding them at a broader, global scale**.

The EU and the Asia-Pacific region experience similar megatrends affecting the world of work. Countries in Asia and the Pacific have already started responding to some of these megatrends such as technological innovation, demographic shifts, changes in societal attitudes and climate change – by starting to define strategies and implement policies to address these transformations.

For instance, Korea has established the Green New Deal to address climate change and technology and the impact on the labour force; Japan has adopted policy measures and guidelines to create an “age-free society”, including on employment and income (pensions); and Singapore’s SkillsFuture, set up by the Future Economy Council, aims to empower the workforce to prepare for the future of work.

HICs in the region can collaborate among themselves and with the EU, to further develop digital skills and literacy to harness the positive impacts of digital transformation, especially for women, girls, and people in vulnerable situations, as well as further support efforts to develop reliable skills and literacy. These countries also face challenges in applying regulatory frameworks to new forms of work such as platform work – which has rapidly increased in the last five years. There are opportunities to learn how such challenges can be addressed and the implications for regulating the employment relationship. It is also possible to cooperate with these countries to promote responsible business conduct and the corporate due diligence practices.

In light of the above, there is a clear window of opportunity for the EU to start concrete bilateral and regional cooperation with relevant partners in this region. Such cooperation would allow not only mutual learning on these common challenges, but it will also create opportunities to promote the adoption and effective implementation of international standards and policies in line with the EU’s position and values.

The key partners of this project will be **key** strategic partners in the Indo-Pacific region experiencing similar megatrends, or where the negotiation or implementation of **trade agreements with ambitious decent work clauses** can be supported. It is in the interest of both the EU and these partner countries to promote high standards for worker protection based on **global standards and principles agreed at the ILO**, in particular to ensure the smooth implementation of existing or future trade agreements and the functioning of resilient supply chains.

In this context, a convergence of standards, practices, and policy direction between the EU and these partners can trigger a regional momentum and influence other countries to align with EU’s position, in particular rapidly growing middle-income economies in the region, linked to the EU and the targeted HICs via investment, trade links and supply chains.

In more detailed terms, the prominent megatrend in Japan is its ageing society and its technological advancement. The Republic of Korea, which is already part of an ongoing EU project on ‘Future of Work’, has expressed interest in continuing constructive exchanges on platformisation of work, youth, and the labour market, and consider these as their priorities. These are all aligned with the EU’s strengths (i.e., green and digital transition) and challenges (i.e. ageing, human-centric algorithmic management, adapting social protection system, etc.). With Singapore, where an EU-Singapore Free Trade Agreement (EUSFTA) has entered into force since 2019, additional research and dialogue on social protection systems and labour market policies can promote mutual learning but also support the labour rights clauses in the trade agreement.

In this regard, similar benefits to Free Trade Agreement (FTA) negotiations and implementation can also be foreseen with Australia and New Zealand, respectively.

³ <https://asiapacific.unfpa.org/en/populationtrends>

⁴ <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/the-ascent-of-apac-in-the-global-economy-june22.html>

Among the Pacific island states, a key partner for this project is Palau⁵ the categorisation of which has been changing between HIC and upper middle income over the last few years. The country has so far had limited experience with ILO standards but seems interested in learning and possibly soon ratifying further ILO standards.⁶ With the elevation of occupational safety and health standards (Conventions 155 and 187) to the status of fundamental Conventions, it is also an opportunity to further promote the role and relevance of fundamental principles and rights at work.

In addition, where relevant, some activities may also take place in Brunei, as the EU is one of its key trading partners, but cooperation of such nature is still underexplored.

In the preliminary context of this action, it is noted that:

- **Japan:** The EU and Japan could mutually learn about how policies can support opportunities and address common challenges arising from ageing societies, high-tech innovations, social innovations (e.g., telework and flexible working time schedules), as well as aspects of safety and health at work with impacts on the labour market and for social protection systems. The EU-Japan free trade agreement (EPA – Economic Partnership Agreement) entered into force on 1 February 2019.
- **Republic of Korea:** This action could expand the good trilateral dialogues between the Republic of Korea, the EU and the ILO in the context of the ongoing EU global project “Building partnerships on the future of work”, for instance with the EU-Korea Policy dialogue on the future of work in February 2022, and continuing such constructive exchanges about platformisation of work, youth on the labour market, ageing, etc. In addition, this action should also include new scopes such as sharing Korea’s lessons learned from recent ratifications of ILO conventions with other countries in the region. The EU-Republic of Korea FTA had provisionally applied since July 2011, before it was formally ratified in December 2015.
- **Singapore:** EU-Singapore trade relations being further strengthened since 2019 (with the entering into force in November of the FTA). The project should support forward-looking aspects where the EU and Singapore could mutually learn from each other’s policies, for instance to addressing issues of platformisation, where on which there are also initial exchanges with some EU Member States, as well as to discuss wider labour market policies and social protection systems.
- **Australia:** In the context of EU-Australia trade relations being further strengthened in the next few years (a comprehensive and ambitious trade agreement is currently in the final negotiation phase), the project should support forward-looking aspects where the EU and Australia could mutually learn from each other’s policies, for instance addressing issues of platformisation, wider labour market policies, social protection systems, but also due diligence in supply chains.
- **New Zealand:** The EU-NZ FTA negotiations concluded in June 2022 and contains sections on labour rights. With its ratification and entry into force anticipated for the near future, this project can help identify practical scope of groundwork and international exchanges, including on forward-looking aspects where the EU and New Zealand could mutually learn from each other’s policies, for instance on platformisation, wider labour market policies, social protection systems, but also issues regarding trade and gender policies.
- **Palau:** Palau could share interesting insights from its labour market dynamics and policies regarding the green transition, with a relaying function towards other states in the Pacific region, which would be in the mutual interest of the country, of the EU and of the ILO. In fact, there is a Team Europe

⁵ Palau is eligible for support under the Regional Multi-Annual Indicative Programme for Asia/Pacific 2021-2027 (Annex, page 12, footnote 12). The World Bank classified Palau as high-income since the financial year 2018, but then downgraded it to upper-middle-income in July 2022 ([source](#)). Main reason was COVID which caused the economy to contract by almost 10%. It is likely that it could be moved up again in a few years, since tourism has restarted in the post-COVID.

⁶ Aspects which could be interesting to bring into mutual learning: mainly green skills developments in the context of the country’s eco-tourism; other related policies for the green transition (being among the most vulnerable states to climate change; perhaps also skills policies in the context of simultaneous inward and outward migration).

Initiative on Green-Blue Alliance for the Pacific, which aims at mainstreaming climate neutrality achievements in all areas of policies, and fostering an inclusive, sustainable growth, including on jobs creation. Palau is a member of this alliance, along with several other non-HIC Pacific nations as well. Further, Palau has shown interest in further mutual learning and capacity building and may consider ratifying further ILO conventions in the future, thus contributing to a convergence towards international standards within the Pacific region.⁷

Including other strategic partner countries in Asia (emerging economies), notably **India, Malaysia and Thailand**, will, bring significant value to the project. **These three middle-income countries, the high-income countries referred to above, and the EU** are deeply linked through **investment, trade, and supply chains**. There is a considerable trade volume between the EU and India, Malaysia, and Thailand – approx. EUR 142 billion in total each year – which continues to grow⁸. *For these three middle income countries, which are key EU trading partners, the upcoming legislation on mandatory human rights due diligence (corporate sustainability due diligence) will also be of key importance.*

- **India** is also seen as a key global partner when it comes to managing opportunities and challenges from platform work and algorithmic management, due to its strong international position in IT software development and its growing experience in platformisation in some of its domestic sectors. In addition, the country is already in the process of negotiating an FTA with the EU which will need to contain ambitious clauses about labour rights, social and environmental sustainability. It would be important to mobilise more support for encouraging ratifications of outstanding fundamental ILO conventions, to create a solid basis for facilitating dialogues and cooperation on more recent burning issues related to platformisation, etc.⁹
- **Malaysia:** A Partnership and Cooperation Agreements (PCA) was signed in 2022, to be applied provisionally, and needs to be operationalised soon, including through cooperation on employment policy aspects. This project can contribute to such dialogues, as well as provide constructive support for the effective implementation of ILO standards, capacity building and related peer exchanges which could be beneficial for EU-Malaysia trade relations, in particular to facilitate the resumption of FTA negotiations which is currently being explored.
- **Thailand:** A Partnership and Cooperation Agreements (PCA) was signed in 2022, to be applied provisionally, and the resumption of EU-Thailand FTA negotiations was announced in March 2023. The existing Labour Dialogue¹⁰ was recently revived after the pandemic; it should be enriched in the future with research arising from this new project. In addition, Thailand has expressed a high interest in gaining better knowledge on the EU corporate due diligence policy to help its businesses adapt and/or comply with EU regulations. The project with its constructive support for the effective implementation of ILO standards, capacity building and related peer exchanges could thus be very beneficial for EU-Thailand trade and diplomatic relations, particularly the FTA negotiations.

Overall, the promotion of international standards and policies is also forward looking in that it will help create a positive momentum to facilitate the inclusion of commitments and clauses on labour rights, social and environmental sustainability in future FTAs and overall EU Global Gateway delivery.

Furthermore, some of the megatrend experienced by the EU are even more pronounced in India, Malaysia and Thailand, due to their population size, which makes for interesting learning opportunities. For instance, with larger

⁷ While some Pacific Islands states have already ratified most of the ten fundamental ILO conventions, Palau is among the other group of Pacific countries which has so far ratified relatively few conventions, despite its high-income status which would normally suggest that it should have the capacity to do so.

⁸ Calculated based on the EU's latest data (2020-2022) on bilateral trade flows with each of the three countries

⁹ Synergies will be sought between this project and the Commission's Implementing Decision on the financing of the individual measure in favour of India for 2022 (Action Document for Climate, Energy, Trade and Innovation Support in India) of December 2021 (C(2021) 9971 final). This Action already foresees general support for facilitating the path towards a free trade agreement but mentions labour standards only marginally and/or from a gender equality perspective.

¹⁰ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&furtherEvents=yes&newsId=9097>

populations, the effects of platformisation, or ageing demographic on social protection systems, would manifest on a larger scale in MICs than in HICs, which can offer insights into how the EU or targeted HICs can navigate their own challenges.

For the EU, encouraging a convergence of standards and policies in these middle-income countries using the alliance with likeminded HICs holds significant value, due to the role of these countries as production and trade hubs and strategic links in supply chains, as well as their significant influence power in the region. For instance, Japan, the Republic of Korea and Singapore are major investors in ASEAN countries, including Thailand and Malaysia, which are themselves considered frontrunners in ASEAN. The cooperation with them on promoting decent work (including via responsible business conduct) may have a huge positive impact on labour conditions in Asia.

As the project aims, among others, to deepen the understanding and practical implementation of the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), having a wider spectrum of countries whose enterprises operate at different levels of the global supply chains will offer a concrete opportunity to look at international supply chains and investment flows as widely as possible, as opposed to only focusing on those parts of the supply chains where HICs enterprises operate.

This is in line with section 1.3.2.4 of the Regional MIP for Asia and Pacific, pointing out that “*cooperation with HICs in Asia is crucial for shaping the international debate on values, global governance and global challenges beyond mere rhetoric. Action can be at bilateral level, multi-country among HICs or multi-country involving HICs and other selected countries in the region, but gravitating around the HICs, given their role as regional powers and influencers. Promoting EU standards, policies and values in Asia requires the EU to act in collaboration and alliance with the Asian HICs (alliance diplomacy)*”.

2.1.3. Background on policy context:

The action is in line with and will support the implementation of medium-term strategies of both the EU and the ILO, as set out in the key policy documents of both institutions:

- **On the EU side:**
- The Commission **Communication on ‘Decent Work worldwide’** of February 2022¹¹ commits to strengthen the role of the EU as responsible global leader in promoting decent work and to mobilise all available policy tools for this purpose. Key aspects are close cooperation with the ILO, promoting mandatory due diligence in international supply chains, promoting social dialogue, providing assistance to partner countries to ratify and effectively implement ILO fundamental and governance conventions, and stepping up policy dialogues on decent work topics with partner countries.
- As background documents regarding related EU internal policies, the **European Pillar of Social Rights of 2017**¹² and the **Action Plan to implement the Pillar of 2021**¹³ are very important. These two documents reaffirm in twenty principles the social rights of everybody living in the EU.
- The **Gender Equality Strategy 2020-2025**¹⁴ recognises that gender inequality is a global problem and highlights that gender equality and women's empowerment are core objectives of EU internal and external action.

¹¹ COM (2022) 66 - Communication of the European Commission to the European Parliament and the Council on decent work worldwide for a global just transition and a sustainable recovery

¹² https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-20-principles_en

¹³ https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people/jobs-growth-and-investment/european-pillar-social-rights/european-pillar-social-rights-action-plan_en

¹⁴ COM (2020) 152 – Communication from the Commission to the European Parliament, the Council the European Economic and Social Committee and the Committee of the Regions: A Union of Equality: Gender Equality Strategy 2020-2025

- The **Joint Communication on the Global Gateway** -1.12.2021 JOIN (2021) 30 final- promoting sustainable and trusted connections that work for people and the planet in respect of the highest social and environmental standards, in line with the EU’s values and standards.
- The **Gender Action Plan (GAP) III**¹⁵ sets out ambitious plans to promote gender equality and women's empowerment through all external action of the European Union.
- The **European Green Deal**¹⁶ which aims at transforming the EU into a modern, resource-efficient and competitive economy, ensuring no net emissions of greenhouse gases by 2050, economic growth decoupled from resource use, and no person and no place left behind.
- The **Council Recommendation “on ensuring a fair, green and digital transition”**¹⁷ sets out comprehensive and concrete guidance to help Member States deliver policy packages that ensure the green transition is fair and leaves no one behind.
- The European **Pact for Skills**¹⁸ of November 2020 invites companies, workers, national, regional and local authorities, social partners, industry organisations, education and training providers, chambers of commerce and employment services to join forces to upskill and reskill people in Europe.
- In January 2023, the **High-Level Group on the future of social protection and of the welfare state in the EU**¹⁹ published its recommendations. The group studied the future of the welfare state, its financing and interconnections with the changing world of work, in light of mega trends such as demographic changes, digital and green transitions, impacts of globalisation, and the emergence of new risks. Key recommendations include: that all people in employment, irrespective of their work status [including solo self-employed], should be able to access and contribute to adequate social protection; that job-retention schemes should be put in place to increase resilience of workers and firms in any future crises; that policies to promote life-long learning should be stepped up; and that incentives should be strengthened to facilitate a more gradual transition to retirement, and at a later age.
- In 2022, the European Commission proposed the Directive on corporate sustainability due diligence and the Forced Labour Proposal, which covers labour rights protection as part of the broader requirements on corporate sustainability and responsible business conduct. Once adopted by the European Parliament and the Council, EU Member States will have two years to transpose the Directive into their national law. This will also affect players in Asia and the Pacific, particularly those linked to European companies’ value chains.
- There are also various complementary projects being implemented in some of the partner countries, to which this project should identify areas of clear synergies and contribution, particularly on the international standards for labour rights and social protection, ILO conventions, etc. to ongoing/previous initiatives such as the EU-India Common Agenda for Migration and Mobility (CAMM) that is also led by the ILO together with the International Centre for Migration and Policy Development (ICMPD); the previous and ongoing work done on Business and Human Rights in Asia with UNDP; Responsible Supply Chains in Asia with OECD and ILO, and any other relevant forthcoming projects, as well as any Green Deal-related actions that may have not yet considered the

¹⁵ JOIN (2020) 17 – Joint Communication to the European Parliament and the Council: EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women’s empowerment in EU external action

¹⁶ COM (2019) 640 - https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF and summary available at: https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en

¹⁷ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10297&furtherNews=yes>

¹⁸ <https://ec.europa.eu/social/main.jsp?catId=1517&langId=en>

¹⁹ <https://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=10506&furtherNews=yes>

labour dimensions to just transition.²⁰ It will also ensure that excellent collaboration is developed with the regional programme on labour migration implemented by IOM – which also covers Thailand and Malaysia, among any other projects addressing the forthcoming corporate due diligence directive.

- **On the ILO side:**
- The **ILO Declaration on Fundamental Principles and Rights at Work** (1998), as amended in 2022, expresses commitment to uphold basic human values at workplaces.
- The **ILO Declaration on Social Justice for a Fair Globalization** (2008), as amended in 2022, expresses the contemporary vision for labour in the era of globalization and institutionalizes the Decent Work concept.
- The ILO’s **Centenary Declaration on the Future of Work of 2019**²¹ calls for support to people to manage the transitions they will face throughout their working lives; respect for fundamental labour rights; effective lifelong learning; universal access to social protection; the transition from the informal to the formal economy; and policies and measures that respond to challenges and opportunities due to the digital transformation of work, including platform work.
- The ILO’s “**Global Call to Action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient**”²² of 2021 calls for urgent and improved measures for inclusive economic growth and employment; protection of fundamental labour rights, adequate wages, limits on working time and strong occupational safety and health measures; universal social protection and social dialogue.
- Proposals to establish a **Global Coalition for Social Justice (GCSJ)**²³ builds on the three declarations above and reflects the ILO’s ambition to promote social justice as a necessary pre-condition of universal and lasting peace. The Coalition will also build on **the Global Accelerator on Jobs and Social Protection for Just Transitions** launched by the UN Secretary-General, which calls for accelerated investments in (i) job-rich growth, (ii) social protection and (iii) a just transition to a net-zero emissions future.
- The ILO’s “**Guidelines for a just transition towards environmentally sustainable economies and societies for all**” of 2015²⁴ also shows how well managed transitions to environmentally and socially sustainable economies can become a strong driver of job creation, job upgrading, social justice and poverty eradication.
- The ILO’s **Singapore Statement** from the Asia Pacific Regional Meeting of December 2022 recognises new opportunities arising from digital transformation, the greening of economies, and economic recovery. But it also recalls the persistence of some decent work deficits in the region and the new challenges related to climate change, demographic shifts, digital skills and other aspects.
- **ILO’s Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)** is used to advocate the role of MNEs in supply chains and to improve labour standards.

²⁰ Synergies will be sought between this project and other ongoing or planned projects of FPI, EEAS and DG INTPA in Asia-Pacific which are promoting fair recruitment and decent working conditions for migrant workers, in cooperation with the ILO.

²¹ https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@relconf/documents/meetingdocument/wcms_711674.pdf

²² https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_806092.pdf

²³ https://www.ilo.org/gb/GBSessions/GB346/ins/WCMS_858521/lang--en/index.htm

²⁴ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_432859.pdf

2.2 Problem Analysis

New technologies, demographic shifts, climate change, shifts in societal attitudes and changing trade patterns will have a major impact on the employment, social and economic outlook, including working conditions worldwide, in the near future. It is now an essential time for the EU to engage and position itself as a leader in the mutual learning, development and adoption of international standards and policies that will best support societies and economies to take advantage of opportunities presented by these megatrends, while mitigating their negative effects.

At such a crossroads, policymakers may overlook emerging opportunities from new technologies, as well as the shift towards a green economy and trade expansion, etc. For instance, new employment opportunities might emerge from the creation of digital jobs; technologies can support access to employment (through e-services); and/or support online training/skills acquisition.

At the same time, policymakers worldwide risk failing to seize the windows of opportunity and therefore risk taking delayed or ineffective policy responses. This could exacerbate current challenges linked to legislative gaps and skills gaps in many countries around the world. For instance, current social protection systems may not provide sufficient support to workers undergoing radical transitions from old types of jobs (which are likely to disappear) to new types of jobs arising in the green and digitalized economy – a process which might involve high uncertainty, need for rapid reskilling, and need for income stabilisation during temporary unemployment period(s).

Such missed opportunities delayed and disparate responses to these similar challenges can also lead to a divergence of standards among countries which may act as trade barriers, as well as triggering further increase in inequalities. This works against the interest of both the EU and its partner countries, as it risks undermining the resilience of the interlinked investment, trade and supply chain relationships.

In conclusion, the EU should seek to address the knowledge/awareness deficit (via research, mutual learning and advocacy) and to assume a coordination role at international level on policy formulation and implementation (via technical advisory support, dialogues, and partnerships).

Background information on the megatrends that are within the scope of this action:

Some examples of challenges arising from new technologies:

- Platformisation of work/ algorithmic management:

This area is a very relevant topic both for EU and advanced Asian economies: the past decade has observed a growth in online web-based and location-based digital labour platforms, which are increasingly used by business. Algorithmic management, surveillance and tracking devices, which are inherent to platform work, are increasingly used also by firms in the traditional sectors such as logistics, transportation and storage services, among others. This is generating new challenges for workers' rights and job quality. For instance, how long it should take for a worker to deliver a package, or how long their rest break should last for has an impact on their ratings and raises both workers' and human rights issues. The surveillance through algorithmic management can have devastating effects on workers' well-being, safety, privacy, dignity and potentially their ability to work, in addition to increasing power imbalances between management and employees. This can also lead to new forms of precariousness and low job quality, raising concerns about sustainable growth and fair working conditions for workers. Further analysis of the use of algorithms and Artificial Intelligence in the work context is needed in order to identify possible policy responses.

- Automation:

The widespread availability of cheap microprocessors, growing troves of data, network and digital devices facilitates a growing digitalisation of industrial production processes and of many activities in service sectors, allowing subsequent automation of many tasks. However, which tasks may be particularly likely to be automated over the next decades, and what this means for global value chains, for labour market developments, for skills (mis)matches, for the job quality of remaining or newly emerging jobs, and for distributional impacts across different worker categories, are topics that still need to be further studied and better understood before adequate policies can be designed to address the challenges and harness the opportunities.

Some examples of challenges arising from demographic shifts:

- Ageing:
In many industrialised countries, the age pyramid is changing in a way that will lead a smaller number of people aged 18-65 on the labour market. There is an associated policy challenge of increasing female labour market participation, managing labour migration well, etc. to fill upcoming labour shortages. Individual incentives and public policies to deal with this situation vary across countries but mutual learning (especially between Asian and European societies which will see these effects very soon) could be helpful to design better policies. In the event working age is extended, social protection systems will have to be stabilised to tackle new occupational safety and health at work (OSH) challenges: on the one hand, extended retirement age would require new OSH policies, designed to allow older workers to be able stay in the labour market despite the advanced age; in addition, measures for integrating people with different degrees of age-related disabilities into the labour force (eye problems, hearing problems, etc.) will become equally important.
- Youth employment:
If societies are ageing, it might become increasingly important not only for ethical but also for economic reasons ‘to leave nobody behind’ – meaning increased need to design educational systems, Vocational Education and Training (VET) systems and lifelong learning in a way to maximise all young people’s ability to participate actively and with high productivity and motivation in the labour market. However, it is not yet clear how new policies should be designed to favour youth fully qualified employment in new world of work.
- Migration related aspects of demographic shifts:
There is also a need to better understand what the impact of migration on some key sectors will be and on the social protection systems, and to develop suitable policies – for both host countries and countries of origin.²⁵

Some examples of challenges arising from climate change:

- Sectoral shifts of growth and employment structures:
One can expect over the next few decades a sectoral shift from fossil fuel-oriented sectors towards sectors based on renewable energy. What this will imply in terms of skills needs, transition support and overall labour market dynamics is not yet fully clear. Instruments will have to be further developed to facilitate a ‘fair green transition’, while ensuring that vulnerable groups of workers are protected through modernised social protection systems so that they are not further penalised.
- Occupational health and safety:
Occupational health and safety standards need to constantly evolve, and often the standards lag behind evolving needs. With heat waves and droughts becoming more frequent across the globe, such lag risks further exacerbation of occupational health and safety risks, and the need for worker protection against heat-related risks will become more urgent. Details and policy implications have not been fully understood yet.

Some examples of challenges arising from shifts in societal attitudes:

- Telework:
The impact of telework on workers’ productivity and well-being still need to be further understood, especially in the context of the dramatic rise of telework following the COVID-19 pandemic. Policy studies should look at how best to formulate effective legislation and harmonised policies at national and business level to protect the rights and working conditions of teleworkers, as at the moment such conditions vary significantly from country to country.
- Flexible working time arrangements:
While labour law and social protection systems in many industrialised countries have traditionally been designed based on full-time jobs and permanent contracts, over the last few decades, there has been an increase in flexible working time arrangements, including part-time work, especially by women, and more recently also by an

²⁵ Synergies will be sought between this project and other ongoing or planned projects of FPI, EEAS and DG INTPA in Asia-Pacific which are promoting fair recruitment and decent working conditions for migrant workers, in cooperation with the ILO.

increasing number of men. Some countries have started testing new working days/hours structures, including the concept of a 'four-day week'. This is expected to entail additional opportunities and challenges in the medium term.

- Changes in consumer attitudes:

An increasing number of consumers in HICs want to buy only products and services produced in a socially fair and environmentally sustainable way. Some governments (and the EU) have responded by introducing corporate due diligence legislation. However, in the ILO context, so far only a non-binding instrument, the MNE Declaration, has been agreed. There is a risk of disruption of international supply chains if regulatory standards for due diligence among trade partners widely differ, or if misunderstandings persist between policy makers and social partners, leading to ineffective due diligence practices.

It should also be noted that some 'old' labour problems still persist in many countries in Asia, such as forced labour, child labour, lack of freedom of association and collective bargaining. The cooperation between the EU and HICs in Asia could help to reduce these problems and prevent the exacerbation of vulnerable groups due to the abovementioned megatrends.

The **main stakeholders** of this action are:

- Public officials from labour ministries and from labour inspection services in the partner countries (and in the EU);
- Social partners (employer associations and trade unions) in each of the partner countries (and in the EU), given their important role for ensuring decent work and promoting responsible business conduct.
- Labour market researchers working within labour ministries, ILO, think tanks and academia worldwide.

Among the **most vulnerable final beneficiaries** of this action are workers currently not represented by trade unions and not yet sufficiently protected by existing labour laws and social protection systems (e.g., platform workers, workers in the informal economy), young people transitioning from education to the labour markets, as well as workers who might need to change jobs as a result of the green and digital transition. Women and persons from disadvantaged communities are at particular risk of being further disadvantaged and marginalized.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this action is:

- Cooperate with Asia-Pacific countries to seize opportunities and manage risks related to labour rights and protection in the context of the megatrends (new technologies, demographic shifts, climate change, shifts in societal attitudes and changing trade patterns) affecting the future of work.

The **Specific Objectives (Outcomes)** of this action are:

1. **Strengthening mutual learning** by public officials and social partner representatives in Europe and Asia-Pacific on opportunities and challenges arising from these megatrends;
2. **Supporting the effective implementation** of ILO standards related to these megatrends, by **identifying** and **addressing** regulatory gaps and **promoting** coordinated action between national public institutions, social partners and enterprises in the EU and in the partner countries.

The **Outputs** to be delivered by this action are:

Output 1 (contributing to Outcome 1): **Research and policy dialogues on megatrends with a view to enabling policy shifts towards ensuring more decent work in the EU and in Asia/Pacific.**

Output 2 (contributing to Outcome 2): **Technical support is provided, and peer-to-peer exchanges are conducted with a view to promoting and facilitating the adoption and/or the implementation of relevant ILO Conventions.**

Output 3 (contributing to both Outcomes 1 and 2): **Knowledge and understanding among relevant actors of the implications of the megatrends on the world of work and the possible coping mechanisms are enhanced through communication and advocacy.**

3.2 Indicative Activities

Activities will mainly take place in the aforementioned HICs, with some degrees of research about ‘Future of Work’ topics and knowledge exchanges with relevant stakeholders from the three MICs (India, Malaysia, Thailand). The best combination of activities, topics and countries for the first 1-2 years will be assessed during the inception phase. Planning will be updated regularly and will be informed by positive political dynamics and opportunities arising, among others, from summits, joint commissions, or other dialogues. The project will therefore allow for the needed degree flexibility.

Activities relating to Output 1:

Activity 1.1 – Mapping stakeholders and strengthening engagement

- Mobilise existing contacts and reach potential new partners (including consulting the EC’s Joint Research Centre (JRC)) to map relevant actors and identify engagement opportunities and modalities (e.g., establishing a network, communities of practice or other forms of engagement).

Activity 1.2 – Conducting joint research

- Conduct and publish empirical research in partner countries, in partnership with national research institutions on key topics, including for example:
 - Fair green transition and fair digital transition
 - Implications of megatrends for labour market institutions and policies and for social protection systems (including the gender implications of such trends).
 - Impacts of trade with the EU on the decent work agenda
 - Implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) by EU and partner countries’ companies in third countries
- ILO and partner institutions to explore *synergies* between the different mega-trends and identify best practices as well as gaps/priority areas for technical advisory support/policy dialogue, etc.

Activity 1.3 – Policy dialogue, workshops, and seminars

- Conduct baseline research/surveys among public officials, social partners and other stakeholders about the decent work opportunities and challenges arising from the megatrends and about options for convergence towards global standards agreed at the ILO (this should include aspects of responsible business conduct, where relevant).
- Conduct studies and draft research papers to be used as basis for policy dialogues.
- Organise approximately three knowledge sharing events/workshops per year per partner country, with relevant stakeholders at all levels (government, private sector, social partners). Where suitable, JRC speakers and researchers in partner countries with whom the JRC has previously already cooperated successfully could be integrated into the agenda; the ILO will draft background papers based on desk research, will moderate discussions and summarise the key insights. Key topics from which partner countries could select the ones which interest them most:

- Fair green transition, fair digital transition, fair twin transition.
- Decent work aspects in the context of major technological changes.
- Platform economy, algorithmic management and challenges related to its working conditions.
- Flexible working time arrangements.
- Transitions from informal to formal jobs, where relevant for the middle-income countries.
- Youth transitions, active ageing, skills and lifelong learning; with focus on the most disadvantaged groups.
- Implications of megatrends for social protection systems and skills training systems with a specific emphasis on gender.
- Fundamental labour rights (and related fundamental and priority governance ILO conventions), also considering the link to Convention 102 on social protection.
- Impacts on decent work of changing trade patterns between the partner countries and the EU.
- Implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) by EU companies and partner countries' companies in third countries.²⁶
- Corporate sustainability due diligence
- The gender implications of megatrends and the implications for policy makers.

This list of topics is indicative. There will be flexibility in case the Asian advanced economies would find any other topic of joint interest, or in case new topics emerge in the course of this project.

- Organise any other ad hoc events/seminar/workshops as needed and relevant, bilateral or regional, based on needs emerged during the implementation of the project.
- ILO prepares and disseminates reports and other media products from events to the European Commission and partner countries' as well as to the wider public.
- ILO conducts research before the end project among public officials, social partners and other stakeholders to assess the contribution of the project to a convergence of perceptions.
- ILO organises a Final High-Level Conference bringing together the expertise of beneficiary countries, ILO, EU institutions and EU Member States, and showcasing all deliverables of the project.

Activities relating to Output 2:

Activity 2.1 – Engagement and gap analyses

- Subject to partner governments confirmation, the ILO establishes peer-to-peer engagement to inform pathways to ratify additional ILO fundamental conventions, better implement existing conventions, and/or produces gap analyses of missing social and employment protections of the emerging forms of work

Activity 2.2 – New tools and knowledge products

- During the implementation phase, ILO will use the knowledge emerging from the project to develop new tools and checklists for social partners and enterprises (e.g., including to promote occupational safety and health aspects arising from C155 and C187 in the context of climate change and other tools as appropriate).

Activity 2.3 – Practical trainings/knowledge sharing

- Knowledge sharing events and training sessions are designed and conducted by ILO to promote practical uptake of the insights from the project by social partner representatives and enterprises, including SMEs, in the partner countries. These events should be in-person, and closed-door if needed, to facilitate open discussions amongst partners.

²⁶ Synergies will be sought between this project and other ongoing or planned projects of FPI, EEAS and DG INTPA in Asia-Pacific which address more generally Responsible Business Conduct (RBC), Business and Human Rights issues, or support stakeholders in partner countries to comply with the upcoming EU Corporate Due Diligence Directive.

Activities relating to Output 3:

Activity 3.1 – Updates and engagement

- ILO will prepare regular communications (e.g., videos, newsletters and other media) to keep key stakeholders (including any new networks) engaged in the project and constantly informed on relevant news, developments, emerging research and policy issues, etc.

Activity 3.2 – Communications and advocacy

- ILO will use the knowledge emerging from this project, from the previous projects with JRC, and from other ongoing actions to raise awareness of the challenges and opportunities arising from the megatrends, by delivering advocacy campaigns, seminars (in-person, with the possibility for some hybrid and virtual events), presentations, and any other relevant tools.

3.3 Mainstreaming

For the proposed action, different cross-cutting issues have been identified, regarding global challenges, EU principles and values, fundamental rights and multilateralism. This includes in particular gender equality and empowerment of women and girls, fundamental values, inclusivity, and a rules-based multilateral order. Highlighting the joint pursuit in addressing global challenges, environmental protection and climate change are also included in the thematic scope of the action.

Environmental Protection & Climate Change

The action focuses on a series of drivers of the future of work, including the impact of climate change and the green transition on the world of work, which brings about opportunities but also several social and labour challenges.

Gender equality and empowerment of women and girls

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1.

This implies gender equality will be addressed in every activity under this action and will be mainstreamed across all activities and outputs.

Given that women are at higher risks when trying to access decent work, at higher risk of suffering labour market discriminations, and at risk of limited social protection coverage, gender aspects will be reflected in the research, the policy workshops and any tools developed under this action. Activities would also include specific targeted action focusing on gender equality.

Human Rights

Fundamental labour rights are a sub-category of human rights.

The action will focus on economic and social rights, supporting the right holders in claiming their rights, with a focus on poorer, marginalised and vulnerable people and groups, including persons with disabilities, and to **assist partner countries in implementing their international human rights (including labour rights) obligations**, and where applicable, compliance with EU human rights policy such as the new corporate sustainability due diligence policy.

The action will follow a human-rights based approach in the sense that it will try to apply its five principles throughout the intervention cycle: (1) Applying all human rights for all (but with a focus on worker's labour rights and the universal right to social protection); (2) promoting meaningful and inclusive participation and access to decision-making (e.g. including via social dialogue); (3) promoting non-discrimination and equality (e.g.

especially looking at non-discrimination on the labour market from a gender perspective); (4) promoting accountability and rule of law for all (especially protection of the rights of the most vulnerable); (5) Transparency and access to information, supported by disaggregated data (wherever possible).

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the promotion of the social and economic rights of persons with disability is a significant objective of the action. It aims at ensuring that persons with disabilities are included, and able to share the benefits of this project and related policies, on an equal basis to persons without disabilities. This approach will be reflected in the research and policy workshops.

Reduction of inequalities

Reduction of inequalities is an inherent objective of any action on decent work. By working to ensure governments and social partners are well positioned to promote the protection of labour rights in the rapidly changing world of work, the project can help ensure that opportunities and challenges presented by the megatrends are managed in such a manner to contribute to the reduction of inequalities rather than exacerbate them, due to inadequate anticipation and response.

Democracy

The action promotes good governance related to the labour market. It also promotes freedom of association, social dialogues or tripartite consultations, which are key tools for workplace democracy and participatory decision-making, with possible positive spill-over effects to other societal discussions.

Conflict sensitivity, peace and resilience

Promoting awareness among public officials and social partners of upcoming challenges due to megatrends can enable them to manage societal tensions better than if they were less prepared. Promoting sufficient employment opportunities, fair green transition and inclusive social protection systems in partner countries will help increase social peace and prevent social frustrations. Promoting social justice is in fact at the core of conflict prevention and peace building, as social injustice and widespread inequalities are key drivers of conflict, crisis and political instability.

The action indirectly also promotes social dialogues or tripartite consultations – a key tool to manage societal conflicts which can avoid that social tensions could turn into turmoil or violence.

Disaster Risk Reduction

While disaster risk reduction is not a key objective of this action, a better understanding of occupational safety and health risks and policy responses to more frequent heat waves due to climate change can have positive effects for disaster risk preparedness in a wider sense.

The strengthening of social protection systems will also be helpful in case a disaster strikes. For instance, the action can also help increase resilience of the EU and partner countries to future health crises, energy crises or security crises.

Other considerations if relevant

The action aims to be as inclusive as possible, taking into consideration the working conditions of (and social protection systems available to) people living in rural areas; people with an indigenous background; as well as migrant workers.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Relevance of the project might decline if next few years are overshadowed by: <ul style="list-style-type: none"> - Climate crisis overtaking any other crisis - New global financial/economic crisis - New pandemic - Deglobalisation - Russian war of aggression against Ukraine escalating further 	- Risk 1	M	H	By definition a project on the future of work will have to be flexible, so as to adapt to changing priorities with regard to the evolution of the world of work, notably in response to new external shocks or new global challenges/threats
Insufficient ownership by third countries due to indifference or suspicion towards the EU or lack of political will.	Risk 2	M	H	Countries in which activities will take place will have been selected on the basis of their relevance and their interest to cooperate on these topics. This approach should ensure full ownership. In particular, the targeted HICs are considered as the EU's closest allies and like-minded partners in the region, which significantly mitigates this eminently political risk. The project will be designed in a flexible way (no firmly earmarked budgets) so as to adapt to changing circumstances in the partner countries and focus mostly on those where dialogues are more open and fruitful.
Reduced commitment and coordination	Risk 3	L	M	Information sharing, tracking and coordinating mechanisms are in place among key project actors – with appointed coordinators within the EU and ILO.

among stakeholders				<p>Priorities and other parameters can be adapted by the steering committee as needed.</p> <p>A robust inception process that engages target countries would seek to identify ways of mitigating potential changes in priorities among relevant stakeholders.</p>
Major turnover at the ILO teams	Risk 4	M	M	<p>Back-up person(s) to be involved according with business continuity arrangements.</p> <p>The ILO would apply existing HR policies to address any staff resource gaps.</p>
Uncertainty about the details of activities delivery format make budget planning for ILO very difficult.	Risk 5	H	M	<p>Project allows implementing partners to reallocate up to 25% across different budget headings/categories (cumulatively) without requiring a contract addendum. This already allows for flexibility. At operational level, work-plans can be adapted as needed through the relevant approval circuits.</p>

Lessons Learnt:

The action builds on the project “Building Partnerships on the Future of Work”²⁷ funded by the EU Partnership Instrument and implemented by the ILO and the JRC, in the years 2021-2023.

The key lessons learnt by the EU will be integrated into the new project:

- The strength of the ILO is its strong normative role on decent work topics and social dialogue in tripartite format, expertise drawing on country knowledge around the world regarding employment policies and labour standards (especially in developing countries), institutional memory from experience gathered over the last hundred years, research department strongly oriented towards policy-relevant applied research, and strong convening role to bring researchers and policy makers together *worldwide, especially also from developing countries or recently developed countries*.
- The strength of the JRC is also on the academic methodological side, but with deeper knowledge of EU Member States’ labour markets and technological developments, with strong convening role to bring researchers and policy makers together *within Europe* (and sometime beyond).
- Need for extending the thematic scope to topics insufficiently covered in the previous project 2021-2023 (e.g., adding now also fair green transition, stronger focus on informality, stronger focus on social protection systems).
- Ensuring more ownership by partner countries from the beginning,
- More focus on policy discussions, less resources to be allocated to new research.
- Trying to frontload some workshops based on *existing* knowledge from the ILO, before *newly created* knowledge from the project can feed into later dialogues.
- Explicitly covering fundamental labour rights in the scope of the new project.
- Considering how gender aspects can be better mainstreamed and additional topics can be covered in the project (e.g., the rights of people with disabilities).

Evaluation results from the ongoing action can still be integrated in the project design of the new action once they become available in the second half of 2023.

²⁷ <https://www.ilo.org/employment/Whatwedo/Projects/building-partnerships-on-the-future-of-work/lang--en/index.htm#:~:text=Organized%20by%20the%20E2%80%9CBuilding%20Partnerships,and%20Spanish%20will%20be%20provided>

The ILO notes the following lessons learned from the global project conducted in 2021-2023:

- Having an inception phase was highly important, however a three-month inception phase was too short.
- The cooperation between the two implementing institutions (ILO and JRC) worked very well.
- The project managed to build new research networks and efforts will be made to extend them beyond the project. Building and sustaining such networks should be a major outcome of such research/partnership projects.
- The idea of linking research with policy dialogue and partnership building is unique and works very well, especially when policy dialogue involves tripartite participation. However, it was not always easy to ensure such tripartite engagement.
- The attempt to align research methodologies for developed and developing countries remains difficult to implement but enables new findings and comparisons.
- Non-EU governments and stakeholders are interested to engage in policy dialogue on Future of Work with the EU if the dialogue is: (a) tailored-made to their needs and interests; (b) based on research; and (c) flexible regarding the organization and content of the events.
- The very strong engagement of the EU headquarters in Brussels was key for the implementation of the partnership component. It was also key in terms of connecting with EU delegations in the partner countries.
- All countries indicated that despite all efforts from the project team, they still felt that the selection of the topics had too much of a top-down approach which affected the ILO Office's ability to garner interest and support for research and participation in events.
- The project duration was not sufficient to conduct innovative research as well as to organize a number of events.
- The scope of the project was too big for only two full-time staff members and the ILO invested additional resources to meet the gap in staffing.

3.5 The Intervention Logic

The underlying intervention logic for this action is that - given that the EU and many of its key Asian partners share many similar challenges and opportunities arising from the megatrends impacting the world of work, namely: **new technologies, demographic shifts, climate change, shifts in societal attitudes and changing trade patterns** – the EU, in line with its ambition for a “Strong Europe in the World”, should share its findings, standards and policy practices to promote better understanding, work together on research and advocacy to foster mutual learning, and inspire collective action with partner countries to address the challenges and harness the opportunities. It is in both the EU interest and the interest of partner countries to promote a convergence of high standards for worker protection based on **global standards and principles agreed at the ILO**, also to ensure smooth functioning of existing or future trade agreements and to strengthen the resilience of supply chains.

Given this context, this action is designed based on the following intervention logic:

- IF the following activities are undertaken (*mapping stakeholders and strengthening engagement; conducting joint research; policy dialogue, workshops, and seminars; engagement and gap analyses; new tools and knowledge products; practical trainings/knowledge sharing; updates and engagement; communications and advocacy*) AND the assumptions below hold true, THEN the following Outputs will be produced (*research and policy dialogues on megatrends with a view to enabling policy shifts in the EU and in Asia/Pacific; technical support is provided and peer-to-peer exchanges are conducted with a view to promoting and facilitating the adoption and/or implementing of relevant ILO Conventions; knowledge and understanding at all levels of the implications of the megatrends on the world of work and the possible coping mechanisms are enhanced through communication and advocacy*).

Assumptions:

- Research can be concluded in reasonable time.
 - Public officials and social partners in partner countries are interested in technical support and participating in policy dialogues and peer-to-peer exchanges (even if such events could sometimes touch politically sensitive topics or could happen at sensitive moments of their own policy cycles).
 - Workshops are attended by the key target persons.
 - Research results, tools and discussion contents are found useful/convincing by the partner organisations.
- IF the following Outputs are delivered (*research and policy dialogues on megatrends with a view to enabling policy shifts in the EU and in Asia/Pacific; technical support is provided and peer-to-peer exchanges are conducted with a view to promoting and facilitating the adoption and/or implementing of relevant ILO Conventions; knowledge and understanding at all levels of the implications of the megatrends on the world of work and the possible coping mechanisms are enhanced through communication and advocacy*) AND if the assumptions in the logframe matrix below hold true, THEN the Outcomes listed below will be realised.
 - IF the Outcomes are achieved (*strengthening mutual learning by public officials and social partner representatives on opportunities and challenges arising from these megatrends; supporting the effective implementation of ILO standards related to these megatrends, by identifying and addressing regulatory gaps and promoting coordinated action between national public institutions, social partners and enterprises in the EU and in the partner countries*) AND the assumptions in the logframe matrix below hold true, THEN the action will contribute to the desired Impact (*manage opportunities and risks related to labour rights and protection in the context of the megatrends affecting the future of work*).

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	Opportunities and risks related to labour rights and protection in the context of the megatrends affecting the future of work are managed.	Number of approaches and/or practices related to challenges of global/mutual concern which have been influenced	0	TBD based on number of countries confirmed	Policy and strategy documents/ statements/ news articles/ partners' reports explaining their approaches and/or practices in regard to the megatrends	
Outcome 1	Mutual learning by public officials and social partner representatives is strengthened on opportunities and challenges arising from these megatrends	Percentage of participants who acknowledge a positive change in their perception of the EU and/or international policies and standard	0	75%	Survey results of participants attending the policy dialogue/ workshops/ seminars; event/outcome reports	<ul style="list-style-type: none"> ○ Policy makers can turn knowledge and capacity into action to close possible policy gaps identified.
Outcome 2	The effective implementation of ILO standards related to these megatrends are supported by identifying and addressing regulatory gaps and promoting coordinated action between national public institutions, social partners and enterprises in the EU and in the partner countries	Number of processes related to partner country approaches to challenges of global concern, which have been influenced	0	TBD based on number of countries confirmed	Any documentation of partners' intention to adopt or advance the implementation of ILO conventions and standards (e.g., public articles, internal communication) associated to/during the engagement timeframe of this project	<ul style="list-style-type: none"> ○ Policies can be adequately funded. ○ Legislation will be properly enforced once enacted. ○ Other crises will not distract policy makers' attention away from issues under the scope of this project (e.g., new pandemics, etc.).
Output 1 relating to Outcome 1	Research and policy dialogues on megatrends with a view to enabling policy shifts in the EU and in Asia/Pacific	<p>Number of events organized or supported</p> <p>Number of participants in the events organized or supported</p> <p>Number of knowledge products developed</p>	<p>0</p> <p>0</p> <p>0</p>	TBD	<p>Reports from research, implementation, and event outcomes</p> <p>Event registration</p> <p>Files/web links to research/ reports</p>	<ul style="list-style-type: none"> ○ Stakeholders are open to sharing data/knowledge/conducting joint research and receiving technical support. ○ Capacity is maintained once it is built up (staff turnover in the various institutions should not be

Output 2 relating to Outcome 2	Technical support is provided, and peer-to-peer exchanges are conducted with a view to promoting and facilitating the adoption and/or implementing of relevant ILO Conventions	Number of knowledge products developed Number of events organized or supported Number of participants in the events organized or supported	0 0 0	TBD	Any documentation of technical support provided – relevant technical analysis/ reports/ knowledge sharing events/ trainings Event registration	too high; good handover and trainings) ○ Multilateralism regarding labour rights is not weakened by other international developments (e.g., staff cuts of the ILO; reform undermining the ILO’s capacity for technical assistance).
Output 3 relating to Outcomes 1 and 2	Knowledge and understanding at all levels of the implications of the megatrends on the world of work and the possible coping mechanisms are enhanced through communication and advocacy	Percentage of participants who reported having benefited from the events organized/supported	0	60%	Survey results of participants attending advocacy events/receiving communications material (e.g., newsletter)/ audience of online campaigns	

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with a partner country.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is maximum 80 months from the date of when this Financing Decision is adopted. This includes a period of maximum 14 months for establishing the contractual agreement with ILO, an indicative 48 months of action implementation, followed by contract closure.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases.

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures.²⁸

4.3.1 Indirect Management with an entrusted entity

This action may be implemented in indirect management with an entrusted international organization - the International Labour Organisation (ILO).

The implementation entails mobilizing partnerships and trusted working relationship with multi-sectoral partners in each country of implementation, jointly conducting empirical research on the megatrends in each country, create new tools and knowledge products, and organizing knowledge sharing workshops based on the findings and existing practices (including on the EU's policies and standards) to facilitate an exchange and enhanced mutual understanding between the EU and identified countries in the Asia-Pacific region.

The envisaged entity has been selected using the following criteria:

The ILO has been chosen given its high expertise on topics related to the 'Future of work'; its excellent track record on labour market research in many countries around the world, including the countries which are at the core of this new action; its operational capacity grounded on the availability staff on the ground (e.g. in regional and country offices) knowing well the labour market situation in the key countries; its experience in organising exchanges at all levels on policies under their remit; its expertise on social protection issues.

The ILO has the most authoritative status regarding the promotion of 'decent work' and labour rights worldwide, including on the 'Future of Work'. Its unique tripartite structure allows it to promote dialogue, mutual understanding and convergence of positions among governments, trade unions and employers' associations.

Within ILO, the lead service will be the Regional Office for Asia/Pacific located in Bangkok. However, the Employment Policy Department in Geneva will be closely associated (to ensure the core expertise and a certain continuity) as well as Conditions of Work and Equality (WORKQUALITY), and other departments should also contribute to the project as well, for instance the Fundamental Principles and Rights at Work Branch («FUNDAMENTALS») and/or the International Labour Standards Department («NORMES»).

In case the envisaged entity would need to be replaced, the Commission's services may select another replacement entity using the same criteria. If the entity is replaced, the decision to replace it needs to be justified.

²⁸ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4 Indicative Budget

Indicative Budget components²⁹	EU contribution (amount in EUR)
Implementation modalities – cf. section 4.3	
Indirect management with an international organisation – cf. section 4.3.1	5 000 000
Totals	5 000 000

4.5 Organisational Set-up and Responsibilities

Overall co-ordination and support for this action will be provided by the European Commission’s Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL).

The action will be steered by a project steering committee (PSC) involving the ILO and relevant services in EU Headquarters and EU Delegations. The following EU services are expected to play a leading role: FPI, EMPL and the EU Delegations of the targeted countries. INTPA will be a member of the PSC for the activities related to the MICs. Other services, such as EEAS, JUST, CNECT, TRADE, GROW, JRC, RTD, CLIMA etc. could also be involved in the PSC as observers.

In particular, the Joint Research Centre (JRC) could be associated to the project to mobilise *ad hoc* additional expertise, speakers, methodological support, quality assessments, etc., where appropriate.

The day-to-day management of the action will be the responsibility of staff of the European Commission’s Foreign Policy Instrument Service (FPI) based in the FPI Regional Team for Asia and Pacific (Bangkok), and with the support of FPI staff in the EU Delegations to India, Japan, and Republic of Korea. On the ILO side, the project will be implemented by the ILO Regional Office in Bangkok, with support from ILO Geneva.

The role of the PSC is particularly important for the specific context of this action, as it is not possible to have full visibility on which aspects of the debate on the Future of Work will be high on the agenda of the relevant EU and partner countries’ stakeholders at any given time during the implementation of the action.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the European Commission may participate in any governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

²⁹ N.B: The final text on audit/verification depends on the outcome of ongoing discussions on pooling of funding in (one or a limited number of) Decision(s) and the subsequent financial management, i.e., for the conclusion of audit contracts and payments.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring:

The implementing partners are responsible for day-to-day monitoring and reporting based on the agreed indicators in the logframe. Indicators shall be disaggregated at least by per gender of participants, type of events and sector of participants. Adjustments to the agreed indicators will be subject to a discussion and approval by the contracting authority. The contracting authority will also be responsible for the approval of reports (interim, final etc.).

All monitoring, evaluation and reporting shall assess how the action is taking into account the gender dimension, and, where applicable, the implementation of the human rights-based approach working principles (applying all human rights for all; meaningful and inclusive participation and access to decision-making; non-discrimination and equality; accountability and rule of law for all; and transparency and access to information supported by disaggregated data).

5.2 Evaluation

Having regard to the nature of the action, a mid-term and final evaluation may be carried out for this action, or its components contracted by the Commission or via an implementing partner.

The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to designing better policy dialogues in the future.

The Commission shall inform the implementing partner at least 3 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

A Primary Intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

Articulating Actions or Contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;

Differentiating these Actions or Contracts from those that do not produce direct reportable development results, defined as support entities (i.e., audits, evaluations);

Having a complete and exhaustive mapping of all results-bearing Actions and Contracts.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as:

Contract level		
<input checked="" type="checkbox"/>	Single Contract	Foreseen individual legal commitment (or contract)