



## Governing Body

321st Session, Geneva, 13 June 2014

GB.321/INS/6

Institutional Section

INS

Date: 14 May 2014

Original: English

### SIXTH ITEM ON THE AGENDA

## Strategy for wider ILO engagement with the private sector

#### Purpose of the document

This paper presents a revised approach to the methodology and internal procedures for the ILO's engagement with enterprises. The Governing Body is invited to endorse this revised approach (see the draft decision in paragraph 9).

**Relevant strategic objective:** All.

**Policy implications:** See paragraph 2.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Depending on the decision of the Governing Body.

**Author unit:** Office of the Director-General (CABINET).

**Related documents:** GB.319/INS/5(Rev.); GB.320/INS/5/1; GB.320/INS/5/2; GB.320/POL/10.



1. At its 319th Session (October 2013), the Governing Body considered a document concerning a strategy for wider ILO engagement with the private sector,<sup>1</sup> which presented a possible approach to the implementation of the Enterprises Initiative, one of the seven centenary initiatives proposed in the Report of the Director-General to the 102nd Session (2013) of the International Labour Conference (ILC).
2. There was widespread and strong support for wider ILO engagement with the private sector including the three strategic components of the Enterprises Initiative proposed:
  - *Enterprise and supply chain policies and practices:* The discussion scheduled for the 105th Session (2016) of the ILC should provide important guidance for the development of this area of work.
  - *International initiatives on enterprise behaviour:* The clear expectation of constituents that the ILO will take on a more visible and substantive role in international processes on corporate social responsibility, including in the application of the United Nations Global Compact's ten principles and the Guiding Principles on Business and Human Rights, requires action which is different from direct engagement with individual enterprises, but which nevertheless plays an important and necessary role in underpinning it.
  - *Building knowledge and outreach:* This component would seek to realize the full potential for learning benefits for both the ILO and for enterprises from wider engagement. Research and training activities might be expected to result from successful outreach.
3. A number of key messages emerged from the October 2013 discussion, namely:
  - (a) all engagement with the private sector should be in conformity with ILO principles and values, and entered into with a view to advancing the Decent Work Agenda;
  - (b) the ILO already has extensive involvement with enterprises, including with regard to the implementation of programme and budget outcome 3 on sustainable enterprises and the promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), in conformity with the mandate and guidance provided by the 2008 ILO Declaration on Social Justice for a Fair Globalization; the Enterprises Initiative should complement and consolidate such work;
  - (c) all activities should respect the tripartite character of the ILO and the existing representational roles of the tripartite constituents;
  - (d) enterprises are likely to approach the ILO on a wide range of issues. The ILO should be responsive to the needs of enterprises, in all areas that fall within its mandate;
  - (e) the experience to date of ILO engagement with enterprises has underlined the need for management processes to be put in place, which would allow for a coherent and systematic response with full information sharing across the Organization;
  - (f) at the same time, enterprises need a rapid, clear and practical response from the ILO and would be discouraged from engaging if overly bureaucratic or heavy procedural arrangements were in place; and

<sup>1</sup> GB.319/INS/5(Rev.).

(g) while appropriate mechanisms for public–private partnerships (PPPs) are an important part of ILO resource mobilization, fund-raising should not be the primary objective of an enterprises initiative.

4. At its 320th Session (March 2014), the Governing Body discussed a revised approach with respect to the methodology and operational processes.<sup>2</sup> In the absence of a clear consensus, the Governing Body decided to discuss the matter further and take a decision at its 321st Session (June 2014).<sup>3</sup>

## Revised methodology and internal procedure

5. The ILO’s engagement with the private sector covers a range of areas and issues. It includes activities under the Enterprises Department mandate and PPPs, but can potentially involve all policy departments, including: International Labour Standards (NORMES); Social Dialogue and Tripartism (DIALOGUE); Social Protection (SOCPRO); and Employment Policy (EMPLOYMENT).
6. The internal procedure proposed below adheres to the following principles:
- full respect of the tripartite character of the ILO, the existing representational roles of the tripartite constituents, and the terms of reference of the Bureau for Employers’ Activities (ACT/EMP) and the Bureau for Workers’ Activities (ACTRAV);
  - efficiency, agility and pragmatism; and
  - regular reporting to the Governing Body.
7. The internal procedure for the ILO’s engagement with the private sector addresses four main functions. For each, a clear distribution of roles and responsibilities is established.

### (a) Entry point function

Each new contact with/from enterprises will be directed to ACT/EMP (if the contact comes from management) or to ACTRAV (if the contact comes from a workers’ organization).

ACT/EMP and ACTRAV will be responsible for sharing information with each other (and with their respective group secretariats and the employers’ and workers’ organizations concerned) and for providing any advice or guidance required.

### (b) Operational relationship function

ACT/EMP and ACTRAV will also play an operational interface function consisting of a two-pronged approach:

- *When enterprises themselves approach the ILO*, ACT/EMP or ACTRAV will be responsible for making a first demand/needs analysis and will guide the enterprises to the relevant department: either to the Enterprises Department

<sup>2</sup> GB.320/INS/5/1.

<sup>3</sup> GB.320/INS/PV/Draft, para. 99.

(see (c) below) or, in case of specific requests clearly falling under their respective mandates, to any other relevant department or flagship programme.

- *Where any ILO department seeks to engage with enterprises* in order to organize or implement an activity or a programme, this will be done in consultation with ACT/EMP (or ACTRAV for workers' organizations).
- Management of PPPs will also involve the Partnerships and Field Support Department (PARDEV), the Financial Management Department (FINANCE) and the Office of the Legal Adviser (JUR), in accordance with the Governing Body's decision in March 2014.<sup>4</sup>

**(c) Technical lead functions**

- The Enterprises Department will be the technical lead department for the overall design and implementation of the three strategic components of the Enterprises Initiative.<sup>5</sup>
- In addition, the Enterprises Department will continue to develop, in collaboration with other technical departments, appropriate technical tools in key areas for enterprises, such as the promotion of a favourable business environment, green jobs and sustainable enterprises or entrepreneurship training.
- Research needs arising from the Enterprises Initiative will be the subject of consultation with the Research Department.
- The Turin Centre will also be engaged in training activities connected with the implementation of the initiative.
- The other relevant technical departments and flagship programmes will take the lead on the activities falling under their respective mandates.
- In discharging these functions, the relevant departments will inform and follow up with ACT/EMP and ACTRAV as appropriate.

**(d) Reporting functions**

- ACT/EMP and ACTRAV will each maintain a register of enterprises engaging with the ILO that will be accessible to all ILO staff.
- The Deputy Director-General for Policy – in consultation with ACT/EMP and ACTRAV – will be responsible for drafting any reports on the Enterprises Initiative that may be requested by the Governing Body.

8. This procedure is established for a trial period until March 2016, when a report with an assessment of its implementation and recommendations will be submitted to the Governing Body at its 326th Session.

<sup>4</sup> GB.320/INS/5/2.

<sup>5</sup> GB.320/INS/5/1.

**Draft decision**

**9. The Governing Body:**

- (a) endorses the revised approach to wider ILO engagement with the private sector; and*
- (b) requests the Director-General to submit to the Governing Body at its 326th Session (March 2016) a progress report on the implementation of the Enterprises Initiative.*