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SIXTH ITEM ON THE AGENDA

Public–private partnerships: The way forward

Purpose of the document

To report on the progress made by the Office in promoting public–private partnerships (PPPs) since 2008 and to seek guidance on suggested follow-up actions that will enable the Office to further develop PPPs that can contribute to the promotion of decent work. The Governing Body is invited to request the Office to continue its efforts in developing relevant and qualitative PPPs and to submit a preliminary report on progress made in 2014 (see draft decision in paragraph 14).

Relevant strategic objective: Effective and efficient utilization of ILO resources.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: The Office should report to the Governing Body on progress made in the area of PPPs by 2014.

Author unit: Partnerships and Development Cooperation Department (PARDEV).

Related document: GB.301/TC/1.

Executive summary

Delivering decent work through technical cooperation calls for dynamic involvement of ILO constituents. Public–private partnerships (PPPs)¹ that reflect ILO principles and values can be an effective way to engage with constituents as they make it possible to work in areas of shared interest, mobilizing financial and human resources, influencing public and private sector investment, policies and practice, and expanding the knowledge base.

This paper provides an update on progress made by the Office in promoting PPPs for technical cooperation since 2008. It describes the international development setting of PPPs, provides an overview of the ILO’s PPP technical cooperation portfolio and presents key findings and lessons learned. Finally, it proposes follow-up actions that will enable the Office to further develop PPPs that promote decent work.

Background

1. At its 95th Session (2006), the International Labour Conference² emphasized the potential of PPPs and requested the Governing Body to establish clear guidelines and criteria for such partnerships, and monitor their implementation. The Governing Body discussed PPPs in March 2007.³ A specific discussion followed in March 2008⁴ and resulted in a request for the Office to: (i) establish the necessary guiding principles and operational guidelines; (ii) develop and disseminate promotional materials for PPPs; and (iii) report on them in subsequent sessions. This paper responds to these requests.
2. The role of the private sector in development is increasingly recognized, not just in financial terms but also “in advancing innovation, creating wealth, income and jobs, mobilizing domestic resources and in turn contributing to poverty reduction”, as was stated in the Fourth High-Level Forum on Aid Effectiveness, Busan, Republic of Korea (December 2011).⁵ The UN Conference on Sustainable Development (June 2012) – known as Rio +20 – also recognized that “... the private sector can contribute to the achievement of sustainable development, including through the important tool of public–

¹ The ILO defines PPPs as: “... a voluntary and collaborative relationship between the ILO and one or more partners, including private and non-state actors, for the purpose of carrying out cooperative activities of mutual interest”, “Public–private partnerships”, Director-General’s announcement, IGDS Number 81 (Version 1), 14 July 2009, para. 4.

² ILO: *The role of the ILO in technical cooperation*. Report VI, International Labour Conference, 95th Session, Geneva, 2006, para. 115, <http://www.ilo.org/public/english/standards/reim/ilc/ilc95/pdf/pr-19.pdf>.

³ GB.298/TC/3.

⁴ GB.301/TC/1.

⁵ Busan Partnership for Effective Development Co-operation, Outcome Document of the Fourth High-Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 Nov.–1 Dec. 2011. Available at http://publishwhatyoufund.org/files/OUTCOME_DOCUMENT_FINAL_EN1.pdf.

private partnerships”.⁶ These developments are worth considering vis-à-vis the ILO’s Technical Cooperation Strategy.

3. Recently, the UN Secretary-General requested the Global Compact to lead a task force to review existing partnerships and make recommendations on how to improve their scale and effectiveness. The task force called for a new type of “transformational partnerships”, including a larger number of stakeholders and having longer term, more sustainable impact, and for a centralized structure facilitating work with the private sector on a number of priority areas for the United Nations.⁷ Since the ILO is an agency partner in the Global Compact, this may have implications for the ILO’s PPPs and constituents’ participation.
4. An additional factor is the growing impetus in the business and human rights debate and in particular the increasing support to the UN’s 2011 *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*⁸ which refer to fundamental principles and rights at work. The 2008 Framework refers to the ILO Declaration on Fundamental Principles and Rights at Work (1998)⁹ as well as the Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (the MNE Declaration), although the Guiding Principles themselves do not¹⁰ In March 2012, the Governing Body requested the Office to actively promote the MNE Declaration in PPPs and in all relevant technical cooperation projects, working in dialogue with the private sector.¹¹ These factors may have wider implications for the promotion of international labour standards, and are of relevance to PPPs.
5. Overall, development cooperation contributions from the private sector are increasing. During 2010–11, the top 50 enterprise groups worldwide allocated more than US\$45 billion to corporate social responsibility. The OECD estimates that foundations located in donor countries¹² invest approximately \$3 billion annually in development aid. These data are particularly relevant in the current context of declining official development

⁶ UN: *Report of the United Nations Conference on Sustainable Development*, Rio de Janeiro, Brazil, 20–22 June 2012 (A/CONF.216/16), para. 46. Available at <http://www.uncsd2012.org/content/documents/814UNCSD%20REPORT%20final%20revs.pdf>.

⁷ http://www.unglobalcompact.org/docs/issues_doc/un_business_partnerships/Catalyzing_Transformational_Partnerships.pdf.

⁸ <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf>.

⁹ See <http://198.170.85.29/Ruggie-report-7-Apr-2008.pdf> and <http://www.ilo.org/declaration/thedeclaration/textdeclaration/lang--en/index.htm>.

¹⁰ ILO: Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), adopted by the Governing Body at its 204th Session (Geneva, November 1977), as amended at its 279th Session (November 2000) and 295th Session (March 2006), para. 23. Available at http://www.ilo.org/wcmsp5/groups/public/---ed_emp/--emp_ent/multi/documents/publication/wcms_094386.pdf

¹¹ GB.313/POL/9(Rev.), para. 13.

¹² Scott, S. “Philanthropic Foundations and Development Co-operation” in *DAC Journal*, Vol. 4, No. 3 (OECD, Paris, 2003). Available at <http://www.oecd.org/dac/aidstatistics/22272860.pdf>.

assistance (ODA),¹³ which entails the need to diversify the resource base for technical cooperation.

Work done

A. Overview of the ILO's portfolio of PPPs for technical cooperation

6. During the period 2008–11, the Office approved 50 PPPs for technical cooperation, amounting to approximately \$33.2 million. This represents 3.4 per cent of the total of extra-budgetary approvals (XBTC) over the same period. Figure 1 illustrates the share of extra-budgetary approvals by source of funds during 2008–11 and provides a further breakdown for the share of PPPs, showing the percentage of funds received by each type of private sector and non-state partner.

Figure 1. Share of total XBTC approvals by source of funds, 2008–11

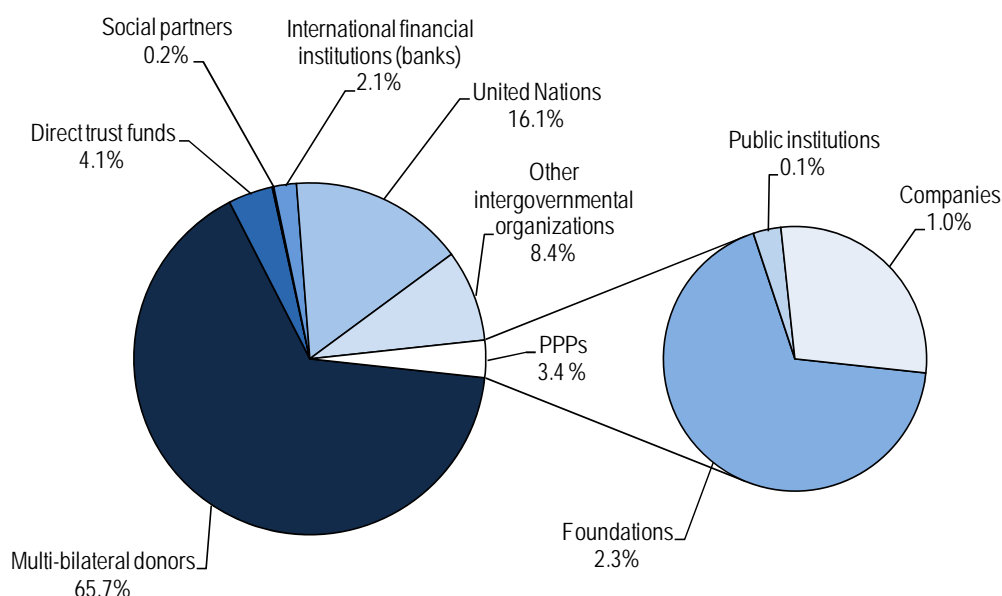


Table 1. PPP approvals by funding, 2008–11 (US\$ thousand)

| Funding | 2008–09 | | 2010–11 | | Total 2008–11 | |
|---------------------|--------------|--------------|---------------|--------------|---------------|--------------|
| | \$ | % share | \$ | % share | \$ | % share |
| Foundations | 2 888 | 40.8 | 19 764 | 75.6 | 22 652 | 68.2 |
| Public institutions | 786 | 11.1 | 341 | 1.3 | 1 127 | 3.4 |
| Companies | 3 399 | 48.1 | 6 043 | 23.1 | 9 442 | 28.4 |
| Total | 7 073 | 100.0 | 26 149 | 100.0 | 33 222 | 100.0 |

¹³ In 2011, members of the OECD/DAC provided 2.7 per cent less ODA compared to 2010, <http://www.oecd.org/dac/aidstatistics/50060310.pdf>.

7. Overall, four areas of work have received about 80 per cent of PPP resources: youth employment, microinsurance, child labour in supply chains, and sectoral activities.
8. PPPs have proved to be a useful means of promoting decent work beyond the funding dimension. The boxes below provide three examples of how PPPs are laboratories of social dialogue and stimulate research, coordination, innovation, policy-making and knowledge sharing.¹⁴ As such, they can positively impact on, for instance, workplace practices and employment creation. However, there is need to undertake further impact assessments of PPPs.

Box 1
ILO Global Business and Disability Network

The Global Business and Disability Network is an employer-led, member-based initiative that drives strategic business awareness about the positive relationship between the inclusion of people with disabilities and business success. Since 2010, the Network has brought together more than 40 multinational enterprises, almost 20 employers' organizations and regional and national business networks, along with disabled persons' organizations and other resource groups from Africa, Asia, Europe and the Americas. A steering committee and strategic plan guide the work.

The network has made it possible to: share knowledge and identify good practices related to disability inclusion in the workplace; develop joint products and services to facilitate hiring and retention of disabled workers; strengthen the work of employers' organizations and business networks; building their technical expertise on disability issues; and link enterprises to ILO activities and partners at the national level.

The Network has conducted five regional meetings in Bangalore, Buenos Aires, Johannesburg, New York and Paris; two study tours in Sri Lanka and the United States; webinars on disability inclusion in collaboration with the Global Compact and publication of "Disability in the Workplace: Company Practices" and "Disability in the Workplace: Employers' Organizations and Business Networks". A series of videos showing how companies around the world put their disability policies and ideas into practice are available on ILO TV (YouTube). Quarterly newsletters highlight both good practices and direct impact.

<http://www.businessanddisability.org>.

Box 2
Work4Youth (W4Y): An ILO–The MasterCard Foundation Project

The "W4Y" project started in 2011, as a partnership between the ILO and The MasterCard Foundation. Its main objective is to contribute to improving the capacity of ILO constituents to promote youth employment by investing in "more and better" information on the labour market transitions of young people, strengthening aptitudes for analysis of labour market information at the national, regional and global levels, and promoting good practices in youth employment programmes and projects.

The project has a budget of \$14.6 million and a duration of five years. There is a strong focus on research and making better links toward evidence-based policy-making. The project outputs will include: ILO transition surveys conducted twice over a five-year period in 28 target countries; national, regional and thematic reports based on survey data, as well as national workshops and production of a global database of youth labour market indicators; a global database of information and good practices; and a continuous global multimedia campaign on the youth employment crisis.

http://www.ilo.org/employment/areas/youth-employment/WCMS_170261/lang--en/index.htm.

¹⁴ Other examples and lessons learned were discussed during the 310th Session of the Governing Body in March 2011 (see GB.310/MNE/2).

Box 3

ILO-IPEC and Chocolate and Cocoa Industry Partnership to Combat Child Labour in West Africa

Since 2011, eight companies in the chocolate and cocoa industry – ADM, Barry Callebaut, Cargill, Ferrero, The Hershey Company, Kraft Foods, Mars Incorporated, and Nestlé – have joined efforts with the ILO to combat child labour in cocoa-growing communities in Ghana and Côte d'Ivoire.

A specific project has been set up, with a budget of US\$2 million and a duration of three years under the management of the ILO International Programme on the Elimination of Child Labour (IPEC), to focus on three key areas: (i) strengthen the capacity of governments, national and sectoral social partners and cocoa farmers to combat child labour in cocoa-growing communities; (ii) support the development and extension of community-based child labour monitoring systems that identify child labourers and at-risk children and refer them to the appropriate educational channels; and (iii) enhance the coordination role of tripartite national child labour steering committees. This PPP also supports other projects managed by IPEC in West Africa that contribute to the elimination of child labour through improved livelihoods and an integrated area-based approach.

<http://www.ilo.org/ipec>, <http://www.cocoainitiative.org/>.

B. Office interventions in support to PPPs

9. In July 2009, the Office issued internal governance documents setting the guiding principles and operational guidelines to ensure that the formulation and implementation of PPPs adhere to the key values of the Organization. PPPs have been incorporated in the enhanced Technical Cooperation Strategy¹⁵ that was endorsed at the November 2009 session of the Governing Body and in the Strategic Policy Framework 2010–15.¹⁶ A professional specifically dedicated to PPPs was recruited in July 2012. The main areas of ongoing and planned work include:

- office-wide consultations on an outreach strategy for PPPs to guide the efforts by the Office to conclude innovative and results-oriented PPPs. The strategy will be finalized before the end of 2012;
- dissemination of information on PPPs through a dedicated section on the ILO website,¹⁷ a “how to” guide for staff on the internal PPP procedure in the form of factsheets and of a brochure (2009).¹⁸ An updated version of the latter will be published in 2013;
- analysis of the ILO’s experience with PPPs and an inventory of 155 of the world’s largest companies on common areas of interest with the ILO that will result in knowledge-sharing products as well as promotional material; and
- development of training material on PPPs for ILO staff.

¹⁵ GB.306/TC/1.

¹⁶ GB.304/PFA/2(Rev.).

¹⁷ <http://www.ilo.org/pardev/partnerships-and-relations/public-private-partnerships/lang-en/index.htm>.

¹⁸ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---exrel/documents/publication/wcms_173179.pdf.

C. Findings and lessons learned

10. A clear-cut trend in terms of volume, sectors, themes, partners and geographical scope is not emerging based on past years' developments in the portfolio on PPPs. The portfolio consists of a large number of small-scale partnerships. In some instances, this raises concerns on the efficiency of existing procedures and transactions costs both at the level of the Office as well as of the partners. Understanding of enterprise culture is critical. "A common cause of failure in PPPs is a clash in organizational cultures."¹⁹
11. The number of partnerships with private companies is relatively small compared to the number of partnerships with foundations and other non-state actors. This can be partly explained by the fact that the Office has mainly responded to opportunities raised by partners in high profile topics (see paragraph 7) and has not yet undertaken a pro-active and sufficiently targeted approach to promote PPPs in other critical work areas that are relevant to companies.
12. Overall, preliminary lessons learned on the implementation and results of PPPs are positive. There are many win-win scenarios from various ILO technical units on ILO initiatives, including with multinational enterprises, to promote the principles of the MNE Declaration. For instance, some partnerships facilitate social dialogue, the exchange and application of good practices and mutual learning. There is also a need to increase social dialogue and to promote international labour standards in new PPPs, enabling the ILO and its partners to concretely deliver on the Decent Work Agenda.

Steps forward

13. The Governing Body is requested to provide guidance on the following suggested steps forward:
 - (a) Introduce a more targeted approach to PPPs by focusing on priority themes, sectors and partners with the aims of better embedding PPPs in the results-based architecture in the ILO and matching priorities with partners. Document this approach by the end of 2014.
 - (b) Take a more systematic advantage of employers' and workers' experience and networks in assessing potential partners. This will contribute to the identification of PPPs that have greatest value added in terms of content, relevance and sustainability.
 - (c) Be more pro-active and effective in communicating on the four dimensions of decent work in international development policy debates on the engagement with the private sector. Actively involve ILO constituents in these debates. Share ILO experience in PPPs, including through testimonials by partners. Partners' experience in advocacy and campaigning can be beneficial in this regard. As a result, the ILO agenda and comparative advantage in PPPs will be known to a wider audience by 2014.
 - (d) Increase ILO's accountability and attractiveness to partners by improving design, approval, implementation, monitoring, evaluation and reporting processes that take into account the legal status and nature of commitment of the partners. Improve the existing workflow by the end of 2014.

¹⁹ GB.310/MNE/2, para. 20cS(c).

- (e) Build capacity among relevant ILO staff to effectively engage in preparing and implementing PPPs for technical cooperation in line with established ILO policies. Develop training material and deliver targeted training programmes in cooperation with the Turin Centre by 2014.

Draft decision

14. The Governing Body requests the Office to:

- (a) continue its efforts in developing relevant and qualitative PPPs; and*
- (b) submit a preliminary progress report to the Governing Body in 2014.*