



Governing Body

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Policy Development Section

POL

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DRAFT

Policy Development Section

Employment and Social Protection Segment

First item on the agenda

Area of critical importance: Promoting more and better jobs for inclusive growth (GB.322/POL/1)

1. *A representative of the Director-General* (Director, Employment Policy Department (EMPLOYMENT)) explained that area of critical importance (ACI) 1 was the most overarching of all eight ACIs; however, the document under consideration did not cover all activities related to promoting more and better jobs for inclusive growth. The broad range of ILO activities in that area were embraced under outcome 1 of the Programme and Budget for 2014–15 and of the draft transitional strategic plan for 2016–17. Building on existing work and using additional resources, ACI 1 activities aimed at deepening knowledge and building capacities in specific key areas. The focus on four thematic tracks complemented and built synergies with work being undertaken under other ACIs, while avoiding duplication. Also, given the limitations with regard to its length, the document provided only a gist of activities that had been implemented so far, and for each item the entire chain of events had not been fully reflected.
2. For example, work on creating an enabling environment for sustainable enterprises cut across all the four focus areas of ACI 1. Much of the research, capacity building and dialogue in area 1 (employment-friendly and inclusive macroeconomic frameworks) centred on enterprises' access to finance and on investment. In area 2 (structural change and sectoral policies to promote more and better jobs), research into the impact of intense domestic competition and access to finance was of direct relevance to creating an enabling environment for enterprises. The effects of the business environment on firms' productivity in four countries were being analysed and in another two countries the business environment in the mining sector was the subject of analysis and dialogue. In area 3 (labour market institutions to promote more and better jobs for inclusive growth), the manner in which employment regulation, collective bargaining and existing labour market institutions affected the enabling environment for investment, productivity and employment was being investigated. In area 4 (integrated policy mix for more and better jobs), in four of the six countries covered, the enabling environment for enterprises had been identified as an important dimension of the policy mix under consideration. Countries under ACI 1 had been selected on the basis of government requests for measures to promote a comprehensive employment policy framework and were countries for which additional resources had otherwise not been identified. However, ILO support under outcome 1 extended to a larger number of countries in support of their employment policy.
3. *The Employer coordinator* said that the ACIs should not be treated as silos: they were interrelated, and there was a need for closer Office-wide coordination. ACI 1 should provide the overarching framework for the other ACIs. The Employers were astonished at the document's scant attention to the crucial role played by enterprises, entrepreneurship and private investment as drivers of job creation, its failure to explain how the strategy which it outlined might influence the creation, productivity and sustainability of firms and the lack of any explicit reference to an enabling environment for sustainable enterprises in the four areas. It was necessary to state explicitly that the ILO recognized and took account

of employers' vital interests. She would have welcomed proposals for research on the impact of structural economic changes, technology and market demand on the workplace, the nature of work and the achievement of decent work objectives. She asked whether the mention of an integrated labour market diagnostic in paragraph 15 was an oblique reference to the diagnostic tool for an enabling environment being developed as a follow-up to the conclusions concerning the promotion of sustainable enterprises adopted at the 96th Session (2007) of the International Labour Conference (ILC). She hoped that no attempt was being made to duplicate or undermine that work. The strategy set out in the conclusions should result in improved welfare for societies as a whole.

4. As macro-data often failed to explain firms' behaviour and responsiveness, firm-level data should be collected in order to help policy-makers understand how firms responded to the labour market and macroeconomic policies. Explanation of the meaning of the terms "employment-friendly" and "job-friendly" was requested. It would have been useful to look at all policies and conditions that encouraged or discouraged productive investment. She trusted that the country selection in area 4 was based on requests from constituents and that the criteria for measuring success were based on national tripartite agreements.
5. The document left her group wondering what ACI 1 would achieve and what would constitute success. It was a simplistic mixture of laments about the current state of the world and generic descriptions of activities, whereas there was a need for a coherent definition of the long-term goals. The emphasis on what worked was commendable. What worked was a combination of several aspects of job quality and depended on the context. Subsidizing certain industrial sectors at the expense of others had sometimes proven costly in the past. Investors were best placed to judge which industries were likely to succeed. The driving forces behind improvements which had reduced working poverty were missing. Structural and cyclical drivers of change had to be addressed differently. The definition of "job quality" should be left to constituents at the national level. The ACI reflected what encouraged or discouraged investment in productive activities. The Employers' group therefore rejected the strategy as it stood and requested the Office to return with a new effort, which took the Employers' group concerns into account, for presentation to the Governing Body in March 2015.
6. *The Worker spokesperson* agreed that the integrated nature of the ACIs was hard to discern in the document. The work outlined was in line with the conclusions concerning the second recurrent discussion on employment adopted at the 103rd Session (2014) of the Conference. The enabling environment work was embedded in many proposed activities to promote an increase in both the quantity and the quality of jobs and ensure that growth was job centred and inclusive. The document had been written in the context of previous discussions.
7. Overcoming the challenges outlined in the document required an unprecedented level of political commitment and resources. She welcomed the fact that the ACI, with some adjustments to include the promotion of youth employment, was one of the ten policy outcomes in the draft transitional strategic plan for 2016–17.
8. Macroeconomic and industrial policies were crucial in determining a country's employment and development outcomes. Thus, it was impossible to judge the economic performance of labour market institutions in abstraction from those policies. The broader international context influenced local conditions. The Workers' group supported the strategy for ACI 1 and the objective of improving linkages between macroeconomic policy, structural changes, sectoral policy and labour market institutions. To that end, synergies between policy departments should be further enhanced. Greater consideration should be given to the qualitative aspects of job creation and to the key role played by collective bargaining in reducing inequality. The unbalanced distribution of growth was

the result of policy choices. An integrated policy approach to employment avoided the piecemeal approaches often advocated in Decent Work Country Programmes. The document understated the influence of trade and industrial policies and should have devoted more space to assessing how countries made a successful transition to more sophisticated and higher-value industries.

9. She requested confirmation that work under area 2 covered strategies to assist developing countries in widening their industrial base and promoting value-added jobs through the design of their industrial policies. The ILO should assist States in collecting qualitative indicators of inclusive growth and better jobs. As repressed wages had led to greater inequality and low demand, wages were also an issue which should be addressed under ACI 1. "What worked" should be seen in a multilateral context; hence, area 1 should focus on the international dimension of macroeconomic frameworks for generating more and better jobs. She wondered whether the Office was adopting a two-track strategy of applying an integrated approach to some, but not all, of the countries covered by the ACI. Employment impact assessments should inform future work on promoting a quantitative and qualitative increase in jobs. The impact of new forms of work on the realization of decent work should also be assessed. More emphasis should be placed on comprehensive skills development linked to industrial policies, not on the ad hoc requirements of export sectors and multinationals, in order to avoid skills mismatches and improve employability in the future. The Workers' group fully supported the integrated strategy of ACI 1 and drew attention to the need to offer guidance on promoting an integrated policy in order to achieve job-centred, inclusive growth with the full involvement of the social partners.
10. *Speaking on behalf of the European Union (EU) and its Member States*, a Government representative of Italy said that the following countries aligned themselves with the statement: Montenegro, Serbia, Albania, Bosnia and Herzegovina, Ukraine, Republic of Moldova and Armenia. The objectives of ACI 1 closely matched those of the EU strategy for achieving inclusive growth, and policy coherence between economic and social objectives. The conclusions of the second recurrent discussion on employment adopted in 2014 should guide the Office's work under ACI 1. The EU welcomed the internal consultations to develop the strategy, notably the involvement of ACT/EMP (Bureau for Employers' Activities) and ACTRAV (Bureau for Workers' Activities). However, Governments should also be consulted, as should a broader range of ILO departments. She requested additional information on the joint monitoring and final evaluation mentioned in paragraph 18 and asked about the proportion of regular budget and extra-budgetary resources allocated to ACI 1. The EU endorsed the draft decision.
11. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of the Republic of Korea observed that, as ACI 1 covered the broadest range of issues of all the ACIs, there was a need for a comprehensive implementation strategy. His group endorsed the four strategic areas of intervention and welcomed the progress made. The conclusions of the second recurrent discussion on employment adopted in 2014 should be used to guide the Office's future work under ACI 1. The increase in labour migration had contributed to the profound transformation of the world of work. Sectors with high employment potential and regions in crisis should be taken into account when developing sectoral policies to promote more and better jobs. The global financial crisis had altered the way in which the financial system met development and employment challenges. The Office should disseminate the findings of the workshop on the role of central banks. His group endorsed the draft decision.
12. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Cuba said that the Office should pursue and enhance its efforts to help States develop and apply policies aimed at creating more and better jobs and at reducing inequalities. To achieve decent work, productive employment and social

inclusion, greater coherence was needed between economic, social, education and employment policies. Activities under ACI 1 played a key role in that regard. The group agreed with the objective of ACI 1 set out in paragraph 9 and the need to take into account the specific needs of each country. The outcomes of strategic area 2 should also consider the linkages between the world of work, formal education and vocational training. Strategic area 3 should cover proposals intended to strengthen labour market information systems and public employment services. The Office should indicate what criteria had been used to select the countries and regions that would benefit from ACI activities. The group endorsed the draft decision.

13. *Speaking on behalf of the Nordic countries (Denmark, Finland, Iceland, Norway and Sweden)*, a Government representative of Norway emphasized the need for a combination of different policy strategies and noted that the Office could not address all the areas covered by ACI 1 alone and should continue to cooperate with other international actors. Noting that the right to organize and the involvement of the social partners were prerequisites for a sound society, the Nordic countries welcomed the Office's ambitious intention to assess the effectiveness of collective bargaining and social policy institutions. The assessment should address methodological challenges. The work carried out under the ACI should be aligned with the action plan adopted as a follow-up to the second recurrent discussion on employment of 2014.
14. *Speaking on behalf of the Association of Southeast Asian Nations (ASEAN)*, a Government representative of Cambodia said that the strategies developed under ACI 1 would help ASEAN achieve its goal of building a productive, innovative and dynamic workforce. ASEAN encouraged the Office: to make a high-level policy adviser available to labour ministers and other senior officials responsible for macroeconomic policies; to help ASEAN governments build their capacity in the areas of labour market information and skills development; and to pursue its research activities. ASEAN welcomed the fact that the implementation of the ACI would continue as outcome 1 of the draft transitional strategic plan for 2016–17. ASEAN endorsed the draft decision.
15. *The Minister of Labour and Employment of Bangladesh* said that Bangladesh had made remarkable progress in reducing poverty over the last few decades and was committed to achieving middle-income status by 2021. Appropriate monetary and fiscal measures should be in place to enhance competitiveness in all sectors of the economy. Skills training had to be promoted in order to create more employment opportunities for the poorer segments of society and social protection coverage had to be expanded to all segments of society.
16. *A Government representative of the Russian Federation* said that certain groups of people, despite having gained skills through vocational training, still struggled to find employment. As many employers refused to hire persons with disabilities, her Government had taken a number of measures to increase their participation, such as the introduction of quotas, and allocated funding. As a result, their employment rate had increased. It was important to ensure that the most vulnerable people in society also had access to high-quality jobs.
17. *Speaking on behalf of the Africa group*, a Government representative of Ghana said that jobless growth, greater inequality and the exclusion of vulnerable groups from the gains of economic growth were among the major challenges facing the African region. Investing in quality jobs was the key to promoting inclusive growth. The group endorsed the Office's strategy, in particular the research on what worked and the development of policy tools, policy advice and capacity building. She requested clarification on paragraph 22, and said that the tripartite constituents should have an opportunity to review the analytical note mentioned in paragraph 24. The Office should continue to cooperate with the International Training Centre of the ILO (Turin Centre) in building the capacity of constituents. The group endorsed the draft decision.

18. *A Government representative of Colombia* said that coherence in the design, implementation, monitoring and assessment of labour and economic policies was essential to ensure the effectiveness of the work under ACI 1. ILO support had allowed Colombia to move forward in the development of tools and policies and in capacity building. Unemployment and poverty had fallen as a result of the Government's efforts to design and implement a labour policy based on the four pillars of the Decent Work Agenda. Colombia endorsed the draft decision.
19. *A Government representative of India* said that the ACI created an opportunity for India to capitalize on its demographic dividend to achieve faster economic growth. The Government was implementing multi-pronged strategies to address supply- and demand-side issues. It had launched a programme focused on employability and entrepreneurial skills, and was developing quality apprenticeships. The Government aimed to create 100 million manufacturing jobs by 2022. The ILO should provide technical guidance to its Members on local job creation. Governments were responsible for facilitating business and ensuring industrial harmony, and his Government had recently introduced a labour portal scheme to support industrial development.
20. *A Government representative of Mexico* encouraged the Office to ensure inter-departmental coordination regarding the ACI. Capacity building was necessary. The ILO's lessons learned must be transmitted to macroeconomic policy-makers. Social protection issues and the school-to-work transition should be included in the focus on what worked. Additional information on the community of practice, and its relationship to the ACI working groups, would be appreciated. He wondered whether the ILO, as the global leader in the area, was itself producing the papers on productivity mentioned in paragraph 22. More Latin American countries should be involved in the agreements mentioned in paragraph 23 that allowed the ILO to conduct additional employment impact assessments. Lastly, he asked whether the paper referred to in paragraph 25 would also be published in the *International Labour Review*.
21. *A Government representative of Argentina* highlighted the role of the State in improving coherence between economic and labour market policies. He proposed that area 1 should include evaluation of the effects of the international financial structure and its impact on job creation, and analysis of employment policies and lifelong learning strategies to overcome social vulnerability. Area 2 should include sectoral training and employment for marginalized groups, in particular in rural areas and for vulnerable groups. Area 3 should include institutions focused on youth employment policy, social economy, and social partners' involvement in consolidating national lifelong learning systems. Area 4 should include employment and lifelong learning policies.
22. *A Government representative of China* said that employment expansion was China's top priority. The Government actively strengthened industries with job-creation capacity, such as the service industry, and had adopted policies for small and medium-sized enterprises (SMEs) to promote job creation. It would strengthen skills training to improve workers' employability as well as the public employment services. Through such policies, the Government had created 10 million new jobs by October 2014.
23. *A representative of the Director-General* (Deputy Director-General for Policy (DDG/P)) recalled that the ACIs represented eight overarching priority areas. The goal was to enhance the ILO's ability to develop relevant policy advice. However, only so much could be accomplished within a two-year programme. Various speakers had called for greater emphasis on certain areas, but it had been necessary to prioritize and focus on what was new. However, all of the comments would be taken into consideration in relation to the outcomes for the next biennium.

24. *A representative of the Director-General (Director, Research Department (RESEARCH))* said that the four policy areas of the comprehensive ACI 1 had been selected because they were not addressed by other ACIs. Countries had been selected for cross-country analysis for each of the first three strategic areas and, for area 4, the way policies interacted to create more and better jobs. Resource constraints did not permit the selection of a broader range of countries. Evidence showed that sectoral policy was critical to the creation of more and better jobs. Many countries, particularly developing countries, had specialized economies with little diversification, and that had been proven to limit job creation and quality improvements. The role of the enterprise was important in all the four areas under ACI 1. Examining enterprise dynamics was essential to understanding the factors behind more and better jobs. Concerning paragraph 22, the ILO was undertaking studies in a few countries on how to promote the growth of existing enterprises, which was one of the main challenges countries faced.
25. Many speakers had agreed with the document's focus on what worked, and that the situation varied between countries. It was important to use enterprise data as well as macroeconomic data, and the ILO had acquired a major enterprise database that would facilitate examination of many of the issues raised. Lastly, on how work would proceed, an opportunity would be provided for the tripartite constituents to assess what had worked, with the involvement of other international organizations, as had been requested. The fact that there was follow-up in the form of outcome 1 would facilitate the creation of a community of practices.
26. *A representative of the Director-General (Director, EMPLOYMENT)* reaffirmed that, as had been noted, the strategy was coherent with the follow-up to the resolution concerning the second recurrent discussion on employment of 2014, and took note of the request to reiterate explicitly in future documents the understandings that had already been reached on elements such as enterprise policies and enabling environments. The fully-fledged follow-up plan to the 2014 Conference discussion would be considered under the Institutional Segment of the current session of the Governing Body. In response to the request to define the term "employment-friendly macroeconomic frameworks", the Conference discussion and the resolution had determined the elements of pro-employment macroeconomic frameworks. Regarding criteria for country selection under policy area 4, the countries selected were all in the process of adopting or revising their employment policies and had requested ILO support. Low-income countries had been prioritized and regional balance sought. There was no two-track approach to country focus. Areas 1, 2 and 3 focused essentially on thematic research, dialogue and capacity building through cross-country comparative analysis. Area 4, in contrast, related to employment policy in individual countries. The diagnostic framework used was comprehensive and integrated, and would be enlarged in accordance with requests made during the 2014 session of the ILC. She reaffirmed that the work did not duplicate that of the surveys on the enabling environment being carried out in countries; rather, the intention was to use the results of those surveys within a more comprehensive employment diagnostics process in the revision or adoption of employment strategies. Similar information would be gathered for countries for which such surveys did not exist.
27. *The Employer coordinator* said that the document did not sufficiently reflect employers' critical role in creating jobs, the challenges they faced and their aspirations. Therefore, the Employers' group could not accept the draft decision as it stood. Agreement had been reached with the Workers' group on an amendment that would read: "The Governing Body requests the Director-General to take account of its guidance, and the guidance provided in the 2014 ILC conclusions on the recurrent discussion on employment, including the integrated approach outlined in those conclusions, in implementing the strategy for the ACI on 'Promoting more and better jobs for inclusive growth'."

28. *Speaking on behalf of the EU and its Member States*, a Government representative of Italy wished to enrich the proposal by replacing the word “including” by “in particular” and adding “and improved cross-departmental coordination” after “the integrated approach”.
29. *The Employer coordinator and the Worker spokesperson* endorsed that proposal.

Decision

30. *The Governing Body requested the Director-General to take account of its guidance, and the guidance provided in the 2014 conclusions on the recurrent discussion on employment (the conclusions concerning the second recurrent discussion on employment, adopted by the 103rd Session of the International Labour Conference (May–June 2014)), in particular the integrated approach and improved cross-departmental coordination outlined in those conclusions, in implementing the strategy for the area of critical importance (ACI) on “Promoting more and better jobs for inclusive growth”.*

(GB.322/POL/1, paragraph 31, as amended.)

Second item on the agenda

Area of critical importance: Promoting decent work in the rural economy

(GB.322/POL/2)

31. *The Worker spokesperson* said that the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD) and the United Nations World Food Programme all had mandates for the rural economy and, in its broad remit, the ACI overlapped with those mandates. The ILO should narrow its focus to where it had a comparative advantage and to waged employment in the rural economy. The ACI goals should reflect the strategic pillars of the Decent Work Agenda. Integration in supply chains was not always beneficial to workers or employers. In the absence of collective bargaining to ensure that added value was distributed and living wages paid to workers, there was no guarantee that supply chains promoted sustainable, inclusive and thriving rural economies. It did not seem wise to use ACI funds to assist Syrian refugees in Lebanon – the crisis unit should have been given dedicated funds for that purpose. While supporting the second priority, she noted that the ILO was not competent to provide water and food aid in Mali. However, she strongly supported the third priority and the choice of commodities for work on plantations. Workers’ organizations should be involved in all three priority areas and the International Union of Food Workers where unions on the ground were weak. Development of wages policy and collective bargaining should be included in the global product. The proposal for increasing productivity in the sugar cane value chain in El Salvador appeared to disregard workers’ rights, and the programme on bananas in the Dominican Republic must not ignore the exploited Haitian migrant workers. Increasing the institutional capacity of constituents was vital to the promotion of decent work in the rural economy. Work on improving occupational safety and health (OSH) in rural areas should also be included. The group strongly supported the work on plantations and the supply chain, and suggested the ACI focus on the key policy areas of decent work, take into account the cross-cutting issues and take a comprehensive programme approach to those.

32. *The Employer coordinator* also stressed that the ACI should not duplicate the work of other organizations and should focus on its field of competence. The Employers' group did not consider it a priority to justify an ACI. Its aims overlapped with those of the ACI on promoting decent work in the informal economy, which covered disadvantaged, marginalized and vulnerable workers. Addressing the problems of marginalized groups required examining causes as well as symptoms. Promoting job creation and better incomes in rural areas required an environment conducive to investment and diversification. The conclusions of the 2008 session of the ILC on the promotion of rural employment for poverty reduction remained relevant. The ACI should be based on those conclusions and agreed action plans. The potential of rural areas could be unleashed by strengthening entrepreneurship, building leadership capacity and promoting sustainable rural enterprises. SMEs were important actors in global value and supply chains. A conducive business environment was very important and had been consensually agreed at the ILC in 2008. The ACI should emphasize entrepreneurship and rural sustainable enterprise development in line with the 2007 ILC conclusions concerning the promotion of sustainable enterprises. He noted the need to strengthen awareness-raising and capacity-building activities, particularly among the social partners on an enabling enterprise environment, development and employment in the framework of the ILO's Enabling Environment for Sustainable Enterprises (ESEE). The Employers' group had concerns about the ACI and suggested resubmitting the item to the March session of the Governing Body, following full consultation with ACT/EMP and the Employers' group.
33. *Speaking on behalf of the Africa group*, a Government representative of Ghana supported the ILO's approach to rural poverty reduction. The knowledge generated supported constituents in addressing decent work challenges in rural areas through the areas identified in paragraph 5. Her group welcomed the proposed global rural development academy, but requested more information and suggested that the Office explore the possibility of decentralizing the academy in cooperation with established regional institutions. Her group endorsed the targeted strategic interventions and main deliverables, encouraged the sharing of best practices from interventions that had successfully reduced poverty, and supported the draft decision.
34. *Speaking on behalf of the EU and its Member States*, a Government representative of Italy said that the following countries aligned themselves with the statement: Montenegro, Serbia, Albania, Bosnia and Herzegovina, Ukraine, Republic of Moldova and Armenia. The 2008 ILC conclusions provided clear priority policy guidelines for the Office and constituents. The ILO's approach to decent work in the rural economy corresponded to the principles of the EU's development cooperation policy. The EU acknowledged the ILO's rich experience in rural poverty reduction and addressing some of its root causes through the Decent Work Agenda. She supported the expansion of expertise on the areas of work listed in paragraph 5 and said that the review of ILO tools and methodologies for employment impact assessment and two country case studies should provide input into the 2016 ILC discussion and future ILO work on decent work in global supply chains. She supported the analysis of the drivers of rural vulnerability and of decent work challenges in the plantations sector. The proposed Recommendation on the transition from the informal to the formal economy would help to eliminate one of the main drivers of decent work deficits in rural economies. Special attention should be paid to female workers, child poverty and social exclusion. Moreover, migration from rural areas should be considered. She supported the production of policy guidance notes, encouraged the development of statistical indicators and data on decent work in rural areas, and welcomed the development of knowledge-sharing and learning initiatives. She called for interdepartmental collaboration and partnerships with other international intergovernmental organizations. Further information on financial resources was requested, and the draft decision was supported.

35. *Speaking on behalf of ASEAN*, a Government representative of Cambodia said that ASEAN had adopted the Socio-Cultural Community Blueprint to address social-cultural disparities and poverty, and had implemented the Framework Action Plan on Rural Development and Poverty Eradication (2011–15). He thanked the ILO for its initiatives in member States, particularly in the Lao People's Democratic Republic and Indonesia. ASEAN supported the consolidation of ILO work in rural areas with greater focus on supporting agricultural growth and food security, promoting economic diversification and triggering productive transformation, and greening rural economies. The draft decision was endorsed.
36. *Speaking of behalf of ASPAG*, a Government representative of the Islamic Republic of Iran fully concurred with the ILO's approach to rural poverty reduction. The resolution and conclusions adopted by the ILC in 2008 and relevant Governing Body decisions should be the basis for the ACI's strategic orientation. Research on the focus areas was crucial to improving existing policies, tools and strategies. Statistical indicators on employment and decent work in rural areas were needed. Strengthening the capacity of constituents to implement effective strategies was key. ASPAG suggested that the development of cooperative enterprises should be considered when conducting research, as cooperatives played an important role in alleviating rural poverty. It welcomed the global rural development academy and encouraged the Office to strengthen and expand its partnerships, including with regional development banks. The draft decision was endorsed.
37. *A Government representative of India* welcomed the proposed strategic and comprehensive approach to promoting decent work in the rural economy. A focus on creating effective local job strategies was needed to translate rural economic growth into employment and decent work opportunities. He referred to several initiatives in India. Data were crucial to decent work for vulnerable rural populations. The ILO could play a decisive role in providing technical expertise and capacity building for national statistical systems. The ILO could work on building the capacity of social partners in social dialogue. The draft decision was supported.
38. *The Minister of Labour and Employment of Bangladesh* said that in rural economies women were particularly vulnerable due to their lack of access to resources and skills. Skills training for workers led to higher productivity, which attracted greater investment in rural enterprises. Rural enterprises required innovative technology. Therefore, support for human resources development and technological innovation was crucial.
39. *A Government representative of China* said that a number of measures had been taken to promote the rural economy, rural employment and the expansion of social security. Referring to several new initiatives, he noted that China had given priority to poverty reduction, particularly in rural areas, and had achieved the Millennium Development Goal (MDG). The Office should continue its work on ACI 5 and integrate decent work into rural development strategies to promote the transformation of rural economies and to improve training for those working in rural areas.
40. *A Government representative of Mexico* endorsed the approach described in paragraphs 1–4. A lack of access to social protection should be included as one of the root causes of rural poverty. Concerning the ACI's strategic orientation, the 2013 ILC conclusions on employment and social protection in the new demographic context should be also considered. Knowledge development and dissemination should also cover social inclusion. The analysis of the drivers of rural vulnerability in rural zones and the development of a rapid assessment tool were extremely important. Further information was requested on the methodology and coverage as well as characteristics of the countries retained for the analysis. He welcomed the review of tools and methodologies for assessments, but questioned whether two case studies sufficed to develop effective policies

and strategies. The Office was requested to provide additional information on the composition, operation and funding of the network referred to in paragraph 17, and to consider coordination through the Social Protection Inter-Agency Cooperation Board. The draft decision was endorsed.

41. *A representative of the Director-General (DDG/P)* said that the ILO had been trying to influence the policy of other organizations to leverage their expertise and resources with a view to achieving decent work in the rural economy, and it had enjoyed some notable successes. Its work with the G20 Development Working Group had led to the inclusion of the creation of decent work as one of three areas of policy priority in the G20 Framework on Food Security and Nutrition. It had also been working towards leveraging the resources of other organizations, such as IFAD, to advance the creation of decent work in the rural economy. Leveraging its comparative advantage with regard to, among others, employment and enterprise, it had not strayed from its mandate or duplicated other efforts, but had made a strategic breakthrough. It would not be productive to revise the strategy and revisit it in March, given that it had already been widely agreed upon and that some interventions and pilot programmes had already been successful. Criticisms, guidance and advice would be taken into account, both for adjustments to ongoing work, as well as to inform strategies for the following biennium.
42. *A representative of the Director-General (Director, Sectoral Policies Department (SECTOR))* said that, even after the renewal of the ILO's mandate for the rural economy in 2008, efforts had remained fragmented with limited visibility. That ACI was one of the most cross-cutting as it bridged all pillars of the Decent Work Agenda, regions and departments. Although the ILO had no institutionalized segment to deal explicitly with sustainable rural livelihoods a lot of in-house expertise existed. While the ACI had sought to follow the 2008 ILC conclusions, there had been challenges regarding focus given the vastness of the area of work. The ILO had forged strong partnerships with the FAO, the World Bank and others and it needed to leverage further support, knowledge and expertise to make an impact at the higher aggregate level of policy in broader rural development strategies. It had sought to extend its work with governments, workers' and employers' organizations and national stakeholders to implement decent work in national development strategies.
43. In response to constituents' questions, she explained that the rural development academy was to be held in Turin in October 2015; the feasibility of replicating it regionally could be explored. The ILO would continue to leverage support from other agencies to integrate decent work into rural development strategies, including through its active involvement in the High-Level Task Force on Food Security and the Secretary-General's Zero Hunger Challenge. A sugar cane project in El Salvador supported the implementation of OSH legislation in sugar cane mills and discussions on a tripartite strategy to improve sugar cane workers' access to social protection, while a project in the Dominican Republic was focused on the banana sector and addressed, among other things, the issue of migrant Haitian workers.
44. *The Employer coordinator* thanked governments for their interventions, which had demonstrated their consensus on and enthusiasm about rural issues. The report, however, did not fully reflect its stated goal to be guided by the 2008 ILC resolution and conclusions on promoting rural employment for poverty reduction. Both the Employers' and Workers' groups had agreed in informal discussions that they had every desire to continue work on rural economies and wished to make two amendments to the draft decision. The sentence to be added aimed to help refocus, since more work was required to restore consensus on the matter, preferably through informal meetings rather than through the Governing Body.
45. *The Worker spokesperson* supported the amendment.

46. The draft decision was adopted as amended.

Decision

47. The Governing Body requested the Director-General:

- (a) *to take account of the guidance provided in implementing the strategy for the area of critical importance on the promotion of decent work in the rural economy (ACI 5), including the conclusions on promoting rural employment for poverty reduction, adopted by the 97th Session of the International Labour Conference (June 2008); and*
- (b) *to provide further information concerning ACI 5 at the 323rd Session of the Governing Body (March 2015).*

(GB.322/POL/2, paragraph 32, as amended.)

Third item on the agenda

Chairing the UNAIDS Committee of Cosponsoring Organizations (CCO) in 2015: Opportunities for the ILO (GB.322/POL/3(Rev.))

48. *The Worker spokesperson* agreed that the ILO's chairmanship of the UNAIDS CCO in 2015 would provide a unique opportunity to better mainstream the ILO's tripartite work on HIV and AIDS into the inter-agency dialogue, as well as the UN General Assembly high-level meeting on HIV/AIDS in 2016. Donor and Global Fund withdrawals from middle-income countries, compounded by the global economic and jobs crisis and cuts to public expenditure, threatened to undermine progress. The promotion of HIV-sensitive social protection floors should be taken up by UNAIDS work; the VCT@WORK initiative should be linked more closely to social protection; and the ILO should reformulate its message under that initiative to stress that no HIV workplace testing should be promoted unless HIV-sensitive social protection floors were available for workers undergoing testing.
49. The ILO should: highlight the trade unions' role in shaping the global architecture of AIDS and the importance of boosting public expenditure on health; strengthen implementation of the revised ILO strategy concerning HIV and AIDS and the world of work; identify indicators of success for the HIV and AIDS Recommendation, 2010 (No. 200); and help mainstream international labour standards within the UNAIDS Programme Coordinating Board and country work. For the 2016 United Nations meeting on HIV/AIDS, the ILO should make sure that social partners were involved in the process, including by securing places on the UNAIDS civil society bodies, and it should consult with ACTRAV and ACT/EMP. The ILO should promote cooperation between workers' and employers' organizations to mobilize communities and create the demand for essential HIV services. His group endorsed the draft decision.
50. *The Employer coordinator* said that his group supported the comments made by the Workers' group and endorsed the draft decision.

51. *Speaking on behalf of GRULAC*, a Government representative of Cuba emphasized that key population groups such as sex workers, workers in the informal economy and others should not be overlooked. The common belief was that the main measures to counter HIV/AIDS should come from ministries of health, whereas policies and programmes such as “Getting to Zero at Work” were not fully understood. HIV/AIDS should not be solely a public health issue but viewed as a multisectoral one. Chairing the CCO represented an opportunity to strengthen the tripartite response to HIV/AIDS in the workplace and promote a better appreciation of the ILO’s role. Stepping up the response would require more intersectoral dialogue and collaboration using the mechanisms with the greatest reach and impact, such as Recommendation No. 200 and the ILO code of practice on HIV/AIDS and the world of work. During its chairmanship, the ILO should aim at improving support for social justice and measures against discrimination and stigmatization. Emphasis on UNAIDS high-impact countries should not detract from support to other countries. The group supported the draft decision.
52. *Speaking on behalf of the Africa group*, a Government representative of Ghana said that chairing the CCO would give the ILO the opportunity to showcase the activities carried out on HIV and AIDS in the world of work and to reaffirm the area as critical to achieving decent work through sustainable development. She suggested the submission of an update to the Governing Body during the 104th Session of the International Labour Conference to evaluate progress and to make any amendments before the scheduled discussion in March 2016. Access to social protection guaranteed people living with HIV and AIDS a life of dignity. The social partners could be instrumental in strengthening dialogue to support targeted and sustained interventions, particularly in less privileged regions. As the target year for the 2011 Political Declaration on HIV and AIDS and the MDGs approached, the group requested an impact assessment on progress made, gaps identified and how challenges could be dealt with through the sustainable development goals. Referring to the havoc unleashed by the current outbreak of Ebola virus disease in parts of Africa, she said the ILO should raise global awareness of the urgent need to halt its further spread. The group supported the draft decision.
53. *Speaking on behalf of the industrialized market economy countries (IMEC)*, a Government representative of France indicated that the revised ILO strategy to address HIV and AIDS would continue to apply throughout the ILO’s tenure as Chair of the CCO. He highlighted the importance of combating stigma and discrimination at the workplace, promoting gender equality and women’s empowerment, and access to prevention, treatment and support. The ILO should reinvigorate an effective common programme and coordinated action against AIDS by the UNAIDS cosponsors. HIV and AIDS in the world of work should remain a priority for the Office, which should use all appropriate means to ensure its integration into the post-2015 sustainable development agenda. The group supported the draft decision.
54. *A Government representative of India* said that the active engagement of employers’ organizations in raising awareness could help eliminate HIV-related stigma and discrimination in the workplace and protect those unable to work. A number of countries had exclusive policies for tuberculosis, and care should be taken not to weaken action on HIV/AIDS through combined approaches. Data collection on HIV/AIDS was a challenge, and the CCO could develop mechanisms to achieve a data baseline. Regarding labour matters, the ILO should always assume a leadership role.
55. *A Government representative of Zimbabwe* requested information on how the ILO would influence stakeholders such as specialized agencies of the UN system, civil society and donor communities to mobilize resources for HIV/AIDS-related programmes. The ILO’s chairing of the CCO could raise awareness among other organizations regarding child

labour. The Office should clarify its intended strategy to ensure that the problem of HIV and AIDS was maintained in the post-2015 development agenda.

56. *A Government representative of Mexico* said that the ILO could strengthen its participation in UNAIDS and redefine its sponsorship and collaboration in the light of the ACIs and the ten outcomes of the transitional strategic plan for 2016–17. HIV and AIDS should figure prominently in the post-2015 development agenda. Exchanges with projects could be used to share good practices. HIV and AIDS were mentioned specifically only under outcome 8 of the transitional strategic plan, but they should be included under other outcomes and the regional priorities. Concerning the proposal to adopt a wider approach to HIV and AIDS, there was no clear suggestion for ILO action and the proposal was missing from the draft decision. The role played by labour inspectors in the development, application and dissemination of policies and programmes on gender should be mentioned under outcome 7 of the transitional strategic plan. More information was requested regarding ILO action on travel restrictions due to HIV infection, which was not included under outcome 9. His Government supported the draft decision.
57. *A Government representative of China* called on the ILO to promote the integration of HIV and AIDS in the post-2015 development agenda and apply its unique expertise to assist member States in adopting measures to address HIV-related stigma and discrimination in the workplace. His Government supported the draft decision.
58. *A Government representative of Poland* said that ILO input on HIV and AIDS was needed and recognized. The CCO should strengthen existing commitments and should seek to meet needs in the post-2015 period. The ILO, the social partners and other stakeholders should reinforce a rights-based and stigma-free approach. Full coherence among UNAIDS and cosponsoring organizations was essential for the success of the HIV response. Her Government supported the draft decision.
59. *A Government representative of Cambodia* said that HIV was not an isolated issue and required a multisectoral approach and global efforts, which should be factored into the post-2015 development agenda. His Government supported the draft decision.
60. *A representative of the Director-General* (Chief, HIV/AIDS and the World of Work Branch (ILO/AIDS)) observed that the ILO and its constituents were committed to continuing to be an active part of the UNAIDS family. The ILO would ground its action on the revised strategy adopted by the Governing Body in March 2012 and would continue its involvement in both high-impact and other countries.
61. *An Employer member from South Africa* indicated that interaction with the other UNAIDS cosponsors provided an opportunity for further coherence among bodies in the UN system. The issue of HIV had become less visible, creating a risk of complacency which coincided with less donor funding owing to budgetary constraints and a perceived duplication of work by UN bodies. The success of the ILO in chairing the CCO would depend on its ability to champion the needs of its constituents and to position the workplace as an important setting for the global HIV/AIDS response. Another priority was the transition from the sixth MDG to the post-2015 development agenda. The ILO should increase its efforts on the implementation of Recommendation No. 200 and use the opportunity to promote the “Getting to Zero at Work” campaign.

Decision**62. The Governing Body requested the Office to:**

- (a) submit at its 326th Session (March 2016) a report on the results achieved during the Director-General's tenure as Chair of the UNAIDS CCO in 2015 and any follow-up implications; and*
- (b) as appropriate, given the intergovernmental process, provide member States with all required and requested information and support needed to integrate HIV and AIDS into the post-2015 sustainable development agenda.*

(GB.322/POL/3(Rev.), paragraph 23.)

Social Dialogue Segment**Fourth item on the agenda****Sectoral and technical meetings 2013–14 and
Sectoral Activities Programme for 2014–15**

(GB.322/POL/4)

- 63.** *The Chairperson* thanked the Governing Body for the confidence it had placed in her. Her country, Albania, attached great importance to social dialogue, which was one of the basic principles of democracy. Social dialogue promoted social cohesion, improved living conditions and increased prosperity.
- 64.** *The Employer coordinator* said that global forums were a valuable way of addressing issues of a potentially contentious nature in an atmosphere of cooperation and open-minded dialogue. There had also been a constructive exchange between employers, workers and governments in the advisory bodies in relation to proposals for meetings to be held in the next biennium. While fitting sectoral activities into the ILO's wider planning process had long been recognized as a difficult issue, sectoral meetings were of great value to employers and workers and needed to continue to be held. The Employers supported the draft decisions.
- 65.** *The Worker spokesperson* supported the draft decisions in paragraphs 20, 25 and 28. He welcomed the work done by the Group of Experts for the revision of the IMO/ILO/UNECE Guidelines for Packing of Cargo Transport Units (CTUs) and the interim report of the Joint ILO–UNESCO Committee of Experts on the Application of the Recommendations concerning Teaching Personnel. The three global dialogue forums had been attended by numerous workers, demonstrating how pertinent they were. The high-quality conclusions they had generated required concrete follow-up and action. To ensure fruitful discussions, it was essential that delegations were representative of their sectors. His group therefore regretted that at the Global Dialogue Forum on Wages and Working Hours in the Textiles, Clothing, Leather and Footwear Industries, representatives of a number of large buyers had not been present.
- 66.** *Speaking on behalf of the Government group*, a Government representative of Italy expressed the group's appreciation of sectoral meetings and at being involved in setting the priorities for sectoral work. The group supported the draft decisions. At its current session,

the Governing Body was scheduled to discuss several issues that might affect future sectoral work. Those discussions raised questions about the alignment of sectoral activities with strategic priorities and ways of making sectoral meetings more effective and cost-efficient. At the March session, the group would present a number of suggestions to those ends.

67. *Speaking on behalf of GRULAC*, a Government representative of Cuba said that his group aligned itself with the statement made by the Government group. It supported the draft decisions in paragraphs 20 and 25. His group maintained its position that, where meeting participation was limited, regional balance and group autonomy needed to be respected. The group noted with satisfaction that all meetings in the appendix to GB.322/POL/4 would be open to all governments and supported the draft decision in paragraph 28. Since the existing regulations for sectoral meetings no longer corresponded with the practice, a discussion on revising the regulations should take place. In presenting proposals for meetings in 2016–17, the Office should also prepare an information document showing the average cost of holding tripartite sectoral meetings, meetings of experts and global dialogue forums in Geneva, and what would be the estimated cost of holding those meetings in the five ILO regional offices.
68. *Speaking on behalf of the Africa group*, a Government representative of Mali said that the group endorsed the recommendations of the meetings that had taken place. It invited the Office to take the necessary follow-up measures to give effect to the recommendations of the three forums and asked the Office to take particular note of the situation in Africa when doing so. The group supported the three draft decisions.
69. *The Employer coordinator* stated that, with the limited number of nominations available to each of the parties participating in sectoral meetings, it was a challenge to bring together a representative and knowledgeable group of people who could speak for the many countries and different parts of each sector. The Employers' group was very committed to achieving that goal and for that reason made use, inter alia, of representative organizations. He regretted that he had to repeatedly explain why his group sent representatives with a broad range of experience and knowledge, and not simply representatives of individual companies.
70. *The Worker spokesperson* explained that his remark had been of a general nature and aimed to underline the importance of ensuring the presence of a representative delegation on all three sides of the ILO's constituency. Since the quality of outcome of the discussions hinged on the involvement of a wide and representative set of the different actors, that was an important issue.
71. *A representative of the Director-General* (Director, SECTOR) in response to various interventions said that the Office indeed would need to focus more on implementing the conclusions of sectoral meetings. The prevailing dual governance structure determining sectoral work – recommendations by sectoral advisory bodies combined with indicators under programme and budget outcome 13 of the Strategic Policy Framework – continued to complicate effective work planning. Nonetheless, she believed that a way had been found to align the two different governance structures. She looked forward to the guidance on improving sectoral work that the Government group had said it would submit to the Governing Body in March 2015. The Office had noted GRULAC's request for information on the cost of holding sectoral meetings in the various regions and would provide an indication of resulting cost implications for the March 2015 session of the Governing Body.

Decisions

I. Meetings held in 2013 and 2014

72. The Governing Body:

- (a) took note of the IMO/ILO/UNECE Code of Practice for Packing of Cargo Transport Units;*
- (b) authorized the publication by the IMO of the Code as a joint IMO/ILO/UNECE publication;*
- (c) authorized the Director-General to communicate the above decisions to the IMO and the UNECE;*
- (d) authorized the Director-General to communicate the final reports of the Global Dialogue Forum on Initiatives to Promote Decent and Productive Work in the Chemical Industry, the Global Dialogue Forum on Challenges to Collective Bargaining in the Public Service and the Global Dialogue Forum on Employment Relationships in the Media and Culture Sector to governments, requesting them to communicate the reports to the employers' and workers' organizations concerned, and to the international employers' and workers' organizations and other international organizations concerned; and*
- (e) requested the Director-General to bear in mind, when drawing up proposals for future work, the recommendations for future action by the ILO made by the three forums.*

(GB.322/POL/4, paragraph 20.)

II. Interim report of the Joint ILO–UNESCO Committee of Experts on the Application of the Recommendations concerning Teaching Personnel (CEART)

73. The Governing Body:

- (a) took note of the situation and findings set out in the CEART's interim report and the recommendations contained in paragraphs 9, 26 and 31 therein; and*
- (b) authorized the Director-General to communicate the interim report of the CEART to the governments and organizations concerned, and invites them to take the necessary follow-up action as recommended in it (CEART/INT/2014/1).*

(GB.322/POL/4, paragraph 25.)

III. Upcoming meetings

- 74. *The Governing Body endorsed the proposals made in the table in the appendix to document GB.322/POL/4, relating to the dates, duration, official title, purpose and composition of the meetings listed therein.***

(GB.322/POL/4, paragraph 28.)

Fifth item on the agenda

Follow-up to the Meeting of Experts on Labour Inspection and the Role of Private Compliance Initiatives

(Geneva, 10–12 December 2013)

(GB.322/POL/5)

- 75. *The Worker spokesperson*** said that the Meeting of Experts had provided clarification on private compliance initiatives (PCIs) and their relationship with labour inspection. It had confirmed that labour inspection was indeed a public function and therefore a government responsibility. The institutional structure was weak in many countries; in those, public labour inspection systems needed to be particularly strengthened. The Workers' group was concerned at the decrease in resources allocated to public inspection in certain countries. The ILO should focus on strengthening labour inspection systems in those countries, instead of on expanding the role of private initiatives. Labour union experience with PCIs had not been positive: they did not lead to better compliance with national laws and international labour standards, nor did they (even with the existence of certification processes) prevent the occurrence of serious accidents. Labour unions were not involved in those initiatives as much as they should be, especially as most PCIs did not cover freedom of association or the right to collective bargaining. PCIs should complement public labour inspection, not replace it. The group hoped that the resources allocated under the relevant ACI and policy outcome 7 in the transitional strategic plan for 2016–17 would focus on strengthening labour inspection. The group wished to know how the Better Work programme had contributed to building a coherent labour inspection system and to strengthening public inspection. It invited the Office to develop a clear definition of PCIs, in particular in view of the forthcoming discussion of decent work in global supply chains at the 105th Session of the International Labour Conference. It approved the draft decision.
- 76. *The Employer coordinator*** said that there was a need to clarify and increase knowledge about PCIs. The Employers' group considered PCIs to be initiatives taken by actors other than the government, and not supported by public authorities. PCIs could not be used to improve the efficiency of labour inspections and should never compensate for the shortcomings of labour inspection services. The role of government was to enable a sound climate for social dialogue and to ensure the proper functioning of labour inspection systems. Nonetheless, the group supported the idea that the impact, sustainability and effects of PCIs in domains such as working conditions, freedom of association, industrial relations and safety and health, should be further analysed in their different aspects. The ILO should maintain its programmes and technical assistance on labour administration and inspection systems in closer cooperation with workers' and employers' organizations. Guidelines on PCIs should be developed at a later stage, because the parameters, framework and good practices needed to be identified first. The establishment of a forum to continue an open dialogue among tripartite constituents would be the appropriate way forward. Paragraph 14 of the appendix containing the Chairperson's summary and

recommendations was not a reflection of the views expressed at the Meeting of Experts, and the group did not understand the rationale behind the statement.

77. *Speaking on behalf of the Africa group*, a Government representative of Mali noted with interest the role of PCIs in the improvement of working conditions. However, PCIs must not infringe on the work done by labour inspections to ensure the application of national and international standards. The group endorsed the Meeting's recommendation on strengthening the ILO's work on labour administration through the allocation of resources, which could be taken into account in the 2016–17 programme and budget. It requested that this should be reflected in the draft decision in paragraph 8, and that the suggested forum should take place in 2015.
78. *A Government representative of the Russian Federation* said that the final report of the Meeting of Experts was really only an outline and did not specifically define PCIs. It was not clear, for example, whether collective bargaining should be regarded as an aspect of private initiatives, or whether a private initiative was the result of the development of employers' social responsibility of social partnership or of incentives. PCIs were not prevalent in the Russian Federation. Rather, the labour inspectorate's current role was to encourage employers to engage in such initiatives. To improve compliance, an internal monitoring system was being developed whereby employers could carry out self-assessment of labour law compliance and provide the results to the government labour inspectorate. Her delegation agreed that attention should be paid to understanding how PCIs operated in the informal economy, and that private initiatives were not a substitute for labour inspection but played an auxiliary role in helping employers comply with legal requirements. It further supported proposals for tripartite cooperation mechanisms in the context of PCIs with a coordinating role for the labour inspectorate and agreed with the ILO's role as outlined in point 4 of the appendix.
79. *A Government representative of France* said that PCIs should not be a substitute for the labour inspectorate's public function and that inspectors should be well trained.
80. *A Government representative of India* said that labour inspection should be a sovereign and public function and that PCIs should not replace labour inspectors. His Government had taken a number of initiatives to strengthen labour inspection and ensure workplace compliance. He urged the ILO to undertake research activities in the context of developing countries and to explore new avenues for facilitating compliance and hoped that the ILO would continue to support its constituents in capacity building.
81. *A representative of the Director-General* (Director, Governance and Tripartism Department (GOVERNANCE)) said that the Office had noted the consensus that labour inspection should remain a public function and that the scope of PCIs required further clarification, given the broad spectrum of private initiatives. He took note of the views on what the Office should do in the area of labour inspection and also recalled the March 2014 discussion on the progress of the Better Work programme. Under ACI 7 on strengthening workplace compliance through labour inspection, the Office strategy was built around seeking out innovative and sustainable compliance initiatives. He urged governments, along with workers' and employers' organizations, to strengthen their labour administration and inspection systems and to recognize those institutions as important contributors towards national development.

Decision

82. *The Governing Body:*

- (a) *took note of the final report of the Meeting of Experts on Labour Inspection and the Role of Private Compliance Initiatives; and*
- (b) *requested the Director-General to bear in mind the Meeting's deliberations and the views expressed by the Governing Body, in preparing the Programme and Budget proposals for 2016–17.*

(GB.322/POL/5, paragraph 8.)

Technical Cooperation Segment

Sixth item on the agenda

ILO's Technical Cooperation Strategy 2015–17

(GB.322/POL/6)

83. *The Employer coordinator* regretted the fact that the ILC had not discussed technical cooperation since June 2006, with the result being that the proposed strategy was very disjointed. As one of the ILO's most important tools, technical cooperation must be discussed by the ILC. The Conference should also discuss the 2013 *ILO Field Operations & Structure and Technical Cooperation Review*. The document was supposed to pay special attention to capacity development for constituents, in accordance with the 2008 ILO Declaration on Social Justice for a Fair Globalization. However, figure 2 (Appendix I) showed that in 2004–13 social dialogue (which included capacity development) had been one of the lowest beneficiaries of extra-budgetary technical cooperation expenditure. More should be done to involve constituents in the technical cooperation management cycle and to incorporate capacity development in all ILO projects. The Office's elaboration of a rights-based approach to development cooperation policies, reflected in box 1, was misleading. The Turin Centre could do more to help the Office build the capacity of constituents and implement technical cooperation programmes and projects. Further consultations were required in that regard. Field offices should be helped, through capacity building, to mobilize resources. She also noted the absence from the document of a reference to public–private partnerships. Subject to those points, she supported the draft decision.
84. *The Worker spokesperson* said that the technical cooperation strategy should be based on the alignment of extra-budgetary resources with the programme and budget outcome areas suggested for 2016–17, and on a more balanced distribution of resources between the strategic objectives and the outcomes. Integrated resource management and the pooling of regular and voluntary funding were matters of governance and would need further study before the Governing Body could make a decision. The “emergence of new development actors and modalities” (paragraph 2(c)) represented a risk of privatization of the UN system. The Office should strengthen its internal procedures for regulating activities with private entities. He endorsed the four elements of the proposed strategy, but the tables in the document should include better distribution of resources within a coherent strategy and give greater prominence to international labour standards. Those standards should feature, together with fundamental principles and rights at work, in the list of operating principles. His group supported the reduction in the number of programme and budget outcomes for

2016–17. Global flagship programmes should be focused on those outcomes and should incorporate specific support for each category of constituents and enhanced capacity building at the bipartite and tripartite levels. To be effective, technical cooperation projects should not only be managed in a decentralized fashion; they should draw upon all the skills and knowledge available at headquarters, in the field and at the Turin Centre. There should be greater collaboration with the Centre in building the capacity of constituents and ILO staff, along with the operating principle of staff mobility between the Centre and the Office. His group wondered why the targets for resource mobilization only referred to proportional increases and not to an absolute increase of resources. The distribution of extra-budgetary resources should be rebalanced to achieve, in all regions, the goals set according to the four pillars of the Decent Work Agenda.

85. *Speaking on behalf of IMEC*, a Government representative of Italy expressed her group's full support for the proposal to replace the term "technical cooperation" by "development cooperation", a much broader concept. She noted with satisfaction that the new strategy was based on guidance from the Governing Body and took account of the 2013 *ILO Field Operations & Structure and Technical Cooperation Review*. She hoped that, in the future, when external variables were better known, a fuller picture would be given of the implementation of the reform in the field operations and structure, and its implications for the ILO's development cooperation strategy. She would appreciate more information about the five proposed flagship programmes, how they would be determined and the effect they would have on current programmes, as well as about progress on gender equality in the future strategy. She urged caution with regard to the involvement of the ILO in response to disasters, conflict and emergencies, where its role should be to help create employment opportunities and to promote workplace rights and protections. In that regard, she would welcome more information about the proposed fund for kick-starting and coordinating responses to fragility and special situations, and about the global team to be set up by the end of 2014. She noted with satisfaction the focus on capacity building, which did not always have to be on a tripartite basis, and the enhanced cooperation with the Turin Centre. She called for updates on the development cooperation training programme to be piloted in 2015 and for additional information on the targets and deliverables set out in tables 1, 2 and 3, in order to see how the Office proposed to measure effectiveness. The targeted delivery rate for 2015–17 was not very ambitious. As well as tables 2 and 3 in Appendix I, there should be an additional table listing contributors to, and recipients of, Regular Budget Supplementary Account funds. She supported the intensified follow-up concerning non-earmarked contributions and noted that, as part of the internal reform, decentralized programming and management responsibilities should also apply to activities financed from the Regular Budget Supplementary Account. Those points should be taken into account in the independent external evaluation of the technical cooperation strategy in 2016. She suggested adding, at the end of the draft decision in paragraph 34, the words "and to provide an update of the strategy at the March 2015 Governing Body session".
86. *Speaking on behalf of the Africa group*, a Government representative of the United Republic of Tanzania welcomed the four elements on which the strategy was centred. Enhancing the capacity of social partners was vital to development cooperation, along with strengthened South–South cooperation and public–private partnerships. He urged the Office to consider extending development cooperation to fragile States and those in special situations, and to include in the strategy the areas of critical importance and the regional initiatives. The Africa group requested continued assistance in addressing decent work deficits in Africa, and support for the Yaoundé Tripartite Declaration on the implementation of the Social Protection Floor and the Ouagadougou Plan of Action for Promotion of Employment and Poverty Alleviation. His group supported the change of the name of the Technical Cooperation Segment to the Development Cooperation and Partnerships Segment.

87. *Speaking on behalf of GRULAC*, a Government representative of Cuba said that South–South and triangular cooperation, while beneficial, were no substitute for traditional, official development assistance. South–South and triangular cooperation constituted a unique and privileged approach to enhance cooperation among developing countries facing common challenges. National ownership was enhanced when projects responded to countries’ needs, demands and priorities. Project evaluations should be shared with national authorities. Those requirements were not adequately reflected in the proposed deliverables and targets. National priorities and ILO purposes would best be met through teams in the field, as suggested in paragraph 25. Situations related to natural disasters, conflict, serious violation of workers’ rights and unacceptable working conditions were very diverse and required specific, focused and time-bound responses. As for fragility and special situations, the ILO should concentrate on matters within its competence, including prevention and social policies based on social dialogue. Regarding table 4, target 1, the ILO should consider increasing regular contributions as core resources that offered greater predictability, transparency and alignment with priorities. Target 2 would need to reflect the Monterrey Consensus on Financing for Development, calling on developed countries to contribute 0.7 per cent of their gross domestic product to official development assistance, and between 0.15 per cent and 0.2 per cent to the least developed countries. He hoped that some of those funds would go to the ILO’s Decent Work Agenda. When prioritizing countries, the ILO should consider not only per capita income but also other factors such as the number of ratified Conventions. He suggested deferring the draft decision until the March 2015 session of the Governing Body, to allow for further consultation with the social partners and all interested parties.
88. *Speaking on behalf of the BRICS countries (Brazil, Russian Federation, India, China and South Africa)*, a Government representative of Brazil said that development and technical cooperation should remain a priority area for the ILO, complemented with South–South and triangular cooperation modalities. She agreed with the objective of focusing technical cooperation on five global flagship programmes. However, the focus should be on long-term commitments to support development, prevent crises and build resilience, rather than on a number of diverse activities. The ILO’s cooperation efforts should be rooted in national ownership and social dialogue. Social partners and governments should have an opportunity to discuss more thoroughly the International Aid Transparency Initiative mentioned in table 2, including with regard to the role of the ILO’s regional and local offices. In the context of capacity development, she wondered what was meant by “learning-related standards”. Some of the targets proposed for resource mobilization in table 4 were unclear and might discourage members of the Organization from engaging in technical cooperation. To preserve the multilateral character of development cooperation, core funding must be increased, irrespective of the flow of voluntary contributions. The participation of traditional donors ought to be reflected in the second target. Further discussion of the strategy would be desirable, and she suggested deferring a decision on it until the March 2015 session of the Governing Body.
89. *A Government representative of Colombia* said that the ILO’s cooperation policy should address three fundamental factors: efficiency, coherence and effectiveness. Labour rights were a core part of the development cooperation strategy, which included social dialogue, good governance, social justice, equality and institutional capacity building. She took note of the Office proposal to adopt the concept of “development cooperation” instead of “technical cooperation”. Development cooperation would require a strategy embracing focus, effectiveness, capacity development and resource mobilization. Development cooperation should be subject to more rigorous oversight regarding the allocation of non-earmarked and lightly earmarked resources. To ensure greater accountability, transparency and sustainability, projects should have technical monitoring and oversight committees with tripartite participation. Capacity building could be strengthened through knowledge-sharing, not only between countries within a region but also between regions. The ILO’s

support in that area had been and would continue to be a useful tool. It was important to involve new stakeholders and mobilize local resources, in order to ensure that work was more cohesive.

90. *A Government representative of Trinidad and Tobago* said that the vulnerabilities of small island States, coupled with the challenges arising from natural disasters, meant that some Caribbean countries might be considered to be in a special situation, while not necessarily meeting the criteria for the “special situations” referred to in the strategy. Therefore, the type and reach of support programmes needed to be adapted to the recipient States. It was through the partnerships with the ILO, especially its subregional and regional offices, that technical cooperation was best administered and long-term sustainable solutions found. The partnering of the Turin Centre with institutions was welcomed. It would have been useful if the paper had outlined the implications of the new approach for the ILO and for constituents. She expressed the hope that the new development cooperation strategy would not involve unduly onerous procedures for accessing ILO support.
91. *A Government representative of Japan* said that the rights-based approach towards development taken by the strategy was less suited to some of the least developed countries, as they required more immediate results. An approach that focused on cooperation at the grass-roots level, such as by providing basic vocational and entrepreneurial training and improving working conditions in collaboration with social partners, had been proven to be effective and efficient, as well as yielding immediate results. He suggested including that type of approach in the strategy. In order to prioritize the ILO’s goals, it would be necessary to identify the areas and means of cooperation. The Development Assistance Committee (DAC) of the OECD had developed criteria for technical cooperation strategies, which were objective and internationally accepted. He suggested that they should be used in the strategy in order to avoid confusion and duplication.
92. *A Government representative of India* said that ensuring that the ILO’s development cooperation strategy was in line with the sustainable development goals would lead to a cohesive approach. The scope and arrangements of the strategy should primarily focus on meeting nationally set priorities while promoting the Decent Work Agenda. The country offices were called on to work closely with national partners before implementing technical cooperation projects, to ensure their relevance. The Office was urged to continue implementing smaller country-specific projects and ensure they were of high quality, efficient and cost-effective. Collaboration with the Turin Centre was welcomed but, in view of the increased participation of non-tripartite members in training events and workshops, the ILO was urged to keep a check on the composition of training participants. While his Government had always supported alternative forms of cooperation, they should not be considered a substitute for North–South cooperation. New partnership models needed to be developed that focused on results and priorities. Job creation continued to be at the heart of development and economic recovery; budgetary provisions for employment projects should therefore continue to be a priority.
93. *A Government representative of Zimbabwe* expressed the hope that one of the final sustainable development goals adopted by the United Nations would be on full and productive employment and decent work for all. While the change of terminology from “technical cooperation” to “development cooperation” was welcomed, the essence of technical cooperation in its current form, which included cooperation between constituents and the Office, should be preserved. Her Government agreed with the draft development cooperation strategy, which should be guided by constituents’ needs, and supported the draft decision.
94. *A Government representative of China* said that while his Government would work with the ILO to explore new channels for South–South cooperation, it could not replace North–

South cooperation. It was important to be responsive to the needs of recipient countries; that could be achieved by enhancing country ownership and stepping up capacity building. His Government supported the flagship programmes aimed at improving effectiveness and visibility. The ILO was encouraged to continue to tap into the potential of public-private partnerships and involve the private sector in development cooperation.

95. *A Government representative of the Republic of Korea* said that capacity development of staff was essential for improving the effectiveness and quality of projects. Training programmes run together with the Turin Centre were welcomed and new programmes should reflect the needs on the ground. Given the trend towards resource mobilization at regional level and the increase in public-private partnerships, programmes to develop capacity in dealing with private sector engagement would be needed. Decentralization could result in projects overlapping and coordination problems. It was therefore important to establish communication channels and an effective management system between ILO headquarters and the regional and country offices. The plans to establish a knowledge-sharing platform for project management were welcomed. The operating principles and targets for the strategy should be fine-tuned and reflected in detailed indicators.
96. *Speaking on behalf of ASEAN*, a Government representative of Cambodia said that the strategy seemed to focus primarily on a rights-based approach, rather than on the concrete programmes to be covered. The latter should include the ASEAN regional programme and individual country programmes. The group attached importance to promoting country ownership through tripartism. The Office was requested to enhance collaboration with the ILO Regional Office for Asia and the Pacific in Bangkok, ILO country offices and the ASEAN secretariat to draw up concrete programmes for inclusion in the strategy. It was also requested to include those detailed programmes in the Programme and Budget for 2014–15 and the proposals for the Programme and Budget for 2016–17, as well as in the annual evaluation report of the strategy.
97. *A Government representative of Algeria* said that account should be taken in the strategy of the concerns and priorities expressed by governments.
98. *Speaking on behalf of ASPAG*, a Government representative of China said that more focused flagship programmes and smaller country-specific and targeted projects were welcomed. There were challenges regarding resource mobilization, which would require complementary work to be carried out at headquarters and in the regions. The ILO was encouraged to call for further contributions from the social partners and international organizations to help fund its development cooperation programme. It was also encouraged to promote country ownership by involving member States in drawing up and implementing the development cooperation programme. A balanced approach to resource allocation was stressed. To that end, the Office was requested to draw up a framework or guidelines to ensure greater transparency in the implementation of development cooperation programmes. Indicators such as the increase of resource contributions from middle-income countries would require further consultation at country level. The group aligned itself with the suggestion made by GRULAC to defer the draft decision to March 2015.
99. *A representative of the Director-General* (Deputy Director-General for Field Operations and Partnerships (DDG/FOP)) said that the strategy should be informed by the post-2015 development agenda and fit in with the Strategic Policy Framework under discussion. Many important matters would have to be incorporated as and when they became clearer. The adoption of the draft decision would make it possible to start implementation and consult the Governing Body in March regarding indicators and in November regarding the post-2015 development agenda and development funding. Regarding member States' contributions, the emphasis was on stepping up efforts to work with countries that were

willing to use domestic resources. That proportional increase of domestic development funding did not imply an absolute decrease of contributions from other partners, who currently ensured 80 per cent of extra-budgetary contributions. Flagship programmes were not intended to replace other activities. The idea was to scale up certain programmes, either on a country-by-country basis or a thematic basis. The flagship programmes should be fully in line with the ten outcomes in the draft transitional strategic plan for 2016–17. A working group had looked at possible criteria, but no decision had been taken as to the number of programmes or the areas they would cover. The flagship programmes were intended to act as a link between the reform of field operations and the proposed technical cooperation strategy. Regarding fragility, the ILO was not a humanitarian aid organization. It had focused on and would continue to underscore the importance of income-generating activities aimed at assisting countries to recover from crises. The term “fragile State” might sometimes apply to a country that would not usually be deemed fragile but which might find itself in a difficult situation requiring specific action. The aim of the proposed procedures was not to create an undue burden on States, employers or workers.

100. *A representative of the Director-General* (Director, Partnerships and Field Support Department (PARDEV)) said that the Office shared the view that national and tripartite ownership of development cooperation was of crucial importance. A better balance of the resources allocated to the ILO’s different strategic objectives partly depended on the demands of beneficiary countries and the priorities of donor countries, not solely on the Office. Nonetheless, in 2014 more than 20 per cent of new extra-budgetary approvals were for the strategic objective of social dialogue. Since 1999, considerable progress had been made on the rate of delivery of technical cooperation, with a figure of 82 per cent achieved in 2013. Voluntary contributions were for the most part from a small group of northern industrialized countries, with 20 per cent coming from the private sector, public–private partnerships, development banks, other UN agencies and emerging economies. The proposal was to raise the latter share to 25 per cent; it was not to replace North–South cooperation with purely South–South cooperation or with funds provided by middle-income countries. All ILO projects were evaluated, based on the criteria of the OECD DAC. With the aim of improving cooperation with the Turin Centre, a framework agreement was in place between the Partnerships and Field Support Department and the Turin Centre which led to many joint activities. The learning-related standards referred to in the paper were pedagogical standards developed by the Turin Centre to measure the quality of learning.
101. *A Government representative of Brazil*, speaking at a subsequent sitting, said that the request made by GRULAC the previous year, to hold informal consultations in preparation for the agenda item, remained relevant. The Workers’ and Employers’ groups and a number of Governments had provided input, which should be taken into account. The ILO was part of the UN family, and its development cooperation strategy should be based on the outcomes of multilateral conferences relating to the matter. The meaning of “member States with substantial development cooperation portfolios”, the fund for kick-starting and coordinating responses, and the five global flagship programmes referred to in table 1 should be discussed. Further information should be provided on the International Aid Transparency Initiative, referred to in table 2. No reference was made in table 4 to new and additional resources as part of development assistance. The targets set by the Office should be more ambitious. The issue was raised as to whether it would not have been better to discuss those matters at an informal inter-sessional consultation.

Decision

102. *The Governing Body:*

- (a) *recalled that informal tripartite consultations should be held in matters of strategic importance, particularly for decisions with long-term impact;*
- (b) *took note that adjustments to the development cooperation strategy 2015–17 might be necessary to take into account the sustainable development goals, the transitional strategic Programme and Budget for 2016–17, the ongoing internal reform of the Office, as well as the findings of the forthcoming evaluation of the technical cooperation strategy;*¹
- (c) *requested the Office to provide the Governing Body, at its 323rd Session (March 2015), with a document, for decision, on the mechanisms in place to ensure the involvement of constituents in strategic matters pertaining to development cooperation;*²
- (d) *requested the Office to begin implementing the development cooperation strategy summarized in the paper, taking into account the guidance given in the discussion;*
- (e) *requested the Office to present refined deliverables and/or targets for tables 1, 2 and 4 in document GB.322/POL/6, for adoption, at the 323rd Session of the Governing Body (March 2015); and*
- (f) *requested the Office to present a revised strategy, for adoption, at its 325th Session (November 2015).*

(GB.322/POL/6, paragraph 34, as amended.)

Seventh item on the agenda

Enhanced programme of technical cooperation for the occupied Arab territories (GB.322/POL/7(Rev.1))

- 103.** *A representative of the Director-General (Director, ILO Regional Office for Arab States) said that she had attended the Cairo Conference on Palestine: Reconstructing Gaza, and had visited Gaza since the publication of the paper. The devastation of lives and livelihoods was likely to undermine any meaningful socio-economic development for years. Meeting urgent humanitarian needs was a priority. To secure tangible gains, the Office had been working closely with its partners to scale up interventions that had been successful in the past. The Office's proposal rested on three pillars: emergency employment for rehabilitation of the community and economic infrastructures and for improved access to basic services; enhancement of the employability of young people, in order to meet labour market needs associated with reconstruction and recovery; and*

¹ See GB.322/POL/6, para. 7.

² See GB.322/POL/6, para. 6, Appendix II, on "country ownership".

capacity development for tripartite constituents and local partners. There was an urgent need to realign the Decent Work Programme (DWP) and ensure a fully national response. Time lines and activities needed to be adjusted, notably for the plan to incorporate a child labour module in the 2015 national labour force survey and for implementation of the first ever social security system for private sector workers; in fact, the National Tripartite Social Security Committee was drafting the new law for adoption in early 2015. The ILO had been invited to present its proposals for establishing a coordination group on employment and skills within the complex national aid coordination structure for the Palestinian economy. The substantive content that the Office had already put forward had resulted in the suggestion of linking the new tripartite plus working group to the Prime Minister's office.

104. *The Employer coordinator* welcomed the attention that the Office was paying to the region. Despite the ILO's endeavours, the situation had worsened because peace negotiations had stopped. Violence was escalating, resulting in increased poverty and unemployment. Decent work was stillborn in the occupied Arab territories, because the people living there could not manage their own resources, given the current situation. As stated in the Appendix to the Director-General's Report to the 103rd Session (2014) of the ILC, *The situation of workers of the occupied Arab territories*, many obstacles existed, including the lack of financial resources. The international community had to do more. The requests submitted to the Office by the Arab group that related to the situation of Palestinians and people living in the occupied Arab territories needed to be addressed. The yearly reports of the Director-General should reflect on the suffering of the people in the region and make concrete proposals within the context of a short-term and medium-term action plan funded by the ILO and in cooperation with regional and international partners. An item should be added to the agenda of the ILC on the issue. More financial assistance was needed to revive the special Palestinian fund for social protection, and the enhanced programme of technical cooperation needed to be further developed. Activities should be diversified, and budgetary allocations secured to see them through. Cooperation between Arab organizations and the ILO needed to be set up, so that they could work together towards rebuilding Gaza.

105. *The Worker spokesperson* said that the Workers' group would have hoped for a bolder approach to the situation of Palestinian workers. No real progress towards decent work and the enjoyment of fundamental principles and rights at work could be made until the occupation was ended and Palestine was recognized as an independent state. The Office should not lose sight of long-term aims and objectives amidst the urgent short-term needs of the recovery. The group noted the overall progress made to promote the labour rights of Palestinian people through building the capacities of trade unions and national institutions, cooperatives, and employment, social security, social dialogue and labour governance institutions. However, the root causes of the existing situation needed to be addressed. Assessing the effectiveness of interventions aimed at enhancing employment opportunities was important. Many Palestinians were forced to work in the informal economy. It was therefore important to go beyond the promotion of entrepreneurship and self-employment. The Office needed to be more innovative in its efforts to promote decent work and sustainable economic activities. The group supported the Office's efforts related to the fishery sector and called for all restrictions on the Gaza Strip to be lifted, as well as the lifting of the embargo and all import and export barriers. The group hoped that the provisions of the August 2014 ceasefire agreement would come into effect, allowing Palestinians to enjoy their fundamental rights, including freedom of mobility in Gaza, the West Bank and East Jerusalem, and called on the international community to move forward towards a peace agreement.

106. *Speaking on behalf of the Africa group*, a Government representative of the United Republic of Tanzania commended the Office's support in implementing the Decent Work

Agenda in the occupied Arab territories and thanked the development partners for their funding. The Africa group agreed with the proposal to enhance implementation of the Palestinian DWP in the areas of labour market governance, employment and social protection, and said that it would welcome further measures to extend technical cooperation operations to all occupied Arab territories. It urged the Office to continue engaging with governments and social partners to promote the Decent Work Agenda and strive for everlasting peace in the Middle East.

107. *Speaking on behalf of ASPAG*, a Government representative of China thanked the Office for its technical cooperation programme for the occupied Arab territories and encouraged its continued commitment to the DWP and particularly the reconstruction of Gaza.
108. *Speaking on behalf of the IBSA countries (India, Brazil and South Africa)*, a Government representative of Brazil expressed support for the right of the Palestinian people to self-determination and a two-state solution. In light of the desperate economic and social situation in Gaza, IBSA welcomed the coordinated involvement of the ILO in the development of a UN support plan for the transformation of the Gaza Strip, as well as the inclusion of specific priority actions for the Gaza Strip in the Palestinian DWP. IBSA noted with particular interest the ILO's plans to enhance its support to the fishery sector with a view to improving livelihoods and creating job opportunities. The IBSA Fund had financed projects in Ramallah, Nablus and Gaza. IBSA was engaged in the construction and equipping of a centre that would offer activities for adults with disabilities and had financed the rehabilitation and reconstruction of the Al Quds hospital. ILO technical cooperation was an important element of a broader effort to strengthen Palestinian institutions. IBSA welcomed the progress that had already been made, noting that a social security system for private sector workers and their families might soon be established.
109. *A Government representative of Turkey* referred to the negative impact of the latest conflict on, inter alia, the economic and social situation, productive assets, unemployment and labour market conditions in Gaza. His Government continued to provide humanitarian assistance to Gaza and was involved in projects to supply electricity to Gaza and to build field hospitals. It strongly supported the ILO's involvement in the reconstruction of Gaza and noted the ILO's efforts to establish a social security system and to introduce a new social security law.
110. *A Government representative of Mexico* agreed that it was imperative to intensify the peace process in order to ensure that a two-state solution could be achieved, which would enable the development of a buoyant economy with a social dimension. He expressed concern that the current situation was resulting in the continued deterioration of workers' conditions and rights. He noted the progress made in relation to improved governance, establishment of the first social security system for private sector workers, gender issues and youth labour market participation. He also noted with interest the ILO's contribution to socio-economic recovery in Gaza through the promotion of job opportunities and livelihoods in the fishery sector and emphasized the need to enforce one of the key provisions of the unlimited ceasefire agreement, which called for expansion of the fishing zone from three to six nautical miles off the Gaza coast. The Government of Mexico encouraged the ILO to continue working with other organizations in the UN system to develop a support plan for the transformation of Gaza, which would prioritize governance, recovery, reconstruction and structural development issues.
111. *A representative of the Director-General* (Director, ILO Regional Office for Arab States) thanked the delegates for their words of support and assured them that the Office would do its best to meet their expectations. The ILO would try to be more resourceful, innovative and bold in its technical solutions, with a view to bringing about the desired social justice outcomes.

Outcome

- 112.** *The Governing Body took note of the report and welcomed the update by the Office on recent developments, expressing support for the programme elements proposed in document GB.322/POL/7(Rev.1), including support for the reconstruction of Gaza.*

(GB.322/POL/7(Rev.1).)

Multinational Enterprises Segment**Eighth item on the agenda****ILO collaboration with other intergovernmental and international organizations in promoting the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**
(GB.322/POL/8)

- 113.** *The Worker spokesperson welcomed the high interest in the MNE Declaration at the 18th American Regional Meeting and suggested that a short paper on the outcomes of the MNE discussion there should be submitted to the 323rd Session of the Governing Body. Furthermore, the MNE Declaration should become a regular feature of all ILO Regional Meetings. As to the document submitted to this Governing Body session, she would have appreciated a clearer delineation between public and private initiatives. On the UN Guiding Principles on Business and Human Rights, she stressed the importance of further formalizing the ILO's collaboration with the Working Group, particularly in thematic reports, to ensure the ILO would drive the labour agenda. Regarding the Global Compact, she asked the Director-General to address the governance issues with the Chief Executives Board for Coordination (CEB) and to ensure closer coordination among the core organizations. She expressed concern on the level of resources used to support corporate social responsibility (CSR) initiatives that were not resulting in better compliance with the principles of the MNE Declaration, and requested the Office to step up efforts to promote the implementation of the MNE Declaration principles. More could be done to inform OECD national contact points about international labour standards and to counsel them if those standards were breached. Extreme caution was required in proceeding with cooperation with the International Organization for Standardization (ISO). The ILO should not become merely an adviser for other initiatives, but should actively contribute to ensure that the principles of ILO standards are fully implemented together with those of basic human rights; and to promote social dialogue and the inclusion of trade unions. The ILO should provide training on the MNE Declaration at the Turin Centre and devise a regional implementation strategy for the Americas, as well as consider adapting the Declaration's wording to the current situation and requirements of due diligence in global supply chains. The Workers supported the draft decision.*
- 114.** *The Employer coordinator highlighted that the Office paper addressed two issues: the promotion of the MNE Declaration and the ILO interaction with other international organizations. The Governing Body had taken decisions regarding both in the past and she wished to have more information on what the ILO was doing to implement those decisions. She welcomed the fact that the implementation of the MNE Declaration had been*

discussed at the Regional Meeting. Moreover, ILO local and regional offices should raise awareness of the MNE Declaration when carrying out their activities. The Helpdesk was working well to address individual queries. The Governing Body had also requested that the principles of the MNE Declaration should be incorporated into technical cooperation initiatives, where appropriate, and that they should also guide enterprise creation initiatives on the ground. She requested an update on the collection of information on the effect given to the principles of the MNE Declaration. She suggested reinstating the past practice of inviting organizations that referred to ILO texts and standards in their initiatives to Governing Body sessions devoted to MNEs in order to continue dialogue with those organizations at the political level to ensure that they were interpreting and using ILO texts and standards correctly. She welcomed the active role played by the ILO in the work of the UN Working Group on Business and Human Rights. She regretted that the inter-agency consultation forum of the UN Global Compact was no longer functioning and requested the Office to take the necessary action to ensure that inter-agency consultations at the political level were resumed. The role of the ILO was not so much to provide technical input as to ensure that those initiatives were in line with ILO objectives and thus promote policy coherence at the political level. The Governing Body should also follow the work of the OECD, which was increasingly drawing on ILO standards. Lastly, she proposed an amendment to the draft decision to make it clear that the promotion of the MNE Declaration and ILO collaboration with other intergovernmental and international organizations were two related but separate issues, by adding the wording “and to ensure policy coherence with international organizations through inter-agency dialogue at the political level”.

115. *Speaking on behalf of IMEC*, a Government representative of the Netherlands said that, given that the MNE Declaration was often referred to as one of the key instruments for promoting ILO standards and CSR, the Office should play a leading role in providing guidance to stakeholders on the implementation of those standards and of CSR initiatives. He asked how the promotional activities set out in the document submitted to the previous Governing Body session had contributed to the achievement of the proposed Strategic Policy Framework and programme and budget outcomes. He would have appreciated information on the ILO's collaboration with other organizations, such as the International Finance Corporation (IFC) and the rest of the World Bank Group, UNIDO, UNCTAD and UNDP, as their activities were also relevant for disseminating the MNE Declaration. He also welcomed the formalization of the cooperation between the ILO and the UN Working Group responsible for promoting the dissemination and implementation of the UN Guiding Principles on Business and Human Rights and wondered what enhanced cooperation was foreseen as a result. He enquired as to the specific problems that the ILO had encountered in cooperating with the UN Global Compact following the disbandment of the inter-agency team. He indicated that governments in the Global Compact Government Group could raise that issue in the framework of broader UN Global Compact governance debates. Welcoming the cooperation between the ILO and the OECD, he asked what more active collaboration between the two organizations would entail and whether it would have financial implications. He also wished to know whether the Turin Centre could play a more structured role in joint educational activities with the other organizations. The ILO should collaborate with other organizations more generally on matters relating to the Decent Work Agenda. He suggested examining developments, trends and innovations in those organizations in view of the upcoming Conference discussions on SMEs (2015) and on global supply chains (2016). IMEC considered the draft decision to be redundant, as the paper had been submitted for debate and guidance.
116. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia encouraged the Office to use the UN Guiding Principles on Business and Human Rights and the annual UN Forum on Business and Human Rights to disseminate the ILO agenda and the MNE Declaration more widely. Its regional and country offices could help to

promote the inclusion of the principles of the Declaration in national policies and action plans. The group also encouraged the ILO to participate in the open-ended intergovernmental working group on a legally binding instrument on transnational corporations and other business enterprises with respect to human rights, established by the UN Human Rights Council, and to use the occasion to demonstrate the relevance of the MNE Declaration to that instrument. Moreover, the ILO should establish a forum for consultation with the UN Working Group on Business and Human Rights, the UN Global Compact and the OECD with a view to advancing its Decent Work Agenda and promoting social policies that ensured the positive contribution of multinational enterprises. The establishment of such a forum would also enhance the use and recognition of the MNE Declaration and promote coherence among the frameworks of other international organizations in line with the Declaration's principles. The Office should report on any developments in ILO collaboration with intergovernmental and international organizations at the next session of the Governing Body.

117. *Speaking on behalf of GRULAC*, a Government representative of Cuba expressed regret over the disbanding of the Global Compact's inter-agency governance team, and supported the Office's proposal to reinforce the governance structure and refocus it on its original mission. In line with its mandate to supervise labour standards internationally, the ILO should strengthen its ongoing collaboration with other organizations, leading with its technical expertise, in particular the OECD. The concepts of due diligence and access to remedy for victims of business-related human rights violations were particularly important, as was the strengthening of international mechanisms which protected such rights. The ILO's advantage in that domain was its tripartite structure, with enterprises playing an active role alongside governments and employers' and workers' organizations in the promotion of decent work. It was worth examining how the relevant mechanisms of the ILO and OECD had worked in practice with regard to the Rana Plaza factory collapse, in order to draw lessons. GRULAC supported the development of a sound strategy to promote the MNE Declaration and was ready to participate in the various corresponding forums.
118. *A Government representative of the Russian Federation* praised the collaborative work undertaken by the ILO and encouraged it to take a leading role in collaborative efforts to promote human rights. Its strategies to promote the principles of the MNE Declaration with other organizations were effective. Collaboration at all levels – international, regional and sectoral – was important, and the regional offices played an important role. With regard to the observance of ILO standards, it was necessary to provide technical support to social partners at the national and regional levels. The range of partners participating in the MNE Declaration's implementation should be broadened to include, for example, the BRICS countries and the Shanghai Cooperation Organization, as such associations could contribute greatly.
119. *A Government representative of Argentina* commented that real sustainable development required a new business spirit committed to decent work. Since 2003, Argentina had been creating a new economic and political model geared towards the democratization of society and decent work. The financial crisis had shown that it was indispensable, especially for developing countries, to focus on growth of the real economy rather than financial speculation. The real economy could be sustainable and productive only if it improved citizens' lives and strengthened internal markets, and that was why Argentina strongly supported initiatives such as the MNE Declaration. However, the Declaration should address additional issues, such as the regulation of supply chains, and collaboration between organizations on the application of international labour standards in specific regions.

120. *A Government representative of India* said that the socially responsible behaviour of MNEs should extend beyond legal obligations and should support socio-economic development. The Government of India had established National Voluntary Guidelines on Social, Environmental and Economic Responsibilities for businesses and a CSR clause within its Companies Act, 2013, making it the first country in the world to have legislation on CSR. He agreed that other organizations should align their policies with the objectives of the MNE Declaration; moreover, the dissemination of such policies would address the interests of the least developed countries. Enterprises' development and implementation of international framework agreements had to be within the national framework of each country. Care should be taken not to promote private compliance initiatives when establishing international labour standards. He requested more information regarding progress on the two new global tools and the e-learning module on better understanding MNEs that had been proposed during the previous Governing Body session. While the due diligence approach to both labour rights and human rights was positive, it was important that labour rights should not be conflated with human rights, and the primacy of labour issues must not be lost in the development of linkages with other agencies. Views on supply chains should be developed only after the relevant Conference discussion in 2016.
121. *A representative of the Director-General (DDG/P)* said that a discussion on the pilot implementation of the ILO's relationship with the ISO was scheduled for the next session of the Governing Body. Responding to the Employers' suggestion to continue dialogue with other organizations at the political level, she endorsed the idea and would take action on it, while noting the recent high-level engagement between the Director-General and the UN High Commissioner for Human Rights. On the proper amount of resources to commit to collaborative efforts, the ILO made its expertise available when there was a question involving ILO instruments, standards, fundamental principles and rights at work or the ILO's mandate more generally, such as in the UN Working Group or the OECD national contact points. However, the ILO had its own ambitious agenda, and was constantly balancing the demands and resources against the benefits to be gained in terms of the Organization's goals.
122. *A representative of the Director-General (Director, Enterprises Department (ENTERPRISES))* said that the discussion at the American Regional Meeting on the promotion of the MNE Declaration had indeed been well attended and elicited specific proposals on how to enhance the visibility and implementation of the MNE Declaration. The Office was developing specific follow-up activities and would explore the suggestion of making the MNE Declaration implementation a standing agenda item for Regional Meetings. If desired by the tripartite constituents, the practice of inviting high-level representatives of other organizations to foster policy dialogue could be reinstated. Regarding specific partners, the ILO was very actively engaged with the UN Office of the High Commissioner for Human Rights and with the UN Working Group on Business and Human Rights, and had agreed to participate in the new UN intergovernmental working group to consider a legally binding instrument. Regarding outcomes of the recent OECD meeting on the garment industry, the OECD had decided to establish an advisory group to provide industry-specific guidance on due diligence, which the ILO had been invited to join. Discussions were ongoing about the training offer at the Turin Centre which would attract broader audiences. While other organizations such as the World Bank had not been included in the paper, the ILO was nevertheless working with them to promote the MNE Declaration principles. The widespread support for governance reform of the Global Compact was welcome; it was difficult to make progress when the inter-agency governance team had been unilaterally disbanded.
123. *The Employer coordinator* was pleased to note the consensus with regard to the central role of the MNE Declaration and the need for better global coherence to promote it. She welcomed the possibility of reinstating the practice of inviting other international

organizations to the MNE Segment, and appreciated the fact that political dialogue existed with various organizations.

- 124.** *The Worker spokesperson* noted the consensus supporting a standing agenda item on the implementation of the MNE Declaration in the Regional Meetings and regarding dialogues at the political level with other organizations. She requested an update on the implementation status of the principles of the MNE Declaration at the 323rd Session of the Governing Body, as well as more information on proposals for practical measures to give effect to them. The Workers wished to supplement the amendment proposed by the Employers by adding the word “including” before “through inter-agency dialogue at the political level”, as that was not the only means of securing coherence.
- 125.** *Speaking on behalf of IMEC*, a Government representative of the Netherlands said that groups should adhere to the procedure for proposing amendments. IMEC needed additional time to consider the new proposals.
- 126.** *A representative of the Director-General (DDG/P)* clarified that creating a standing item on the agenda of Regional Meetings could require an amendment to the Rules for Regional Meetings. The Office could not, therefore, make a firm commitment but would look into it.
- 127.** *Speaking on behalf of IMEC*, a Government representative of Canada proposed a subamendment replacing the word “ensure” with “promote”, so as to create realistic expectations regarding the work of the Office.
- 128.** *The Worker spokesperson and the Employer coordinator* supported the amended decision.

Decision

- 129.** *The Governing Body took note of the information contained in the document and requested the Office to take into account its guidance on enhancing the further use and recognition of the MNE Declaration, in line with the Governing Body’s decision, and to promote policy coherence with international organizations, including through inter-agency dialogue at the political level.*

(GB.322/POL/8, paragraph 35, as amended.)