



Governing Body

326th Session, Geneva, 10–24 March 2016

GB.326/INS/3

Institutional Section

INS

Date: 19 February 2016

Original: English

THIRD ITEM ON THE AGENDA

Progress report on the implementation of the Enterprises Initiative

Purpose of the document

This paper presents a progress report on the implementation of the Enterprises Initiative and the strategy for wider ILO engagement with the private sector, and makes recommendations for improvement.

The Governing Body is invited to consider the draft decision in paragraph 26.

Relevant strategic objective: Cross-cutting.

Policy implications: Advancing the strategic objectives of the ILO by engaging with the private sector.

Legal implications: None.

Financial implications: None.

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

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

Related documents: GB.319/INS/5(Rev.); GB.320/INS/5/1; GB.320/INS/5/2; GB.320/POL/10; GB.321/INS/6.

Background

1. At its 321st Session (June 2014), the Governing Body endorsed a strategy for wider ILO engagement with the private sector,¹ which established a methodology and internal procedure for ILO engagement with the private sector, including the three strategic components of the Enterprises Initiative. The procedure was established for a trial period until March 2016 and the Governing Body requested the Office to submit a report with an assessment of its implementation and recommendations for improvement at its 326th Session (March 2016).

Enterprises Initiative

2. The Enterprises Initiative is one of the seven centenary initiatives presented by the Director-General in his Report to the 102nd Session (2013) of the International Labour Conference. The objective of this initiative is to contribute to achieving the goals of the Organization by fully realizing the potential of the ILO to engage with enterprises, and consists of three strategic components: enterprise and supply chain policies and practices; international initiatives on enterprise behaviour; and building knowledge and outreach.

Strategy for wider ILO engagement with the private sector

3. The Enterprises Initiative is being operationalized according to the strategy for wider ILO engagement with the private sector adopted by the Governing Body in June 2014. The strategy established a methodology and internal procedure for ILO engagement with the private sector to ensure a clear distribution of roles and responsibilities covering four main functions:
 - (a) **Entry point:** Contact with or from enterprises will be directed to the Bureau for Employers' Activities (ACT/EMP) (if the contact comes from management) or to the Bureau for Workers' Activities (ACTRAV) (if the contact comes from a workers' organization). ACT/EMP and ACTRAV are responsible for sharing information with each other and with their respective group secretariats.
 - (b) **Operational relationship:** When enterprises approach the ILO, ACT/EMP or ACTRAV will be responsible for making an initial demand/needs analysis and will guide the enterprises to the relevant policy department. When any ILO department seeks to engage with enterprises, this is done in consultation with ACT/EMP or ACTRAV as appropriate.
 - (c) **Technical lead:** The relevant policy departments and field offices are the technical lead departments on the activities falling under their respective mandates. In discharging these functions, they consult and follow up with ACT/EMP or ACTRAV as appropriate.
 - (d) **Reporting:** ACT/EMP and ACTRAV will each maintain a register of enterprises engaging with the ILO that will be accessible to all ILO staff. The Deputy Director-General for Policy – in consultation with ACT/EMP and ACTRAV – is

¹ GB.321/PV, para. 75 and GB.321/INS/6.

responsible for drafting any reports on the strategy for wider ILO engagement with the private sector that may be requested by the Governing Body.

Overview of ILO engagement with the private sector

A. Enterprise and supply chain policies and practices

Global business networks

4. The **Child Labour Platform** is a multi-stakeholder forum focused on strengthening employers' capacity to address child labour in supply chains and surrounding communities. The platform, which is co-chaired by the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) and supported by the ILO and the UN Global Compact, works with nine member companies in cocoa, cotton, tobacco, telecommunications and apparel to exchange successes and challenges in tackling child labour. It conducts research on effective means for age verification and has created user-friendly databases of relevant national legislation and policies. In 2015, members contributed to the development of the ILO–IOE Child Labour Guidance Tool for Business on conducting due diligence on child labour, as well as sector-specific briefs and notes on emerging good practices.
5. The **ILO Global Business and Disability Network** was established in 2010 in order to strengthen ILO engagement with the private sector on disability issues. It is currently composed of 13 companies and more than 20 employers' organizations and national business and disability networks. The network facilitates peer-to-peer support and knowledge sharing; offers a platform for members to communicate their achievements on disability inclusion; supports the development of national business and disability networks tailored at the country level; develops tools and organizes national knowledge-sharing meetings annually in different regions, as well as annual global meetings on disability-related topics. In 2015, the network launched the ILO Global Business and Disability Network Charter in order to further engage its members and promote outreach to other enterprises on disability issues.
6. The **Global Apprenticeships Network** was established in 2013 in response to the global youth unemployment crisis and the need for business to develop skills for the future. Coordinated by the IOE and the Business and Industry Advisory Committee to the Organisation for Economic Co-operation and Development (BIAC) with the support of the ILO and the Organisation for Economic Co-operation and Development (OECD), the network's main goal is to boost youth employability and skills development. Members commit to action; advocate for work-readiness programmes; share best practices; and facilitate multi-stakeholder dialogue and partnerships, with the ultimate goal of creating "skills for business and jobs for youth". Membership is at the CEO level and 13 companies are members. Over 20 best practice guides and five toolkits have been shared at over 35 major international events. Four national networks have been launched with employers' organizations in Argentina, Indonesia, Spain and Turkey, through which over 100 companies have committed to promoting work-readiness programmes for youth.
7. The **ILO Global Business Network for Social Protection Floors** was launched at the ILO headquarters in Geneva on 28 October 2015 in collaboration with the IOE. A total of 22 representatives from 12 companies participated in the meeting and agreed to use the

network. It is open to multinational enterprises, employers' organizations and private sector foundations that wish to share good practices and contribute to the promotion and establishment of social protection floors worldwide. The network contributes to the ILO global flagship programme on Building Social Protection Floors for All by enabling enterprises to exchange information on current practices and emerging trends in order to identify common challenges and opportunities, and to broaden support among private sector actors for public social protection systems, including social protection floors.

8. The Office is exploring the feasibility of establishing an **ILO business network on forced labour and human trafficking** to work with companies and employers' organizations to share information on how companies are addressing forced labour and human trafficking in their policies and practices. Learning how individual companies operationalize due diligence processes would help to facilitate wider business learning, both within and across business sectors, as well as across countries and regions. An ILO business network on forced labour and human trafficking would complement the existing Child Labour Platform, and would function as a major mechanism for channelling the wider business contributions to give effect to the objectives of the Alliance 8.7 (referring to the corresponding specific target under the Sustainable Development Goals) to work together to end child labour and modern slavery.

ILO engagement with SMEs and cooperatives

9. In the area of **entrepreneurs and small and medium-sized enterprises (SMEs)**, Start and Improve Your Business (SIYB) is an entrepreneurship training package that has gained around 6 million participants over the last ten years and contributed to the creation of an estimated 3.6 million new jobs. The ILO training package on Sustaining Competitive and Responsible Enterprises (SCORE) has assisted 750 medium-sized enterprises employing around 200,000 workers in improving productivity and working conditions. Large corporations have shown interest in using SIYB and SCORE as training programmes for SME suppliers or retailers. The System for Integrated Measurement and Improvement of Productivity (SIMAPRO) is increasingly addressing environmental considerations in workplaces based on social dialogue and is assisting in greening production processes by training employers and workers in sugar cane processing and tourism in Latin America and the Caribbean.
10. The **ILO Social Finance programme** has worked with more than 70 banks, microfinance institutions and insurance companies over the past five years to help them develop innovative financial services that contribute to decent work, including promoting the formalization of informal businesses, reducing child labour and improving occupational safety and health. The ILO has also partnered with the Africa Agriculture and Trade Investment Fund and a major bank to support social compliance of investments in agriculture in Africa.
11. The ILO has worked with **cooperatives** since its inception. Since 2010, the ILO project on Local Empowerment through Economic Development in northern Sri Lanka has supported the revival of the fruit, vegetable, paddy and fisheries sectors by establishing market linkages with exporters. More than 35,000 jobs were created and 65 per cent of the beneficiaries were women. Another project launched in 2012, Managing Your Agricultural Cooperative (My.COOP) is a partnership-based training package for existing agricultural cooperatives. The package has been translated into ten languages and adapted for use in countries in Africa, Latin America and Asia.

Partnerships, field offices and other ILO programmes

12. Since 2008, 143 **public–private partnerships**² (57 per cent of the total) have been developed with around 120 companies, totalling US\$39.8 million, and an additional 20 partnerships (8 per cent of the total) have been developed with nine company foundations, totalling \$18.3 million.³ Public–private partnerships with companies have mainly focused on international labour standards and social dialogue, while those with foundations have focused on employment promotion and skills development. Interventions have supported a number of the ILO’s objectives, including fundamental principles and rights at work; social dialogue and industrial relations; enterprise development, productivity and competitiveness; skills development; promotion of labour law compliance; microfinance and social finance; occupational safety and health; and the development of workplace policies for suppliers.
13. The **Better Work programme** is a partnership between the ILO and the International Finance Corporation that works with 30 international companies and 1,261 supplier factories employing over 1.5 million women and men. Better Work has ongoing projects in eight countries (Bangladesh, Cambodia, Haiti, Indonesia, Jordan, Lesotho, Nicaragua and Viet Nam), and is conducting or planning feasibility studies in two additional countries (Ethiopia and Myanmar). The programme promotes sector-wide, sustainable improvement in adherence to national labour law and core labour standards, and strengthening business competitiveness in major garment-producing countries. Better Work engages with international companies through a Global Forum for Business as well as country-specific business forums, with suppliers directly through factory assessments and advisory services, and with national tripartite constituents through country-specific Project Advisory Committees.
14. **ILO field offices** also engage directly with enterprises. The ILO Country Office for Pakistan is working with 20 international companies and 220 domestic textile producers to improve compliance with labour laws and fundamental rights. ILO offices in India and in the Pacific Islands worked with enterprises to raise awareness and develop workplace policies on HIV and AIDS. The ILO Office for Portugal engaged with companies in the Global Compact Network Portugal and the corporate social responsibility network of the Community of Portuguese-Speaking Countries. The ILO Regional Office for Asia and the Pacific recently launched In Business, a peer-learning programme to support SMEs in the region that is low-cost, highly flexible and commercially sustainable. In the Andean region, the Joint Programme on Andean Grains worked with 25 companies in a public-private dialogue to improve the competitiveness of the value chains of Andean grains. The Country Office for Egypt has worked with over 30 companies to promote workers’ rights and competitiveness in Egyptian export industries, particularly apparel and food processing. And the ILO Decent Work Team and Country Office for Eastern Europe and Central Asia developed a partnership with a company on youth employment in the Commonwealth of Independent States.

Emerging issues

15. In relation to **mega sporting events**, the ILO has been involved in discussions on an initiative to create a dedicated centre aimed at addressing growing international concerns about human rights issues associated with such events. The ILO participated in a meeting

² For a comprehensive report of all public–private partnerships, see GB.326/POL/7.

³ For a full list of the ILO’s public–private partnerships, see http://www.ilo.org/pardev/partnerships/public-private-partnerships/WCMS_239786/lang--en/index.htm.

in November 2015 organized by the Swiss Confederation, Wilton Park and the Institute for Human Rights and Business and attended by major commercial sponsors of mega sporting events, a number of member States hosting them, sport institutions, United Nations agencies, the IOE and the ITUC and other relevant institutions.

16. On **women in business and management**, ACT/EMP surveyed 1,300 companies in 39 emerging countries across five regions in 2013. The survey results and research were published in an ILO Global Report, *Women in Business and Management: Gaining momentum*, which was launched at an ILO conference in London in April 2015 attended by 30 companies, as well as other business organizations. A follow-up report on Asia and the Pacific offers region-specific data and information and was launched at a major regional conference in Singapore in July 2015, with participants including over 260 enterprise representatives, and representatives of employers' organizations and other organizations. A third event, on the situation in the Middle East and North Africa, was held in Oman in February 2016.
17. In the area of **occupational safety and health**, the Office has received donor approval for the Safe and Healthy Youth project and will begin project implementation in the pilot countries. In addition, the Vision Zero Fund, established by the G7 in cooperation with the ILO with the aim of preventing and reducing workplace-related deaths and serious injuries by strengthening public frameworks and establishing sustainable business practices, is expected to select a fund administrator by mid-February, who will begin working with the Steering Committee to set up processes for interested countries to submit project proposals. Both projects will involve private sector engagement during their implementation.

B. International initiatives on enterprise behaviour

18. Promotion of the **Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** emphasizes support for ILO national tripartite constituents in their engagement with multinational enterprises (MNEs) on decent work and national development priorities.⁴ The ILO facilitates dialogues with tripartite constituents and MNEs on decent work priorities, for example in Côte d'Ivoire on youth employment;⁵ in Zambia on increased MNE–SME linkages in the mining and construction sectors to stimulate local economic development and job creation; in Pakistan on workplace compliance and productivity in the sporting goods sector; and in Viet Nam in the electronics sector.
19. The ILO collaborates with other organizations that have instruments and frameworks guiding business behaviour. Such collaboration includes joint webinars on decent work topics with the UN Global Compact directly addressing enterprises; participation in the Global Compact's annual Private Sector Forum organized during the UN General Assembly; and roundtable discussions with Global Compact LEAD companies convened by the UN Secretary-General during the World Economic Forum meeting in Davos, Switzerland. The ILO is a member of several multi-stakeholder advisory groups of the OECD that develop sectoral due diligence guides for enterprises, and participates in the OECD's annual Global Forum on Responsible Business Conduct. The ILO collaborates with the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the Working Group on business and human rights in the organization of the annual Forum on Business and Human Rights as well as in its regional forums.

⁴ See GB.325/POL/9.

⁵ See www.ilo.org/empent/units/multinational-enterprises/WCMS_329520/lang--en/index.htm.

20. The **ILO helpdesk for business on international labour standards** is an Office-wide service that responds to requests from companies for expert advice on a free and confidential basis. The helpdesk answers questions from companies seeking to align their corporate policies and practices with international labour standards and to build good industrial relations, and advises them on specific challenges they might be facing. The helpdesk website provides businesses with access to relevant ILO tools, training and engagement opportunities for enterprises.

C. Building knowledge and outreach

21. The **ILO International Training Centre** develops a range of courses for enterprises, most of which are open to any enterprise, with others designed for an individual company. Approximately 850 participants from enterprises participated in courses in 2015, many from developing countries. The top training areas with participants from enterprises in 2015 were: enterprise development (350 participants); training methodologies (200); social dialogue and social protection (106); sustainable development/green economy (86); and labour standards (63). Additional training is conducted in the field: for example, an occupational safety and health train-the-trainer project in Bangladesh has reached 5,000 mid-level managers in 250 enterprises since July 2015. Additional training courses on industrial relations, corporate social responsibility and supply chains are expected to increase engagement with enterprises in 2016.
22. Since 2014, a series of **Enterprise Encounters** have been organized jointly by the Enterprises Department and ACT/EMP, where MNEs are invited to speak to ILO staff on current issues. To date, six companies from various regions and sectors have given presentations on a variety of topics, including green jobs, women in management, social dialogue, industrial relations, inclusive growth and cooperatives.

Recommendations for improving ILO engagement with the private sector

23. **Integrating private sector engagement throughout the Office:** The Enterprises Initiative and the strategy for wider ILO engagement with the private sector adopted by the Governing Body in March 2014 have established a clear policy objective and methodology for engaging with the private sector. However, it is also clear that the strategy has not yet been fully implemented throughout the Office, both in Geneva and in the field offices, and that ongoing efforts are required to ensure full implementation. Additionally, while some policy departments and field offices have considerable experience in engaging with the private sector, others have less experience in working with companies and could benefit from internal assistance and training to identify opportunities for engagement or partnerships.
24. **Knowledge sharing within the Office:** A key area for improvement is sharing information on private sector engagement within the Office to ensure that the Office as a whole and the constituents have a clear picture of where, when and how the ILO is engaging with companies. The ACT/EMP and ACTRAV registers of enterprises engaging with the ILO will play a key role in this regard; a pilot version of the ACT/EMP register will go live in early 2016.
25. **Improving external communication with enterprises:** Building on improved internal information sharing about ILO engagement with the private sector, and in consultation and cooperation with the social partners, the Office should develop more comprehensive communication materials setting out the many different ways that companies can work

with the ILO to support the goals of the Organization. Additionally, working in cooperation with the social partners, the Office should engage in more outreach to the private sector to raise awareness about opportunities for engaging with the ILO.

Draft decision

26. *The Governing Body requests the Director-General to:*

- (a) implement the recommendations for improving ILO engagement with the private sector, taking into account the guidance provided by the Governing Body; and***
- (b) submit a progress report on the implementation of the recommendations at its 332nd Session (March 2018).***