

# ILO PROGRAMME OF ACTION

## DECENT WORK IN GLOBAL SUPPLY CHAINS

Consolidated document for the ILO approach to decent work in global supply chains as requested by decisions to documents GB.328/INS/5/1 and GB.329/INS/3/2.

### Introduction

1. The Conclusions concerning decent work in global supply chains adopted at the 105th Session (2016) of the International Labour Conference (ILC) (the Conclusions) recognized that supply chains have contributed to economic growth, job creation, poverty reduction and entrepreneurship and can contribute to a transition from the informal to the formal economy. They can be an engine of development by promoting technology transfer, adopting new production practices and moving into higher value-added activities, which enhances skills development, productivity and competitiveness.
2. The Conference noted the important positive impact of supply chains on job creation in view of demographic changes relating to aging, population growth and the increase of women's participation in the labour market. Across the world, millions of young women and men are looking for opportunities to enter the labour market. Participation in global supply chains increases their chances of getting a foothold in the world of formal work, doing well for themselves and their families, and succeeding in life.
3. The Conclusions further indicated that failures at all levels within global supply chains have contributed to decent work deficits in the areas of occupational safety and health, wages, and working time, which impact on the employment relationship and the protections it can offer. Such failures have also contributed to the undermining of labour rights, particularly freedom of association and collective bargaining. Informality, non-standard forms of employment and the use of intermediaries are common. The presence of child labour and forced labour in some lower segments of some global supply chains is acute. Migrant workers and homeworkers are found in many global supply chains and may face various forms of discrimination and limited or no legal protection. In many sectors, women represent a large share of the supply chain workforce, disproportionately represented in low-wage jobs in the lower tiers; they are too often subject to discrimination, sexual harassment and other forms of workplace violence.
4. The Conclusions also stated that governments may have limited capacity and resources to effectively monitor and enforce compliance with laws and regulations. The expansion of global supply chains across borders has exacerbated these governance gaps.
5. Therefore, the Conclusions call upon the ILO (the Office) to develop a programme of action (the Programme) to address decent work in global supply chains through a comprehensive and coordinated framework for the consideration of the Governing Body. The main text of two separate documents, namely GB.328/INS/5/1 and GB.329/INS/3/2 are merged into the present document, as requested by GB.329/INS/3/2 decision.<sup>1</sup>

---

<sup>1</sup> Decision on the third item on the agenda: Matters arising out of the work of the 105th Session (2016) of the International Labour Conference

6. The Programme is designed to assist member States in making significant strides in reducing the governance gaps and decent work deficits in global supply chains, thereby strengthening the role of supply chains as engines of inclusive and sustainable growth. This would also contribute to the achievement of the Sustainable Development Goals (SDGs), particularly SDG 8 to “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The five-year programme, which capitalizes on the unique strengths of the ILO, starts in 2017 and continues through the next two biennia (2018–19 and 2020–21).
7. Consistent with the Conclusions, the Programme will pay particular attention to the ILO Declaration of Philadelphia (1944), the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998), the ILO Declaration on Social Justice for a Fair Globalization (2008), the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), and all relevant international labour standards, as well as the Conclusions concerning the promotion of sustainable enterprises adopted by the International Labour Conference at its 96th Session (2007), the Future of Work Initiative, and the inclusion of decent work in the 2030 Agenda for Sustainable Development (2030 Agenda). Special attention will be paid to sectors most involved in global supply chains, small and medium-sized enterprises (SMEs) and export processing zones (EPZs) as well as to the role of women and to vulnerable populations. This will also focus ILO action on countries with weak governance of labour institutions, thereby facilitating positive effects within domestic supply chains as well.
8. In addition, the Programme will follow the “Protect, Respect, and Remedy” framework outlined in the UN Guiding Principles on Business and Human Rights (UNGP) (2011). It will pay close attention to paragraphs 13 and 19 of the UNGP.<sup>2</sup>
9. The Programme complements three meetings called for by the Governing Body. In 2017 a tripartite meeting of experts will address decent work in EPZs. Second, a meeting (format to be determined) on cross-border social dialogue will take place in 2018. Third, a meeting (format to be determined) in 2019 will follow a midterm report by the Office pursuant to paragraph 25 of the Conclusions.

### The Programme’s architecture: five areas of action

10. The Programme has five areas of action that it will pursue. These are summarized below and described in more detail in the work plan.<sup>3</sup> Working intensively in each area, the ILO will aim to become a leader in the global effort to advance decent work in global supply chains as well as a knowledge and resource facility for social partners, governments, and a wide array of institutions who seek to engage meaningfully in this work. In addition to traditional means of action, the ILO will harness information technology and media tools to enhance its leadership role.
11. **First**, the Office will consolidate and further develop a strong knowledge base to help constituents to shape effective policies for achieving decent work (Knowledge generation and dissemination). **Second**, the Office will deliver targeted services, to governments to strengthen their institutional capacity to enforce compliance with national labour laws and international labour standards, to enterprises to help them develop greater capacity to create and maintain decent working conditions, and to both the social partners to engage in effective industrial relations and social dialogue to advance decent work (Capacity building). **Third**, the Office will work with the tripartite constituents to take the lead in advocating for decent work in supply chains at the national, sectoral, regional and international levels, focusing on ratification and implementation of freedom of association and collective bargaining Conventions and other key international labour standards (Effective advocacy for decent work in global supply chains). **Fourth**, using its increased

---

<sup>2</sup> See Annex III

<sup>3</sup> See Annex I

knowledge about what works, the Office will assist member States to develop and implement a targeted mix of policies for reducing decent work deficits at country level (Policy advice and technical assistance). **Fifth**, the ILO will intensify its work with United Nations agencies, multilateral institutions, and other international forums and global supply chain actors in the context of the 2030 Agenda to develop and promote coherent policies that advance decent work in global supply chains (Partnerships and policy coherence).

## **Action areas of the ILO programme of action 2017–21**

### *Action area 1: Knowledge generation and dissemination*

**Objective:** *Timely and effective generation of evidence-based knowledge and the establishment of a knowledge and research capacity to support and promote strategies to achieve decent work.*

12. The International Labour Conference recognized that “Global supply chains are complex, diverse and fragmented”. Promoting decent work in global supply chains requires better understanding of how supply chains operate, how they are evolving, the relationships among enterprises along the chain, and the challenges of improving working conditions there. The ILO needs to ensure that its research agenda can answer these questions.
13. A central resource and knowledge facility will house the results of such new ILO research and showcase them to the tripartite constituents and external partners so they become the basis for coherent policies and interventions addressing decent work challenges in global supply chains.
14. Assessing decent work in global supply chains also requires that the ILO monitors the impact of the Programme. In this respect, the ILO can develop a list of key components to help measure that impact. This will be done in cooperation with the constituents.
15. Achieving decent work in supply chains requires more and better data. In order to generate equal opportunities and treatment for all women and men and eliminate discrimination in supply chains, the programme will, as a priority, produce disaggregated data based on age, gender, ethnicity, indigenous identity and disability.
16. ILO programmes and activities produce a wealth of useful data and knowledge on what works in enterprises and countries. It is essential to forge strong links between practice and research and utilize this data and lessons learned for ILO’s policy advice and technical assistance to the constituents.

### *Action area 2: Capacity building*

**Objective:** *Improved capacity of tripartite constituents to engage in successful sustained efforts at the national, sectoral, regional and international levels to advance decent work in global supply chains.*

17. Making tangible progress in a five-year period requires a heavy investment in strengthening the capacity of the tripartite constituents. Therefore, by means of well-established development cooperation interventions and newly established (or launched) ones such as the Vision Zero Fund, the Programme will deliver new technical assistance, including evidence-based training that assists constituents to better understand the root causes of decent work deficits in global supply chains. This will facilitate strategic action on their part that achieves results.

18. Capacity building will lay the foundation for promotion of ratification and implementation of key international labour standards that have the greatest impact on achieving decent work, paying particular attention to freedom of association and collective bargaining and other fundamental Conventions, safety and health Conventions, governance Conventions and relevant sectoral instruments. The Programme will work with governments to match gaps in enforcement capacity and labour market institutions with specific decent work deficits in domestic enterprises along the supply chain and provide technical assistance to close those gaps. Programmes will assist national enterprises as well as multinational enterprises at all points along the supply chain to develop the ability to create and maintain decent work conditions and will build leadership capacity among the social partners to engage in social dialogue that pinpoints barriers to improving working conditions and come up with sustainable solutions. This will enable them to address specific challenges in global supply chains, including in EPZs. The importance of focusing across entire supply chains, as well as on individual segments, will be emphasized.
19. The Office will anchor training programmes in evidence-based research showing what works, including lessons learned from major development cooperation programmes. Research will enable the Office to develop capacity-building programmes aimed directly at specific national circumstances. These include the country's level of development, the presence of EPZs, the degree of informality, sectors along the supply chain, the needs of SMEs, and challenges as well as opportunities faced by women and men.
20. The specific outputs described in the appendix under the capacity building area of action will be delivered by the Office in close collaboration with the International Training Centre of the ILO in Turin and with regional training centres with whom the ILO has institutional agreements/working arrangements, as appropriate.

### *Action area 3: Effective advocacy for decent work in global supply chains*

**Objective:** *Effective dialogue and action by the ILO and its constituents to advance decent work in global supply chains.*

21. The Office will develop focused advocacy and communications materials centred on key policy messages. These materials will be formulated on the basis of the Conclusions, as well as existing and new evidence and research, and in consultation with the constituents. These tools will target key audiences through partnerships with global media channels, social media, and relevant knowledge networks.
22. This action area will promote effective national and cross-border social dialogue, thereby respecting the autonomy of the social partners. When social partners decide to negotiate international framework agreements, the ILO can support and facilitate the process, on joint request, and assist in the follow-up process, including monitoring, mediation and dispute settlement where appropriate. Furthermore, the ILO will undertake research on the effectiveness and impact of cross-border social dialogue.
23. The Conclusions noted the specific challenges in supply chains within EPZs. The Office will implement any actions recommended by the 2017 Tripartite Meeting of Experts on EPZs, including, if called for, a coordinated action plan to promote decent work in EPZs. Similar materials could be developed with respect to challenges faced by women, migrant workers, and vulnerable populations in supply chains. As evidence develops with respect to other challenges, the Programme could design specific advocacy campaigns around them.
24. Dialogue and action to promote the ratification and implementation of international labour standards relevant to decent work in global supply chains will form the core of these key advocacy messages and they will also be delivered via Decent Work Country Programmes. Promotional

campaigns for the ratification and effective implementation of fundamental principles and rights Conventions will be reinforced, including focusing on freedom of association and collective bargaining as critical enabling rights to addressing governance gaps in global supply chains.

25. Training programmes will further build broader leadership capacity among governments and the social partners to advocate effectively for decent work in global supply chains. In addition to core messages about the need for decent work to achieve sustainable growth, the training will focus on the concrete issues encountered in specific global supply chains at country level and at the international level to make the training more salient.

#### *Action area 4: Policy advice and technical assistance*

**Objective:** *Recognition of the ILO leading a global centre of excellence in developing and implementing coherent policies, strategies and programmes to promote decent work in global supply chains.*

26. The Conclusions assign governments, social partners and enterprises' different but complementary responsibilities in promoting decent work in global supply chains and directs the ILO to provide policy advice and technical assistance to them. Based on the results of its research, including lessons learned from the wide range of programmes already implemented by ILO constituents and the Office, the Programme will develop more strategic and coherent policy advice and technical assistance. An increased resource and knowledge capacity (see area of action 1) will play a key role in promoting these products at national, sectoral, regional and international levels.
27. Through the Programme, the ILO will provide policy advice and technical assistance to constituents to enable them to maximize their impact in addressing decent work deficits and governance gaps. For example, advice will be provided to labour administration and inspection institutions on how to promote compliance across global supply chains, in particular in lower tiers where informality may be prevalent. In addition, policy advice and technical assistance will respond to the needs of enterprises for support in continuing to develop and maintain decent working conditions as well as focus on how to establish or strengthen cross-border social dialogue.
28. ILO will scale up the promotion of the revised MNE Declaration and of its operational tools such as the Helpdesk for Business (the one-stop-shop for enterprises and social partners coming to the ILO for guidance on international labour standards), taking full account of the communications strategy that the GB in March 2017 requested the Director-General to put in place. The Helpdesk could provide information on specific country situations, laws and regulations, including on the implementation of labour standards, and enhance its individual expert advice. Its public website will include a new section on decent work in global supply chains to disseminate a broad range of technical assistance to enterprises and assist them in performing due diligence. The Helpdesk will thereby become a key feature of the proposed enhancement of the ILO's knowledge and resource capacity.
29. The Programme will review ILO development cooperation programmes in global supply chains and related work in order to extend their reach and increase their scope. In addition, the ILO will explore and initiate new programmes in selected economic sectors.

#### *Action area 5: Partnerships and policy coherence*

**Objective:** *Coherent strategies for advancing decent work in global supply chains by global and regional partners incorporated in their overall agenda, policies and programmes.*

30. The Programme must position the ILO at the centre of the global effort to achieve decent work in

supply chains by working to incorporate its policy frameworks into those of major international organizations and entities such as the United Nations (UN), Organisation for Economic Co-operation and Development (OECD), the World Bank Group (WBG), the Group of Seven (G7), the Group of Twenty (G20), and the association of the governments of Brazil, Russian Federation, India, China and South Africa (BRICS).

31. New partnerships with organizations and networks that play a significant role in the global supply chains in specific sectors need to be identified and established.
32. In March 2017, the ILO Governing Body unanimously adopted a revised version of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration) taking into account, the outcomes of the International Labour Conference's discussion on decent work in global supply chains.<sup>4,5</sup>
33. The Office will continue to play a lead role in ensuring coherent implementation of the labour and employment components of key inter-governmental instruments and frameworks, notably the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.
34. The Programme will step up the ILO's collaboration with the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) building on existing joint research and capacity-building collaboration. The Office will also work more intensively with international and regional financial institutions to foster investments in inclusive and sustainable supply chains that advance decent work.
35. At the regional level, the Office will continue to work closely with the European Union on trade and development initiatives that are aimed at advancing decent work and environmental sustainability in global supply chains. The Office will also expand its collaboration with key sub-regional organizations, such as the East African Community (EAC), the Southern African Development Community (SADC), the Association of Southeast Asian Nations (ASEAN), the South Asian Association for Regional Cooperation (SAARC), the Caribbean Community (CARICOM) and the Common Market of the Southern Cone (MERCOSUR).
36. At the national level, ILO offices will provide support to the tripartite constituents to engage effectively in policy dialogue with key ministries as well as other national and international actors in the formulation, revision and implementation of coherent supply chain policies. The adoption of the 2030 Agenda and the elaboration of new national sustainable development strategies offer an important opportunity for the Office and the tripartite constituents to place decent work at the centre of social, environmental and economic policies, and to foster policy coherence and partnerships to promote decent work in specific sectors and supply chains. In turn, this will generate significant spill-over effects on national labour markets.
37. The Programme will update a recent analysis of other organizations' approaches to global supply chains<sup>6</sup> and also convene an inter-agency meeting of experts to identify opportunities for greater policy coherence and innovative partnerships to advance decent work in global supply chains.
38. The below describes some of the most important key steps in the following years and leads from the five areas of action into the more detailed work-plan for the programme.

---

<sup>4</sup> The Conclusions, paragraph 24

<sup>5</sup> Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration) - 5th Edition (March 2017)

<sup>6</sup> ILO: Multilateral approaches to global supply chains, Geneva, 2016.

## Intervention points

39. Although the Programme targets decent work in global supply chains, ILO action will take place both at the national level as well as at the international level. The Programme will seek to understand how these interventions influence each other in order to maximize the outcome of the overall effort. For example, ILO action at enterprise levels in a particular global supply chain in a source country might yield important policy lessons for national policy-making; likewise, increased enforcement of laws at the national level will likely have an effect on compliance, including in relevant enterprises that are part of a global supply chain. In addition, strengthening government capacity will affect domestic enterprises as well as those that operate in global supply chains.

## Roadmap for 2017 – 18

40. As advised by the Governing Body in October 2016, the Office will prioritize the first two areas of action in 2017-18: knowledge generation and dissemination and capacity building. Selected elements from the other three areas of action will also start in order to ensure smooth progress over five years and to ensure logical sequencing among all five areas of action. The following steps in the roadmap are suggested in order to move through the stages of the theory of change and to achieve the desired results.

### 41. Specific steps:

- Evidence-based selection of specific (maximum four) sectoral global supply chains in April 2017;
- Mapping of those supply chains from primary producers (countries) to end users (consumers);
- Identification (together with ILO regional offices) of a number of Member States where the country-level activities of the Programme will take place. Criteria to be used are:
  - Countries where evidence suggests significant decent work deficits in the sector
  - Countries with a political commitment to work together with the Programme
  - Countries with strong and well-established ILO presence
- Implementation of the ILO global supply chains research and knowledge agenda;
- Implementation of the ILO global supply chains capacity building components.
- Implementation of initial components from other areas of action in the Programme;
- Organize in 2017 a tripartite Meeting of Experts to identify possible action to promote decent work and protection of fundamental principles and rights at work for workers in export processing zones (EPZs);
- Organize in 2018 a meeting on cross-border social dialogue, as called for in the 2013 International Labour Conference Conclusions on the recurrent discussion on social dialogue, to address decent work in global supply chain issues, including human rights due diligence.

## Roadmap for 2019 – 21

### 42. Specific steps:

- Midterm stocktaking and continued implementation of all five areas of action;
- Organize in 2019 a meeting following a midterm report by the Office pursuant to paragraph 25 of the 2016 International Labour Conference Conclusions concerning decent work in global supply chains
- Preparation of midterm report (based on progress measurements) and presentation to the Governing Body in November 2019;
- Final consolidated assessment of progress of the Programme, last three months of 2021;
- Preparation of final report and presentation to the Governing Body in October 2022.

## Theory of change underpinning the Programme of Action for Decent Work in Global Supply Chains<sup>7</sup>

43. The Programme, anchored in the core pillars of the Decent Work Agenda, aims to create change in a number of critical areas over a period of five years (2017-21), based on the analysis of the current situation within global supply chains as described by the Conclusions. (Box: THE CURRENT SITUATION).
44. Interventions to address the situation will occur in five areas of action: **1/** Knowledge generation and dissemination, **2/** Capacity building, **3/** Effective advocacy for decent work in global supply chains, **4/** Policy advice and technical assistance and **5/** Partnerships and policy coherence.<sup>8</sup> (Box: THE INTERVENTION). The Programme's critical technical components were identified by the Conclusions in June 2016 and endorsed by the Governing Body in October 2016.<sup>9</sup>
45. The work plan (see Annex I) streamlines these components to eliminate duplication or lack of coherence; adds concrete steps to show how the Programme will achieve the components; and organizes the components according to the logic among the five areas of action in order to prioritize them.
46. The theory of change assumes that if the Programme undertakes the actions as reflected in the five areas of action, changes will occur in the situation described by the Conclusions (Box: CRITICAL ASSUMPTIONS) and the impact and results will follow (Box: CHANGES). Collectively, these changes will contribute to a reduction in decent work deficits in global supply chains. (Box: THE FUTURE SITUATION).

### Work Plan (Annex I)

The document GB.328/INS/3/2 (October 2016) contained an appendix with an activity matrix. This Matrix set forth nine technical areas of action based on paragraph 23 a – i of the Conclusions. For each of these technical areas, the Matrix listed specific deliverables and a timetable for action. Each deliverable was tiered numbered in ascending order. The Matrix also linked each deliverable to one of the five “areas of action” that the Office had identified for the Programme. Between October 2016 and March 2017, the technical teams at the ILO further refined this Matrix.

Acknowledging the 328<sup>th</sup> Session of the Governing Body's recommendation to prioritize areas of action 1 (Research and Knowledge Generation) and 2 (Capacity Building), this work plan was re-organized according to the five areas of action (from its original format as per the nine technical areas), to present a sequenced and logical approach. The specific deliverables from the earlier version now appeared according to their area of action (and indicated its original number on the Matrix). Each deliverable was further broken down into key activities, each one having a timetable. This work plan was attached to document GB.329/INS/3/2 (March 2017).

In the consolidated document presented here, each deliverable now also shows the technical area from the Conclusions to which it corresponds in order to provide a clearer understanding of the link between the Conclusions and the work plan, as discussed at the 329<sup>th</sup> Session of the Governing Body.

<sup>7</sup> See Annex II for illustration

<sup>8</sup> GB328/INS/5/1

<sup>9</sup> Conclusions of the 105th Session of the International Labour Conference (2016) concerning decent work in global supply chains, 14-1/6 – 14-1/8, paragraph 23 a – i



## Measuring progress of the Programme

47. The Governing Body in October 2016 advised the ILO to focus on benchmarks which could measure progress of the Programme. In line with the theory of change, it is proposed to measure progress in each of the critical assumptions (see Annex II).

## Alignments

### *ILO Programme and Budget*

48. The Programme contributes directly to the implementation of the ILO Programme and Budget in the following ways:

	<b>Programme and Budget 2016/17</b>	<b>Programme and Budget 2018/19</b>
Outcome 1	Indicators 1.3, 1.4, 1.5	Indicators 1.4 and 1.5
Outcome 2	2.2 and 2.3	2.1 and 2.2
Outcome 3	3.1 and 3.3 and indirectly 3.2	3.1,3.2 and indirectly 3.3
Outcome 4	All three indicators	4,3 and three others indirectly
Outcome 5	All three indicators depending on link to global supply chains	5.2 and indirectly others depending on link to global supply chains
Outcome 6	Indirectly all three indicators	6.1 and indirectly 6.2 and 6.3
Outcome 7	All three indicators	All three indicators
Outcome 8	All three indicators depending on link to global supply chains	All three indicators depending on link to global supply chains
Outcome 9	9.2	All three indicators depending on link to global supply chains
Outcome 10	All three indicators (both workers and employers)	All three indicators (both workers and employers)
Outcome A	A2 and A3	All three indicators depending on link to global supply chains

All four cross-cutting policy drivers in the Programme and Budget 2018/19 will be integrated throughout the Programme, wherever relevant.

### *The 2030 Agenda for Sustainable Development*

49. Decent work is an important component of the 2030 Agenda. The Programme will contribute to several of the Agenda's goals and targets, including the global goals of promoting sustainable economic growth and productive employment (Goal 8), building inclusive and sustainable industries (Goal 9), reducing inequalities (Goal 10), ensuring sustainable production and consumption (Goal 12), and strengthening partnerships for sustainable development (Goal 17).

## Management arrangements

50. The Programme is intended as a coordinating framework for the ILO's work on decent work in global supply chains in order to provide a focused and targeted 'One ILO' approach to the issues. The Office of the Deputy Director-General for Policy will manage the Programme with a team that includes representatives from the relevant technical programmes and departments, International Training Centre of the ILO in Turin and selected country offices (as relevant). Each ILO regional office will nominate a designated global supply chain focal point. Existing flagship programmes, other development cooperation projects, activities and research projects that address global supply chains will contribute to the Programme, regardless of whether they operate at country, regional or

global levels. New projects and activities will be developed to fill the gaps. To this end, a timeline of the proposed activities is presented in the attached work plan (see Annex I).

51. A midterm report will be presented to the Governing Body in October 2019 and a final report to the Governing Body in October 2022. The Programme will report its results through the biannual Implementation Report of the ILO Programme and Budget.

## **Annexes**

- |                  |          |   |
|------------------|----------|---|
| <b>Annex I</b>   | <b>:</b> | <b>Programme of Action work-plan</b>  |
| <b>Annex II</b>  | <b>:</b> | <b>Theory of change underpinning the Programme of Action for Decent Work in Global Supply Chains</b>                        |
| <b>Annex III</b> | <b>:</b> | <b>United Nations Guiding Principles on Business and Human Rights (UNGPs) approach to global supply chains</b>              |
| <b>Annex IV</b>  | <b>:</b> | <b>Conclusions concerning decent work in global supply chains adopted at the 105<sup>th</sup> Session (2016) of the ILC</b> |