

Multilateral approaches to Global Supply Chains

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Acronyms and Abbreviations

AfDB	African Development Bank
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ARTNeT	Asia-Pacific Research and Training Network on Trade
B20	Business20
BSR	Business for Social Responsibility
CFS	Committee on World Food Security
CSR	Corporate Social Responsibility
DCED	The Donor Committee for Enterprise Development
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FTA	Free Trade Agreements
G7	Group of Seven
G20	Group of Twenty
GDP	Gross Domestic Product
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI	Global Reporting Initiative
GSC	Global Supply Chains
GTFP	Global Trade Finance Program
GVC	Global Value Chains
IBRD	International Bank for Reconstruction and Development
IDH	The sustainable trade institute

IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILC	International Labour Conference
ILO	International Labour Organization
ILS	International Labour Standards
IOE	International Organisation of Employers
ISO	International Organization for Standardization
ITC	International Trade Centre
ITUC	International Trade Union Confederation
L20	Labour20
MNE	Multinational Enterprises
NCP	National Contact Point
OECD	Organisation for Economic Co-operation and Development
OSH	Occupational safety and health
P4P	Purchase for Progress
RBC	Responsible Business Conduct
SAI	Social Accountability International
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs
SFVCD	Sustainable food value chain development
SME	Small and medium-sized enterprises
TiVA	Trade in Value-Added
TTIP	Transatlantic Trade and Investment Partnership
UN	United Nations
UN CEB	UN Chief Executives Board for Coordination
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme

UNECA	UN Economic Commission for Africa
UNECE	UN Economic Commission for Europe
UNECLAC	UN Economic Commission for Latin America and the Caribbean
UNEP	United Nations Environmental Programme
UNESCAP	UN Economic and Social Commission for Asia and the Pacific
UNESCWA	UN Economic and Social Commission for Western Asia
UNIDO	United Nations Industrial Development Organization
UN VCD Group	UN Value Chain Development Group
USAID	United States Agency for International Development
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WBG	World Bank Group
WFP	World Food Programme
WTO	World Trade Organization

1. Introduction

This comparative desk study examines how other key multilateral organizations approach the topic of Global Supply Chains (GSC) in order to:

- i. help define the comparative advantage/added value of the ILO;
- ii. provide an input for the report for the general discussion of decent work in global supply chains at the 105th Session of the International Labour Conference (ILC) in 2016; and
- iii. explore potential partnerships and follow-up actions after the ILC discussion.

The paper was prepared by Malte Drewes and Casper N. Edmonds for the ILO's Multilateral Cooperation Department with valuable contributions from the ILO's Departments for Employment Policy, for Enterprises, and for Sectoral Policies.

The key multilateral organizations analysed in this desk study have been subdivided into key economic institutions (chapter 2), agencies of the United Nations (UN) system (chapter 3), and regional organizations (chapter 4), as well as other organizations working with the multilateral system. The latter have in turn been subdivided into development partners (chapter 5) and initiatives involving businesses (chapter 6). The selection of organizations does not claim to be exhaustive. Yet, based on advice from experts in the ILO Departments for Enterprises, for Multilateral Cooperation and for Sectoral Policies, the report covers most of the most important international and regional organizations. It also includes development partners and selected business organizations beyond the key economic institutions and the UN system to reflect the wide range of organizations currently working on GSCs.

Concise agency descriptions are followed by a concluding chapter (chapter 7) that summarizes the work by the various organizations in the following four areas: (i) knowledge and research, (ii) governance instruments, (iii) assistance in socio-economic upgrading, and (iv) advocacy.

2. Key economic institutions

2.1 World Trade Organization

Historically, the World Trade Organization (WTO) has aimed at lowering trade barriers and at creating a predictable and transparent rules-based trading system. The organization has played a key role in facilitating economic integration, creating new trade and investment opportunities that have led to more open economies as well as to an unprecedented range and reach of Global Value Chains (GVCs).

The WTO continues to promote this policy. In December 2013, WTO member States adopted the “[Bali Package](#)” of ministerial declarations and accompanying decisions, confirming their commitment to the completion of the on-going and difficult Doha Round of trade negotiations. The “[Bali Trade Facilitation Agreement](#)” contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

Complicated negotiations of the Doha Round have led to a shift towards greater regionalism in trade agreements. In the past few decades, regional and bilateral trade agreements and/or preferential trade programmes have gained momentum, and are in some instances not aligned with agreed WTO rules.

The WTO has stepped up research and data collection to study and better understand the implications of GVCs. For instance, the [ILO and WTO are conducting joint research](#) on the employment impact of trade and value chains. The “[Made in the World](#)” initiative has been launched to deepen analyses on supply chains and better inform the political debate. The WTO, together with the Organisation for Economic Co-operation and Development (OECD), has started a closely linked “[Trade in Value-Added \(TiVA\)](#)” initiative to better inform policy makers by providing new insights into the commercial relations between nations. The main objective of this initiative is to develop [value-added indicators](#) that capture the value added by each country in the production of goods and services that are consumed worldwide. Indicators are developed based on input-output tables to determine buying and selling activities.

Another important activity with regard to supply chains is the “[Aid for Trade](#)” initiative. This WTO-led initiative supports developing countries to participate in international trade. In particular, the WTO seeks to mobilize resources to address challenges identified by developing and least-developed countries that make it much harder and most costly for their businesses and small and medium-sized enterprises (SME) to trade. The new WTO-OECD report, “[Aid for Trade at a Glance 2015: Reducing Trade Costs for Inclusive, Sustainable Growth](#)”, highlights how “high trade costs prevent a large number of developing countries from fully exploiting the opportunities that the global market offers. Consequently, they fall short of realising the employment, development and growth potential from trade.” Since the start of the Aid-for-Trade Initiative, development partners have disbursed a total of US\$246.5 billion in official development assistance and an additional US\$190 billion in other official flows for financing trade-related programmes in developing countries.

The WTO is the key player to set rules and best practices for international trade, hence significantly determining GVC development. The work is based on extensive research and data analysis, and WTO’s technical assistance to reduce trade costs and build trade capacity is also increasing.

2.2 G20

The Group of Twenty (G20) approaches GVCs in the context of growth and trade. Meeting at the Saint Petersburg Summit in September 2013, the G20 noted “the importance of better understanding the rapid expansion of global value chains (GVCs) and impacts of participation in GVCs for growth, industrial structure, development and job creation.” The promotion of economic integration, job creation and resilience against financial crises continued to be major streams of work throughout 2014 under the Australian Presidency.

During the Australian presidency of the G20, the OECD, WTO and the World Bank Group (WBG) prepared the report “[Global Value Chains: Challenges, Opportunities, and Implications for Policy](#)” for submission to the G20 Trade Ministers Meeting in Sydney, on 19 July 2014. The report notes that:

“It is important to stress that while open markets are crucial, alone they are insufficient. GVCs also need to be complemented with appropriate and wide-ranging policy frameworks that allow countries and firms to capitalize on their existing productive capacities and spill over benefits from foreign investment, knowledge, and innovations. These include labour market policies, social policies and competition policies as well as policies for investment in education, skills, technology and strategic infrastructure.”

The G20, recognizing the importance of GVCs, constantly engages in the discussions on this topic. For instance, in May 2014, the G20 Australian Presidency-OECD [Stocktaking Seminar](#) on Global Value Chains was organized. A wide range of stakeholders gathered in Paris to analyse the impact of GVCs with regard to its influence on trade, economic growth, development, job creation and distribution of added value, notably in developing countries.

In 2013, the OECD together with WTO and the United Nations Conference on Trade and Development (UNCTAD) jointly published the paper for the G20 Leaders Summit “Implications of Global Value Chains for Trade, Investment, Development and Jobs” for the 2013 Saint Petersburg Summit. The report underlined major trends in GVCs, such as that the increased interdependence between States has led to more jobs and growth, and that the expansion of GVCs is mainly driven by multinational enterprises that coordinate 80 per cent of the global trade. While the authors argue that trade and liberalization policies have contributed to development, it is also recognized that such policies put pressure on many economies, and that complementary and appropriate policy frameworks and strengthened capacities are required to enable fair access to and equitable benefits from supply chains.

In 2011, the inter-agency working group on the private investment and job creation pillar of the G20 multi-year action plan for development (UNCTAD, UNDP, ILO, WBG, OECD) published a report entitled “[Promoting standards for responsible investment in value chains](#)” for the High-Level Development Working Group. The report aimed to “identify, enhance as needed, and promote the best existing standards (developmental, social and environmental) for responsible investment in value chains and voluntary investor compliance with these standards”. The report provides an interesting overview of intergovernmental and private standards, including the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (ILO MNE Declaration), OECD Guidelines for Multinational Enterprises (OECD Guidelines), the Ten Principles of the UN Global Compact, and the ISO26000 standard developed by the International Organization for Standardization (ISO) and others (more information in the respective sections below).

To foster positive effects of economic integration through GVCs, the above mentioned report from 2013 prepared for the G20 Leaders Summit identified a number of policy implications. In particular, it highlighted the importance of the WTO-led “Aid for trade” initiative, the need for country-specific strategies, the respect for human rights and ILO labour standards as well as complementary, well-designed social and labour market policies. The report has further elaborated on the potentially positive implications for developing countries, outlining the potential long-term benefits that result from active participation in GVCs provided that domestic production capacities are strengthened.

In this regard, one of the priorities of the G20 Turkish Presidency in 2015 was the need for “inclusive and robust growth throughout collective action”, and particularly by fostering supply chain participation of small and medium-sized enterprises in developing countries. Initiated in December 2014, the G20 has adopted a “[G20 Framework for Inclusive Business](#)” based on a market approach to poverty reduction.

The Business 20 leaders (B20) have actively contributed to the work of G20 on value chains. In the recent report “[Driving Growth and Jobs](#)”, the B20 sets out several policy recommendations to the G20, notably highlighting the need to “develop country-specific supply chain strategies and address supply chain barriers through domestic regulatory reform and infrastructure investment”.

The Labour 20 (L20) also participated in the debate, particularly focusing on social upgrading, workers’ rights and safe workplaces in GVCs as essential steps towards social and economic justice, fair remuneration and the implementation of [ILO’s Decent Work Agenda](#).

The G20 countries are particularly interested in inclusive and robust growth. The G20 is also interested in a structured approach to enforce regulation and compliance with international standards in GVCs based on guidance from the “[OECD Policy Framework for Investment](#)” and the “[UNCTAD Investment Policy Framework for Sustainable Development](#)”. GVCs have been on the agenda for several years and the G20 is expected to continue to discuss GVCs in the future, particularly since Germany has placed sustainable supply chains on the agenda of the Employment and Labour Ministerial Meeting in Berlin on 18 and 19 May 2017 during its presidency of the G20 next year.

2.3 G7

The Group of Seven (G7) policy on GVCs is broadly in line with that of the WTO and the G20. This rules-based approach aims to promote free circulation of goods and services in the multilateral trading system.

The Elmau G7 Summit in June 2015 in Germany focused on the global economy. Retail and supply chain standards were one out of four priority areas that were addressed at the meeting. The discussion particularly revolved around sustainable economic growth and free trade. In preparation for the G7 summit, the German Government organized a meeting on “Promoting Decent Work worldwide through sustainable supply chains”, held in March 2015 in Berlin. The discussion revolved around the need to enforce internationally agreed labour, social and environmental standards in GVCs.

Under the auspices of the German Federal Ministries for Economic Cooperation and Development and for Labour and Social Affairs, the meeting gathered high-level representatives from Governments, economic institutions and the UN, experts from academia, the private sector as well as from workers’ and employers’ organizations. The Director-General of the ILO and the heads of the WBG and OECD joined Ministers from

France and Bangladesh as well as the General Secretary of the International Trade Union Confederation (ITUC), Ms Sharan Burrow and Ms Renate Hornung-Draus, Vice-President for Europe of the International Organisation of Employers (IOE). The discussion was devoted to identifying the role of different actors in supply chains, notably with regard to improved public policies, consumer behaviour and Corporate Social Responsibility (CSR). The meeting addressed a wide variety of topics including accidents at work, capacity development in producing countries, SMEs, complaint mechanisms, consumers' choices and multi-stakeholder networks for social and environmental standards.

In June 2015, the Group of Seven endorsed the [G7 Summit Leaders' Declaration](#). The section on trade requests the international community to implement the WTO Bali package. Another section focused on responsible supply chains, highlighting the importance of occupational safety and health (OSH). By referring to various standards and guidelines, including the UN Principles on Business and Human Rights as well as ILO and OECD standards, the declaration stresses the important role of the G7 in promoting International Labour Standards (ILS) and “decent working conditions and environmental protection in global supply chains”. The document focusses on safe and sustainable GVCs, most notably regarding SMEs in the garment sector. The creation of an ILO-led “Vision Zero Fund” was supported to foster health and safety measures at work as well as sustainable business practices. The action will be enforced based on the implementation of labour, social, environmental and safety standards in GVCs.

2.4 World Bank Group

International Bank for Reconstruction and Development

The World Bank's approach to supply chains is closely linked to the WBGs twin goals of poverty reduction and shared prosperity. Technical assistance and targeted interventions focus on trade policy, trade facilitation, investment policy, the domestic business environment, innovation and entrepreneurship. In its recent restructuring, the Bank created a new “global practice” on trade and competitiveness, one of 14 global practices, and much of its supply chain work will be centred in this practice. A Global Solutions Group was created to bring together the expertise across the Bank around this practice. The World Bank's work on supply chain development is supported through a trade facilitation and logistics stream and five trade-related trust funds with total allocations of US\$122 million.

A key focus area for the International Bank for Reconstruction and Development (IBRD) is to address supply chain barriers as obstacles to growth. The report “[Making Global Value Chains Work for Development](#)” from 2014 is an attempt to apply fresh thinking “to the GVC revolution and its implications for policy and development”. The strategic policy framework part of the report focuses not only on attracting foreign direct investment and facilitating domestic firms' entry into GVCs, but it also looks at ways of promoting economic upgrading and densification as well as promoting social upgrading and cohesion. Among many others, the report attempts to answer such strategic questions as “which type of economic upgrading, densification, and social upgrading can countries pursue?” and “what is the relationship between economic upgrading, social upgrading, and social cohesion?”

The World Bank is considering including the monitoring of primary supply chains in the ongoing revision of its safeguards to protect the poor and the environment in all its investment projects. The World Bank is also implementing projects that are specifically focused on promoting responsible supply chain management. For instance, in May 2014, the World Bank Institute and Sedex Global entered into a partnership to develop an “[Open Supply Chain Platform](#)”. This initiative addresses global gaps in the availability and visibility of responsible supply chain data. In addition, the Bank is currently developing a toolkit aiming at "Making Global Value Chains work for development". At the 2015 WBG Spring Meetings, one event revolved around "Building African Participation in Global Value Chains".

In general, with a new flagship report on GVCs, the first produced under its new Senior Director for the Global Practice on Trade and Competitiveness, the IBRD takes a broader look at the impact of supply chains on sustainable development, prosperity and social cohesion.

International Finance Corporation

The International Finance Corporation (IFC) has actively invested in and implemented several trade and supply chain initiatives in developing countries for years, and the IFC is a partner of the ILO in the [ILO-IFC Better Work programme](#). Better Work seeks to improve productivity and working conditions in the garment and textile industry in eight countries. The sustainable and multi-dimensional project design enables factory workers to benefit from improved rights at work, OSH, and workplace quality. The programme collaborates with international buyers at global and country level as well as with the tripartite constituents of the ILO and end beneficiaries at factory level to facilitate fair participation in global supply chains.

The IFC primarily supports companies in emerging economies to receive much-needed financial resources and facilitates access to markets. IFC’s SME and Value Chain team provides solutions to private sector clients – Including many IFC investment clients – that improve their financial sustainability; improve the way their products and services reach customers; and strengthen and grow their value chains in emerging markets. By combining finance solutions with global sector knowledge, tools and approaches, IFC enables small businesses in the value chains of its clients to grow and increase their profitability, find new markets or integrate more effectively within existing markets. The work of the IFC is largely organized by economic sector. The IFC guide on “[Working with Smallholders: A Handbook for Firms Building Sustainable Supply Chains](#)” from 2013 provides more detailed information, notably focusing on agro-commodity companies to mitigate risks in their supply chains.

IFC’s “[Global Trade Finance Program](#)” helps emerging market companies’ access financing by strengthening local financial institutions to partner with international banks, thus facilitating the flow of trade credits into less competitive markets. The portfolio of sectors benefiting from the programme ranges from health equipment to energy machineries. In 2011, the Global Trade Finance Program financed over US\$ 6.7 billion in trade flows, with over 75 per cent of guarantees covering imports and exports by SMEs. Other investment programmes include the “[Critical Commodities Finance Program](#)”; “[Working Capital Systemic Solutions](#)”; “[Structural Trade Commodity Finance](#)”; “[Global Warehouse Finance Program](#)”; “[Global Trade Supplier Finance](#)”; and “Distributor finance”.

In this regard, IFC has established a set of criteria based on which the corporation ensures the sustainability of its investment and advisory projects. [Eight Performance Standards on Environmental and Social Sustainability](#) have been formulated, which require IFC's investment clients to identify, avoid, mitigate, and manage environmental and social risks and impacts as a way of conducting sustainable business. There is a [stand-alone performance standard on labour and working conditions](#) (PS2) that references ILO standards. The Performance Standards were updated in 2012, with input from the ILO and other stakeholders, to reflect the evolution in good practice for sustainability and risk mitigation since their introduction in 2008. The update incorporated modifications on several challenging issues that are increasingly important to sustainable businesses, including supply-chain management, resource efficiency and climate change, and business and human rights. The updated Performance Standards have become a model that other development banks, such as the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB) and African Development Bank (AfDB) have emulated.

In addition to its investment in supply chains, the IFC hosts the "[Let's Work Global Partnership](#)" that gathers 28 leading international and financial institutions, including the ILO, to conduct research on the role of the private sector to foster the creation of more and better jobs ([Vision 2016](#)). Country pilots analyse implications hampering the creation of new jobs. At the same time, Let's Work focusses on enhancing value chains, notably with regard to opportunities for SMEs, informal sector enterprises, women and youth.

In addition, in 2014 IFC organized a "[Trade & Supply Chain](#)" seminar for hundreds of investors, bankers, clients and other stakeholders in Washington, D.C. It is quickly becoming an important forum for supply chain practitioners to convene and discuss ways of investing in and promoting global supply chains.

IFC believes that by demonstrating the business case for sustainable supply chains, other investors, financial institutions and companies can be persuaded to move towards more sustainable and socially responsive supply chain practices. Overall, the WBG actively fosters international trade and supply chain development through a broad number of initiatives. The portfolio covers a wide range of investment programmes. Voluntary standards systems have been supported for some years to mitigate risks and to ensure sustainability.

2.5 Organisation for Economic Co-operation and Development

OECD has analysed the impacts of global value chains on national economies for several years. For instance, concerns that national industries may become less competitive were addressed at the 2004 Ministerial Council Meeting. Although the topic was high on the political agenda, the OECD noted a lack of systematic analyses and empirical studies measuring the trends and developments of outsourcing industrial production.

To respond to this need for better information, in 2007, the OECD Directorate for Science, Technology and Industry (today called Directorate for Science, Technology and Innovation) published a synthesis report entitled "[Staying Competitive in the Global Economy: Moving up the Value Chain](#)". The report was accompanied by a series of papers combined in "Staying Competitive in the Global Economy: Compendium of Studies on Global Value Chains". These reports provided not only information on global value chains but identified many of the key policy issues surrounding them.

In 2011, OECD published the report “[Global value chains: Preliminary evidence and policy issues](#)” emphasizing the need for context-specific policy advice as GVCs provide opportunities and challenges. OECD holds the view that a more integrated international economy implies positive benefits for workers and greater opportunities for women. However, challenges due to tariff and non-tariff barriers to effective participation have also been identified, for example in the 2013 report “[Interconnected economies: benefitting from global value chains](#)”.

Moving beyond OECD countries to the impact of GVCs on developing countries, a recent paper specifically focuses on “[Participation of developing countries in global value chains: Implications for trade and trade-related policies](#)”. The paper lists a number of policy and non-policy factors that influence a country’s integration in the global market based on empirical evidence from Asia, the Middle East, and Africa. In addition to non-policy elements such as the market size, level of development, industrial structure or location, participation in supply chains is determined by trade policy and logistical and infrastructure capacities as well as factors such as Foreign Direct Investment (FDI) openness, the quality of institutions, and intellectual property protection.

In general, OECD invests a significant amount of resources to study implications of value chains for a wide range of employment and social outcomes, including employment, skills and wages, and pays specific attention to the implications for developing countries. Overall, the narrative favours economic integration and liberal trade policies. Nonetheless, the Organisation has developed guidelines and policies that foster responsible supply chain management, some of which are closely connected to International Labour Standards.

The [OECD Guidelines for Multinational Enterprises](#) contain recommendations from governments to businesses operating in or from adhering countries, and cover all major areas of business responsibility: disclosure; human rights; employment and industrial relations; environment; combating bribery, bribe solicitation and extortion; consumer interests; science and technology; competition; and taxation. They reference both the ILO MNE Declaration and the ILO Declaration on Fundamental Principles and Rights at Work (1998). The update to the Guidelines in 2011 introduced a new approach to supply chain due diligence and also introduced the proactive agenda, which aims to promote the effective observance of the OECD Guidelines by enterprises, inter alia by providing guidance on how to carry out due diligence in specific sectors, throughout supply chains.

The OECD is currently engaged in the following five sectoral projects as part of this proactive agenda:

- The [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas](#) is the first government-supported sector-specific guidance. It was approved in 2011.
- The [OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector](#) was adopted in 2015.
- The [OECD-FAO Guidance for Responsible Agricultural Supply Chains](#) was officially launched on 11 March 2016.
- The [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#) will be finalized by the end of 2016.

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- The [project on RBC in the financial sector](#) seeks to bridge gaps in the understanding of the application of the OECD Guidelines in the financial sector.

All governments adhering to the OECD Guidelines are required to set up a National Contact Point (NCP) and provide sufficient human and financial resources to allow the NCP to function. NCPs should further the effectiveness of the OECD Guidelines. Their mandate is to promote the OECD Guidelines and respond to enquiries; contribute to the resolution of issues that arise relating to the implementation of the Guidelines by offering a forum for discussion and assist all relevant stakeholders to deal with the issues in an efficient and timely manner; and identify areas where additional guidance for enterprises is needed. NCPs receive and address complaints, in so-called “specific instances”, from individuals or organizations regarding issues that arise relating to the implementation of the Guidelines. They provide a non-judicial platform for dialogue and conflict resolution. Over 360 cases have been brought to NCPs since 2000.

In addition, OECD has been organizing an annual Global Forum on Responsible Business Conduct since 2013 to promote international dialogue on RBC. The 2016 Global Forum will discuss how to achieve actual impacts through better business practices, explore emerging issues in supply chains, and promote better contribution of the private sector to the achievement of Sustainable Development Goals.

Furthermore, the OECD is continuing to build its body of research regarding GVCs and trade policies. In 2012, the “[OECD Initiative on Global Value Chains, Production, Transformation and Development](#)” was launched to address new economic and policy challenges for development. The two main objectives are: (a) improving measurement and evidence on new trends in global organization of trade and production, and (b) identifying concrete policy recommendations to implement effective policies to promote development through better integration into GVCs. The initiative provided a peer learning space for collaborative policy-oriented research between OECD and non-OECD member States. Overall, 19 countries from different regions participated. As a member of the [Advisory Board](#) of experts, the ILO is actively involved to promote development by fostering participation and upgrading in GVCs.

The joint OECD-WTO Trade in Value-Added (TiVA) initiative addresses international trade issues by analysing the value added by each country in the production of goods and services that are consumed worldwide. To this end, a database was established to analyse participation in GVCs and their impact on development. First results were published in 2013, followed by an update in 2015. The database will continue to be updated with the aim of improving the quality and reliability of data as well as expanding the industrial and geographical coverage. Beyond a core set of [TiVA indicators](#), the underlying global Input-Output infrastructure has also been used to develop indicators of environmental impacts of globalization (e.g. CO₂ embodied in trade) and, more recently, the impacts on domestic jobs and skills (e.g. jobs engaged in production to meet foreign final demand).

OECD is also engaged in the Aid for Trade Initiative. For instance, the OECD in close cooperation with the Swedish government, the European Commission and the Overseas Development Institute, organized the [2013 Dialogue on Aid for Trade](#). The Dialogue aimed to strengthen the capacity of developing countries to benefit from economic integration and trade.

3. United Nations system

3.1 2030 Agenda for Sustainable Development

The [2030 Agenda](#) for Sustainable Development contains a set of 17 Sustainable Development Goals (SDG) and 169 targets that will guide development efforts for the next 15 years and beyond. Two SDGs focus on supply chains: SDG 9 on sustainable industrialization as well as SDG 12 on sustainable consumption and production patterns. More precisely, SDG 9.3 aims to “increase access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets”, and SDG 12.3 sets the target to “by 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses”.

3.2 Inter-agency cooperation

In 2010, seven UN agencies (IFAD, ILO, UNIDO, UNDP, ITC, UNCTAD and FAO) formed the UN Value Chain Development Group (UN VCD Group) to foster coherence, coordination, learning and effectiveness among multilateral agencies. Key results of the work were published in the 2011 report “[Value Chain Development: approaches and activities by seven UN agencies and opportunities for interagency cooperation](#)”. The report listed the following six recommendations: (1) improve knowledge management within each of the UN agencies, (2) outline common understanding of value chain approach, (3) identify each organization’s “unique selling point”, (4) foster joint programming, (5) enhance inter-agency cooperation, and (6) communicate competitive advantage to mobilize resources. Pending the outcomes of the general discussion on decent work in global supply chains at the International Labour Conference in 2016, the UN VCD Group can be used as a platform to promote renewed interagency cooperation for a rights-based approach to economic and social upgrading of global supply chains.

3.3 United Nations Guiding Principles on Business and Human Rights

In 2011, the UN Human Rights Council endorsed the “[UN Guiding Principles on Business and Human Rights](#)”. Elaborated by the former Secretary-General’s Special Representative on Business and Human Rights, Professor John Ruggie, the principles provide guidance for public and private actors to respectively ‘protect’ and ‘respect’ human rights as well as the need to ensure access to effective ‘remedy’ for existing human rights violations.

These principles provide global standards for preventing and addressing risks of human rights violations linked to business activities. To meet their responsibility to respect human rights, the UN Guiding Principles expect business enterprises to conduct human rights due diligence to identify and respond to human rights risks across their operations and business relationships.

Although the principles themselves are not legally binding, they build in part on existing legal obligations for states and may have legal implications at the national level as part of implementation by States.

The UN Guiding Principles thus establish a common framework for the international community that applies to all states and businesses aiming for a socially sustainable

globalization, including through contributing to greater policy coherence and promoting more widely available and effective grievance mechanisms. Specific reference is made in Section II “Corporate responsibility to respect human right” to the “[ILO Declaration on Fundamental Principles and Rights at Work](#)” (Art. 12).

The follow-up mechanism is comprised of: (1) a working group on Business and Human Rights responsible for promoting global partnerships through a number of work streams such as country visits, thematic reports, measurement of progress, and national action plans on business and human rights, as well as (2) an annual forum to provide a platform for exchanges of practices on applying the global partnerships in practice. The Office of the High Commissioner for Human Rights also has a mandate to promote implementation of the UN guiding Principles on Business and Human Rights including in the UN system.

A related initiative is the [ILO-IOE project on child labour in supply chains](#), which provides companies with tools that will allow them to align business activities with ILS on child labour and with the due diligence approach in the UN Guiding Principles to ensure that businesses does not have a negative impact on child labour. A similar guidance tool has been developed on forced labour: “[Combating Forced Labour: A Handbook for Employers & Business](#)”.

3.4 United Nations Conference on Trade and Development

The United Nations Conference on Trade and Development (UNCTAD) approaches supply chains in the context of managing globalization and trade as well as in assisting developing country governments in the design of policies to access global markets. According to the 2013 flagship publication entitled “[World Investment Report. Global value chains: Investment and Trade for Development](#)”, UNCTAD estimates that value chains account for some 80 per cent of global trade. UNCTAD stresses the need to provide sufficient policy space for developing countries towards proactive trade and industrial policies for sustained and inclusive growth in order to benefit from integration into GSCs.

The importance of responsible value chain management has been stressed in a number of working papers. For instance, the 2013 policy paper on “[Global Value Chains and development: Investment and value added trade in the global economy](#)” illustrated the close connection between global investment and trade through international production networks. Other important findings were that GVCs make extensive use of services (almost half of value added inputs to exports) and that the majority of developing countries are increasingly involved in international trade outlining development impacts and policy implications of supply chains. The 2013 working paper entitled “[Global Supply Chains: Trade and Economic Policies for Developing Countries](#)” is another example, which focuses on “how government institutions and policies, particularly trade policies, may influence the participation of developing country enterprises in GSCs, including progressive process and production upgrading and export value addition with economy-wide effects”.

Besides, UNCTAD has published various papers and background reports on the integration of SMEs, CSR and industrial policy. Overall, GVCs are regarded as crucial for developing countries to foster economic growth. UNCTAD regards the integration in GVCs as a potential opportunity for developing countries to access information and know-how on quality standards and technology that helps strengthening producers’ competitiveness.

In addition to research and reports, UNCTAD's [Division on Investment and Enterprise](#) has set up an internal UNCTAD-Eora GVC Database that provides an innovative view on trade links between economies, the distribution of value added, income and employment resulting from trade, the investment-trade nexus and how transnational corporations, through equity and contractual modes, shape patterns of value added trade.

3.5 Food and Agriculture Organization

The Food and Agriculture Organization (FAO) has a vast experience in the field of GVCs particularly in agriculture and fishery. It has mainly focused on agricultural supply chains in a number of reports and projects, primarily from a food security and/or food safety perspective. For instance, the Agricultural Policy Support Service unit has developed operational guidelines for commodity supply chain analysis for pro-poor rural growth. The work has concentrated on production, distribution and marketing patterns.

At its 41st session in 2014, the [Committee on World Food Security](#) (CFS) adopted the [Principles for Responsible Investment in Agriculture and Food Systems](#). These non-binding principles provide a framework for key actors involved in agricultural value chains and ought to be applicable for “all stages of value chains” as well as the three dimensions of development.

In March 2016, FAO, together with the OECD, launched the “[Guidance for responsible agricultural supply chains](#)”. The aim is to develop guidance to help enterprises undertake risk-based due diligence to observe standards of responsible business conduct along agricultural supply chains and ensure that their operations can contribute to economic development and food security. Existing standards were reviewed to help companies and farmers working within supply chains to better mitigate risks (human rights, OSH, Decent Work, as well as environmental and governance issues) and to strengthen their compliance.

FAO takes a holistic approach to value chains. FAO views value chains as dynamic, vertically integrated and market-driven systems, covering one country's various product sectors. In more detail, FAO's approach to [inclusive supply chains](#) is threefold: (1) sustainable value chains, (2) inclusive business models, and (3) institutional procurement. With regards to the first priority, the FAO published the report entitled “[Developing sustainable food value chains: Guiding principles](#)” that outlined the organization's vision towards inclusive and efficient global agricultural and food systems.

Besides, FAO has published a new set of handbooks on sustainable food value chain development (SFVCD). A network has been established too. With regards to inclusive business models, FAO has piloted the ACP Agricultural Commodity Programme aiming to scale up incomes of smallholders. In 2014, the [third FAO private sector partnership forum](#) was held to foster discussions on inclusive business models. In order to promote institutional procurement in value chains, FAO collaborated with the World Food Programme (WFP) in the Purchase for Progress (P4P) initiative.

In addition, the [FAO Trade Division](#) supports countries to effectively engage in formulating trade agreements.

In terms of the economic and social upgrading of supply chains, FAO manages a broad technical cooperation portfolio, which includes work on various agricultural sub-sectors. FAO aims at improving business and market skills development. Support is

provided for smallholders to participate in value chains, producers to scale capacities and developing countries to improve policies and institutions to foster value chain development.

FAO also fosters dialogue among key actors in value chains. For instance, the [World Banana Forum](#) brings together representatives from the banana supply-chain industries, governments and other stakeholders from the banana sector (including research institutes, trade unions and other Civil Society Organizations) on a regular basis. Working groups on (1) sustainable production systems and environmental impacts, (2) distribution of value, and (3) labour rights have been set up, addressing important ILO issues such as labour rights, decent wages and OSH. The ILO is therefore actively engaged in the forum.

3.6 International Fund for Agricultural Development

The International Fund for Agricultural Development (IFAD) is increasingly financing value chain projects aiming for pro-poor rural growth and livelihoods. The work focusses on the inclusion of smallholders in agriculture to benefit from market integration. IFAD provides technical assistance to improve the bargaining power of farmers and facilitates market development as well as providing support to set up quality and certification standards.

The 2014 report [“Commodity value chain development projects. Sustainable inclusion of smallholders in agricultural value chains”](#) illustrates well the organization’s advocacy for responsible and sustainable solutions. The objective is to provide support for poverty eradication. In particular, financial and technical support is provided for small-scale producers. IFAD works to link the rural poor to new or emerging value chains, creates incentives for private sector participation, strengthens entrepreneurship development and builds trust. Overall, the organization seeks to improve food security, market integration, improved risk management and sustainable, resilient production and job creation.

To this end, IFAD has set up the Value Chain Development Programme for Poverty Reduction as well as a value chain toolkit and developed an agricultural value chain finance strategy. In preparation for adequate interventions, IFAD studies risks that hamper the organization’s objective. For instance, the 2010 thematic paper entitled [“Value chains, linking producers to the markets”](#) outlined a number of constraints such as such as macro-economic policies, insufficient infrastructure, lack of financial resources, low demand, and inadequate skills.

3.7 United Nations Industrial Development Organization

The United Nations Industrial Development Organization (UNIDO) seeks to strengthen sustainable industrial development in order to improve the quality of life, notably for the world's poor. Therefore, GVCs have been an important topic on UNIDO's agenda for several years now. Socio-economic upgrading of developing countries is aspired, based on the principles of sustainability, inclusiveness and integration. UNIDO's new vision for "[Inclusive and Sustainable Industrial Development](#)" aims to ensure that: "every country achieves a higher level of industrialization in their economies, and benefits from the globalization of markets for industrial goods and services."

The organization approaches supply chains from the perspectives of building the capacity of SMEs. The objective is to boost the development of a competitive private sector and contribute to poverty reduction by building sustainable linkages between SMEs, their larger scale business partners and support institutions.

Overall, the technical assistance programme aims to support businesses towards implementing socially and environmentally responsible practices. Integrating SMEs into GVCs is regarded as a powerful tool to stimulate growth, provide productive employment and trigger productivity growth. As governments have not agreed on common CSR standards, UNIDO provides support to SMEs in developing countries and economies in transition to implement CSR that is compatible with the respective economic and social context.

Since 2001, UNIDO has focussed on CSR in GVCs. The "[Responsible Entrepreneurs Achievement Programme](#)" and its "Triple-Bottom-Line" approach measures companies' performance towards better alignment with universal CSR values in line with the ten UN Global Compact principles. The 2009 working paper "Agro-Value Chain Analysis and Development" is a good example of UNIDO's systemic approach to a comprehensive value chain mapping and analysis in one sector. UNIDO also partners with the United Nations Environmental Programme (UNEP). The two agencies have set up a [network of National Cleaner Production Centres](#) seeking to support environmentally and socially responsible entrepreneurship through training capacities and support tools for enterprises.

Overall, UNIDO acknowledges the need to assess the entire value chain from primary production to consumption. However, GVCs are mainly analysed from a private sector perspective based on the principles of liberalized trade and CSR. This positioning is in line with UNIDO's stance during the preparation for the 2030 Agenda for Sustainable Development. For instance, the 2014 UNIDO and UN Global Compact report "[Engaging the Private Sector in the Post-2015 Agenda](#)" linked supply chains with strengthened SMEs towards inclusive and sustainable industrial development.

3.8 United Nations Development Programme

The United Nations Development Programme (UNDP) sees value chain improvement as an important cross-cutting issue that contributes to broader development. Therefore, the organization favours an inclusive market approach and focuses its work on various aspects of the chain, including climate change, crisis prevention, trade, pro-poor policies and gender empowerment.

The 2014 African economic outlook report "[Global Value Chains and Africa's Industrialization](#)", jointly published with the AfDB and the OECD, provided important insights with regard to the implications of globalized and integrated production patterns.

Main findings are that African economies are currently mainly participating in lower value activities, yet advancing their integration into GVCs eventually. It is recommended that socio-economic development be advanced through economic diversification, increased domestic resource mobilization and infrastructure investment. Strategic policy choices are provided on how to implement the integration. For instance, UNDP, AfDB and OECD advocate for open trade with regional and emerging markets, enhanced infrastructure and the need to provide support as well as technical education to local entrepreneurs.

The importance of GVCs for the UNDP can further be underlined by Helen Clark's speech at the 2015 [World Economic Forum gathering in Davos](#), Switzerland. The UNDP Administrator supported the deforestation-free supply chains initiative, launched in 2014. Ms Clark urged that joint efforts are needed to fulfil the commitment of ending forest loss by 2030. In this respect, the UNDP particularly advocates for the environmental dimension of the 2030 Agenda for Sustainable Development by underlining the importance of sustainability in GSCs.

3.9 International Trade Centre

The International Trade Centre (ITC) aims to strengthen value chains to foster economic growth, job creation and poverty reduction. Environmental sustainability concerns are more and more taken into consideration. The ITC was set up as a joint initiative between the WTO and UNCTAD aiming to reinforce SMEs in developing countries in their efforts to better integrate into the world economy. Trade and investment, socio-economic upgrading and policy advice is fostered. Most work focusses on small export-oriented businesses in developing and transition countries. ITC has a lead role in the Aid for Trade initiative, notably in Least Developed Countries.

In detail, ITC aims to improve supply chain management and participation through training, cooperation and dialogue. Emphasis is made on gender mainstreaming, as women-led SMEs are a subject of particular attention. In the 2013 working paper entitled "[Improving Africa's cotton value chain for Asian markets](#)", the ITC's approach is further outlined. Strategies are developed based on a comprehensive situation analysis. The role of the organization is to build capacity and closer connections between buyers and sellers.

The ITC furthers regional value chain strategies in the African commodity sector (cotton initiative) or contributes towards improved quality and standards to meet requirements of lead firms (Ethiopia coffee). Training and advice are important components of ITC's engagement in developing countries. It is underlined that "ITC can offer tailor-made advisory services to enterprises directly or through [the] network of Supply Chain Management partner institutions across the globe". To this end, the Modular Learning System Supply Chain Management programme was developed to provide guidance on how to add value in supply chains. In close cooperation with supply-chain managers and policy makers, the ITC developed sustainable local training capacities. Communication platforms have been set up too, and certification and further training workshops have been implemented.

Moreover, the organization has set up the [ITC standards map](#). The Standards map is a platform that "enables its users to explore and compare over 170 sustainability standards, and build their personalized business' roadmap towards sustainable trade." The map seeks to provide an overview of standards towards improved transparency and comparability between companies. The main goal is to build capacity of key actors engaged in value chains (producers, exporters, policy makers and buyers) to nurture sustainable production and trade.

In view of the 2030 Agenda for Sustainable Development, the organization aims to help create more and better jobs, entrepreneurship opportunities and income generation. More precisely, the ITC engages to strengthen SMEs competitiveness, the “largest untapped source of growth”. A specific reference is made to decent jobs to eradicate poverty as well as the importance of all three dimensions of sustainable development.

3.10 United Nations Global Compact

The [UN Global Compact](#) strives to foster sustainability in GSCs through the promotion of “Ten Principles”, including human rights, labour standards, OSH, environmental issues and anti-corruption to align operations and strategies of like-minded businesses. A special working group on Supply Chain Sustainability was established as a platform for identifying and promoting existing material, initiatives and business practices, exploring critical issues and developing guidance on how to integrate the Ten Principles into supply chain management systems.

Various reports have been published that address supply chain sustainability with regard to different social, economic and environmental dimensions. In 2014, the UN Global Compact published “[A Guide to Traceability: A Practical Approach to Advance Sustainability in Global Supply Chains](#)” that outlined success factors for traceability schemes, including in the mineral sector. The “Global Corporate Sustainability Report” from 2013 further elaborated on compliance standards for suppliers:

“Supply chains are a roadblock to improved performance: While a majority of companies have established sustainability expectations for their suppliers, they are not tracking compliance or helping suppliers reach goals. While 83% of companies consider adherence to the Global Compact principles by suppliers, only 18% assist them with setting and reviewing goals and just 9% take steps to remediation. Supplier sustainability ranks as the top barrier for large companies in their advancement to the next level of sustainability performance. The good news here is that large companies, at higher rates than the average survey respondent, are beginning to demand more from their suppliers and have the potential to create a “ripple” effect by showcasing the positive change that can be brought about through responsible purchasing power.”

Additionally, the UN Global Compact supports private sector efforts in enhancing GVCs. For instance, a UN Global Compact Advisory Group on Supply Chain Sustainability was established in 2010 that brings together representatives from several leading multinational enterprises as well as the Social Accountability International (SAI) and the Business for Social Responsibility (BSR). The Advisory Group provides input to the work of the Global Compact Human Rights Working Group, notably with regard to good business practices on supply chain sustainability and human rights. A note on Occupational Health and Safety in the Supply Chain has been developed in collaboration with the ILO-IFC Better Work programme (for more information see section 2.4).

The Global Compact and CSR Europe, with support from Nokia, Ford and Innovation Norway, have launched the online portal “[Sustainable Supply Chains: Resources & Practices](#)” designed to assist business practitioners in embedding sustainability in supply chains. The Global Compact also organizes a number of regular webinars, focusing for example on traceability in garment supply chains (19 November 2014). Gender equality and equitable participation in GVCs was addressed in the 2014 webinar “[Respecting and Supporting Women Throughout the Supply Chain](#)”.

The Global Compact has been also actively involved in the post-2015 process to integrate the issue of sustainable supply chain management in the forthcoming framework. To this end, issue platforms, local networks and business strategies have been set up. For

instance, in close cooperation with the [Global Reporting Initiative](#) (GRI) as well as the [World Business Council for Sustainable Development](#) (WBCSD), the Global Compact has developed a toolkit to align business strategies with the SDGs. Extensive surveys gathered the priorities of the private sector on how the 2030 Agenda for Sustainable Development should look like from a business perspective, notably highlighting the importance of: (a) inclusive growth, (b) human needs and capacities, (c) the resource triad (food and agriculture; water and sanitation; and energy and climate), and (d) an enabling environment.

3.11 Regional Commissions

Global value chains and economic integration are important for all of the five Regional Commissions of the United Nations. For instance in 2011, the commissions jointly organized a “[Global Trade Facilitation Conference on Single Windows and Supply Chains in the next decade](#)”.

United Nations Economic Commission for Europe

In line with WTO policy, the UN Economic Commission for Europe (UNECE) fosters trade and economic integration. In 2012, the [Trade Facilitation Implementation Guide: a web-based and interactive tool](#) was published, aiming to enhance value chain participation. National and regional workshops were organized in close cooperation with other UN agencies such as UNCTAD, ITC and the UNDP to share knowledge and experience on joint efforts in the region. Trade facilitation measures were analysed from a supply chain perspective and different instruments on how to deal with relevant Conventions, Recommendations and Guidelines were discussed.

United Nations Economic Commission for Africa

The UN Economic Commission for Africa (UNECA) approaches [global value chains](#) with regards to socio-economic upgrading. In a recent [article](#), Dr Carlos Lopes, Executive Secretary of UNECA, pointed out that “the acquisition of new skills for the final operations of the supply chain will help the region create sustainable competitive advantages”.

Several policy papers address aspects of economic diversification, including the need for inclusive and job-rich growth. For instance, the 2013 Economic Report on Africa “[Making the most of Africa’s commodities: industrializing for growth, jobs and economic transformation](#)”, published jointly with the African Union, underscored that African enterprises need to strengthen competitiveness in value chains. In order to do so, the authors argue that skills need to be developed to add value to products.

Other publications deal with upgrading of agricultural value chains, gender equality and [industrial diversification](#). For example, the 2012 report entitled “[Regional Integration: agricultural value chains to integrate and transform agriculture in West Africa](#)” (UNECA 2012) examines agricultural policies and investment opportunities. Recommendations have been developed for member States of the Economic Community of West African States (ECOWAS). A forum on the role of women in agricultural value chains was organized in Ethiopia in 2014.

United Nations Economic Commission for Latin America and the Caribbean

The UN Economic Commission for Latin America and the Caribbean (UNECLAC) has developed a strategy to foster regional integration through inclusive value chain development (UNECLAC 2014). Participation in value chains and socio-economic upgrading are crucial for the region. In 2012, the international conference on “Latin America’s prospect for upgrading in global value chains” was organized in Mexico. The conference was organized jointly with OECD, Inter-American Development Bank, and the Colegio de México. Participants discussed innovative means to increase productivity for improved participation and upgrading in value chains. Results have been compiled in a book entitled “[Global value chains and world trade. Prospects and challenges in Latin America](#)” (Hernández, Martínez-Piva, Mulder 2014).

Overall, ECLAC organized various seminars and conferences such as on “[Competitiveness and value chain in Latin America](#)”, “[Offshore services in global value chains: new drivers of structural change in Latin America and the Caribbean](#)” (2012), “[Relocation of services and global value chains: new factors of structural changes in Latin America and the Caribbean?](#)” (2012), and most recently “[Expanding the role of SMEs in value chains between Asia and Latin America](#)” (2015).

To sum up, UNECLAC focusses mainly on trade and investment, services and integration of agricultural businesses into global value chains, supported by research and technical assistance provided to member States.

United Nations Economic and Social Commission for Asia and the Pacific

The UN Economic and Social Commission for Asia and the Pacific (UNESCAP) aims to enhance a policy dialogue and to facilitate research on value chains for inclusive development. To this end, in 2004, ESCAP set up the [Asia-Pacific Research and Training Network on Trade](#) (ARTNeT). The network is open to different research and academic institutions. The main objective is to improve access to data and analysis tools.

In 2014, an Expert Group Meeting on “[Global Value Chains, Regional integration and sustainable development: Asia-pacific perspectives](#)” was held in Bangkok to gather multi-stakeholder experts to discuss a number of different topics related to socio-economic upgrading, including jobs, social outcomes, regional integration, and SMEs. Other round table discussions, conferences and policy dialogues spoke about issues such as [cross-border value chains](#) (2014), [lessons learned from value chains for inclusive development](#) (2012), [trade and investment for Asian landlocked developing countries](#) (2014), and [trade in the Asian century – delivering on the promise of economic prosperity](#) (2014 Asia-Pacific Trade Economists’ Conference). ESCAP also organized a seminar on “[Aid for trade and south-south value chains](#)”.

Besides the convening role of UNESCAP, a study on SMEs in value chains from an economic perspective has been prepared. At the [Asia Pacific Forum](#), participants expressed the necessity to better integrate businesses into GVCs.

United Nations Economic and Social Commission for Western Asia

The UN Economic and Social Commission for Western Asia (UNESCWA) focuses mainly on the environmental dimension. In 2014, ESCWA published a study entitled “[Green agricultural value chains for improved livelihood in the Arab region](#)”. The potential for economic development through integrating into national and regional supply chains has been examined; a food sector that nurtures 20 per cent of the population. Concrete recommendations have been made to upgrade value chains to enhance the food sector. One year earlier, an [expert meeting](#) was organized on the same topic in Beirut, and policy guidelines have also been developed.

4. Selected regional organizations

4.1 European Union

In line with its historic roots, the European Union (EU) approaches GVCs from an economic perspective. The EU supports the opening of markets and development of trade within a multilateral setting in accordance with WTO policies, complemented by bilateral agreements with industrialized and developing countries based on preferential dealings. The leading principle can be characterized as supremacy of multilateral trade liberalization accompanied by bilateral negotiations and single Free Trade Agreements (FTA), as for example the proposed [Transatlantic Trade and Investment Partnership](#) (TTIP) between the EU and the US. The EU aims at promoting a sustainable development chapter in all trade and investment agreements, with commitments on all core labour rights in line with the fundamental conventions of ILO, as well as on ensuring high levels of occupational health and safety and decent working conditions.

Overall, the EU promotes a liberalized and deeply integrated global economy based on international outsourcing that increases the number of intermediate goods, two-way-trade flows between countries and a high degree of inclusion of EU Member States in the global division of the production process.

In the 2015 EU trade strategy “Trade for all”, the EU re-affirms its ambition to respond to the rise of global value chains by promoting trade in services, facilitating digital trade, supporting the mobility of professionals, addressing regulatory fragmentation, securing access to raw materials, protecting innovation and ensuring the swift management of customs. The new Strategy underlines that EU trade policy should ensure that economic growth goes hand in hand with social justice, respect for human rights, high labour and environmental standards, and health and safety protection. Responsible management of global supply chains is identified in that report as essential to align trade policy with European values. The EU has already taken steps with specific partners such as the Bangladesh Sustainability Compact and the Labour Rights Initiative with Myanmar. Further the EU is working on specific issues such as responsible sourcing of minerals in conflict-affected and high-risk areas and the non-financial reporting on supply chain issues by certain large undertaking.

The Council of the EC in its conclusions of May 2016 on Responsible Global Value Chains encourages the European Commission to enhance the implementation of due diligence and to foster dialogue and cooperation amongst all relevant public and private stakeholders, in order to achieve a global level playing field and to implement policy measures aimed at promoting e.g. human rights due diligence at company-level. As such, doing business in a responsible way may ultimately create a competitive advantage. The Council also reaffirms the importance of continued support for strengthening national regulatory systems for sustainable and inclusive markets.

EU Member States are requested to submit National Action Plans on CSR/RBC and Business and Human Rights and the Commission will launch a new EU RBC Action Plan in 2016. These Action Plans should specify concrete actions to meet current and future social, environmental and governance challenges and priorities for the implementation of the UN Guiding Principles on Business and Human Rights.

Besides, the EC specifically focusses on chemicals and EU agro-food production as well as the tourism industry. The EC “[Competing in Global Value Chains: EU Industrial Structure Report 2013](#)” outlined implications for employment and economic growth. In order to facilitate the GVC policy implementation, technical assistance is provided through

a number of initiatives. The EU is conducting GVC surveys, measuring economic globalization with the help of a European Statistical System and making statistics and data available for EU member States through the Global Value Chains and Economic Globalization Project.

Another important facet of the EU supply chain approach is a specific emphasis on security. To this end, the EU launched the EU's "[Authorized Economic Operator](#)" programme to facilitate trade operations. Key supply chain corridors for secure business activities are further supported by the "[Consistently Optimised Resilient Secure Global Supply-Chains](#)" project.

4.2 Association of Southeast Asian Nations

The Association of Southeast Asian Nations (ASEAN) was founded in 1967 as a security forum. To date, this regional organization is operating based on the principles of respect of sovereignty, non-interference in other member States' domestic affairs, incrementalism and decision-making by mutual consultation and consensus. In addition to security, ASEAN is promoting sociocultural and economic integration.

The Association is actively advancing the creation of a single market to improve its global competitiveness vis-à-vis other regional organizations as well as to fortify ASEAN's influence as a trading bloc. To this end, the Association has agreed on a blueprint for establishing the [ASEAN Economic Community](#) to foster regional economic integration by 2015. Key characteristics of this community are: (a) a single market and production base, (b) a highly competitive economic region, (c) a region of equitable economic development, and (d) a region fully integrated into the global economy.

ASEAN is in many ways entering a new phase with regard to the cooperation among its Member States. According to a collaborative report by the US-ASEAN Business Alliance for Competitive SMEs and the ASEAN SME Working Group (2014), the economic integration is expected to provide unparalleled opportunities for businesses and citizens, enhancing particularly the competitiveness of small and medium enterprises. This is particularly important as SMEs account for more than 96 per cent of all ASEAN enterprises.

At the global level, the Association is benefitting from closer ties with other emerging economies due to increased South-South Cooperation. Besides, the Association stimulates bilateral FTAs as for example with the EU, its third largest trading partner. However, poor supply chain infrastructure and lack of trained and capable human resources are major challenges for the sub-region's competitiveness in GVCs.

ASEAN plays a key role in the GVC of intermediate goods and the production bases are not only advanced with regard to labour-intensive industries but also with regard to Information and Communication Technology. Beyond that, ASEAN is currently undergoing a shift from manufacturing to services, notably in terms of travel services in the tourism sector.

4.3 Economic Community of West African States

The Economic Community of West African States (ECOWAS) is a regional group of fifteen countries, founded in 1975. Its self-declared mission is the promotion of economic integration with regard to various sectors such as agriculture, natural resources, and transport. Besides, ECOWAS also targets social and cultural matters.

ECOWAS has launched numerous initiatives and programmes in order to improve its position in GVCs. Towards a “[West African common industrial policy](#)”, the community has formulated a 2020 Vision of an “[ECOWAS of people](#)”. Based on a firm industrial policy, the policy seeks to foster global competitiveness, environmentally sustainable production and improved living standards for the people by 2030.

In order to scale up high export potential value chains, ECOWAS introduced the “[Exports Promotion & Enterprise Competitiveness for Trade Initiative](#)”. The programme aims to support SMEs through skills training and capacity building in order to enhance their competitiveness in GVCs, for instance with regard to fruit value chains. At the same time, ECOWAS member States are advancing the concept of harmonising trade policies. To this end, the “ECOWAS Common External Tariff” and the “[ECOWAS Trade Liberalization Scheme](#)” have been set up to strengthen the common market.

Agriculture plays an important role for West Africa. Already in 2005, the community adopted the “[ECOWAS Regional Agricultural Investment Programme](#)” to improve coordination. Similar efforts have been made with regard to transport or harmonized principles and policies in the mining sector.

In spite of such efforts, ECOWAS Member States still face major constraints in GVCs. A recent report by the OECD and WTO (2013) highlighted that the region has not been able to establish regional production chains. The relatively small and fragmented market thus hampers trade and competitiveness.

4.4 Asia Pacific Economic Cooperation

The Asia Pacific Economic Cooperation (APEC) was launched in 1989 aiming to foster economic integration through bilateral and regional trade. In 1994, APEC agreed on free trade among industrialized members by 2010 and among all members by 2020 ([Bogor declarations - APEC Economic Leaders' Declaration of Common Resolve](#)).

Overall, APEC emphasizes the importance of supply chains and economic integration for the region. In particular, the organization has a long tradition to build capacity and support competitiveness of SMEs. During the [2014 APEC Forum Beijing](#), the following three priorities were selected: economic integration, growth and connectivity. Connectivity is a vital component of APEC’s supply chain approach. The issue was addressed for instance during a symposium in 2009. Furthermore, APEC endorsed the principle of promoting value chain connectivity at its 2013 Bali summit. Targets for improved supply chain performance were established in the [2010 Yokohama Leaders' Declaration](#). APEC developed a vision “[APEC Connectivity Blueprint for 2015-2025](#)” aiming to strengthen cooperation through enhanced linkages regarding physical, institutional and people-to-people integration.

The blueprint was developed to provide strategic guidance on how to bring the region closer together while setting out the following ten objectives: (1) target trade and investment issues, (2) improve data and statistics, (3) define role of services in GVCs, (4) enable participation of developing countries, (5) assist SMEs to benefit from GVCs, (6) improve investment climate, (7) adopt effective trade facilitation measures, (8) enhance resilience and security of the region, (9) encourage Public Private Partnerships and (10) strengthen cooperation with UN and other economic institutions.

At the 2014 APEC Ministerial Meeting, the primacy of the WTO regime was reaffirmed and the objective of economic integration and free trade reiterated. Leaders endorsed a SME integration initiative and agreed on strengthening research to study the

implications of cross-border value chains and environmental sustainability. To this end, an APEC Cooperation Network on Green Supply Chain was established.

APEC noted the implementation of 20 regulations for trade facilitation of its members between 2013 and 2014. Yet uneven distribution of opportunities between countries and sectors impede socio-economic upgrading. Some APEC member states face constraints due to insufficient infrastructure. Others do not have sufficient regulations in place to provide a beneficial business environment.

5. Selected development partners working with the multilateral system

5.1 United States Agency for International Development

The United States Agency for International Development (USAID) has promoted value chain development since the 1990s to foster economic growth and thereby reducing poverty. For instance, the USAID led “[Accelerated Microenterprise Advancement Project-Business Development Services](#)” project (1994-2012) aimed to foster private sector development and inclusive GVCs.

In close cooperation with small-scale farmers and SMEs in developing countries, USAID strives for improved market systems in various agricultural sectors as well as in the textile industry. The approach intends to ensure inclusive, competitive and equitable GVCs. USAID fosters economic programming activities towards value chain upgrading.

In 2009, USAID published a handbook on “[Promoting Gender Equitable Opportunities in Agricultural Value Chains](#)”, providing step-by-step guidance on how to address the issue of gender equality in GVCs. Besides, the agency facilitates the “[Supply Chain Management System project](#)” that supports developing countries in establishing cost-effective, reliable, secure and sustainable supply chains of HIV/Aids testing and treatment supplies.

5.2 Deutsche Gesellschaft für Internationale Zusammenarbeit

Themed as “trade for development”, the [Deutsche Gesellschaft für Internationale Zusammenarbeit](#) (GIZ) supply chain approach seeks to foster socio-economic development in rural areas, notably in Africa. For instance, the 2013 report on “[Value chain development by the private sector in Africa: Lessons learnt and guidance notes](#)” provides a comprehensive overview of the organization’s portfolio. The work is focussed mainly on private sector development of SMEs for example in agriculture, CSR or tourism. Support is provided to elaborate inclusive business models for sustainable development.

In general, the GIZ advocates for economic integration and participation in GVCs to foster poverty reduction. To this end, GIZ facilitates trainings, transfers technology, and develops guidelines for labour standards as well as strategies for internal advancements as for example HIV/Aids workplace programmes. Various policy recommendations have been collected in a “[Value Chain Manual](#)”.

At the global level, GIZ strives to harmonize agricultural and trade policies. The GIZ is actively involved in and fully committed to the “Aid for trade” initiative.

5.3 Swiss State Secretariat for Economic Affairs

In line with WTO, the [Swiss State Secretariat for Economic Affairs](#) (SECO) promotes sustainable trade within the multilateral system, complemented by bilateral arrangements and FTAs.

Sustainability in its three dimensions is at the centre of the approach. Overall, SECO strives for reduced poverty and inequality through productive employment. Specific reference is made to ILO labour standards. Furthermore, sustainable trade is defined as socially responsive, environmentally friendly and inclusive.

Support is provided for developing countries towards sustainable economic development and better integration into global supply chains. The agency approaches sustainable economic development according to the following five priorities: (1) strengthening of economic and financial policy, (2) improvement of urban infrastructure and utilities, (3) support to the private sector and entrepreneurship, (4) promotion of sustainable trade, and (5) fostering of climate-friendly growth. To this end, SECO promotes initiatives on [private sustainability standards](#) to enhance compliance with [social and environmental standards](#). Capacity and infrastructure is built through a variety of SECO-funded programmes to ensure compliance with social and environmental standards as well as to facilitate participation in supply chains, notably for poorer communities working in agriculture and in the informal sector. With regards to the activities with the ILO, Switzerland takes the following approach (as defined in the Protocole d'Accord between Switzerland and the ILO regarding technical cooperation to be signed on the 30 May 2016):

“The strategic objectives of the State Secretariat for Economic Affairs (SECO) are designed to support the integration of partner countries into the global economy that favours their development and capacity for sustainable growth, in order to limit the risks associated with globalization in developing countries and sustainably reduce poverty, which is the basis of economic, social and cultural development of people. The operational objectives of SECO aim to support innovative approaches that promote a strong link between work, environment, improvement of actual production conditions and strengthening competitive capacity of enterprises.”

SECO supports in particular the implementation of projects and activities in the following areas:

- strengthening entrepreneurial skills to improve the international competitiveness of exporting firms or subcontracting (particularly with the Better Work and SCORE programs);
- effective promotion of existing international and national standards on labour, employment and environment;
- promoting the effective implementation of sustainable business practices that respect international labour standards promoting primarily the inclusion of small and medium enterprises in the global production chains;
- promoting voluntary corporate social responsibility activities under the terms of the Declaration on Multinational Enterprises;
- promoting research in the field of employment, labour market and trade;
- exchange of best practices and expertise in employment and economic development;
- strengthening capacities of social partners and promoting social dialogue.

5.4 The Donor Committee for Enterprise Development

The Donor Committee for Enterprise Development (DCED) is the forum in which development partners and UN agencies share their practical experience of private sector development, and agree guidance on good practices and programmes. DCED operates an [inter-agency database on developing value chains](#), linkages and service markets, with information from hundreds of agencies, working all over the world. It has become a leading platform for knowledge sharing, including in relation to how development partners and UN agencies can approach global supply chains in a way that brings about sustainable development.

6. Selected initiatives involving businesses

6.1 World Economic Forum

The [World Economic Forum](#) (WEF) is an international non-profit organization committed to foster public-private cooperation worldwide in various sectors. Its membership is made up of some 1,000 of the world's major corporations. The Forum works jointly with leaders of society to shape the global, regional and industry agenda aiming to foster global citizenship. WEF strives to enhance entrepreneurship dedicated to global public interest.

In January 2015, WEF and Accenture prepared the report "[Beyond Supply Chains: Empowering Responsible Value Chains](#)". The report indicated an ongoing paradigm shift towards a 'triple advantage' of "business, social and environmental benefits". The Forum gathered good practices of companies that are well aligned with human rights in value chains, including with ILO labour standards. Guidance is offered on how to integrate such ethical principles while maintaining economic sustainability.

The 2013 report "Enabling Trade – Valuing Growth Opportunities" published jointly with the World Bank and Bain & Company examined key barriers to international trade and concluded that GDP could be increased by nearly five per cent once supply chain barriers are reduced. Noting that supply chain barriers are considerably more difficult to overcome for smaller enterprises, the authors reasoned that some countries and businesses seem to benefit from preserving barriers due to vested interests. The policy recommendations to governments can be summed up as: "think supply chain!"

6.2 The Sustainable Trade Initiative (Netherlands)

The [Sustainable Trade Initiative](#) (IDH) aims to build impact-oriented multi-stakeholder coalitions to enhance existing partnerships in various sectors such as tea or tourism. IDH aims to accelerate and scale sustainable trade by building coalitions of front running multinationals, civil society organizations, governments and other stakeholders. Through convening public and private interests, strengths and knowledge, IDH programmes help create shared value for all partners. With a €155 million co-funding grant from the Dutch, Swiss and Danish Governments, IDH runs public-private, pre-competitive market transformation programs in 18 sectors. The partnerships are open for any partner that considers sustainable production as an economic viable business strategy. IDH's self-declared goal is to reduce poverty as well as to address labour and environmental challenges in GSCs.

6.3 World Business Council for Sustainable Development (Business organization)

The objective of the [WBCSD](#) is to create a sustainable future for business, society and the environment. This CEO-led organization is run based on democratic principles and participation. Members work together across sectors, geographies and value chains to explore, develop and scale up business solutions to address the world's most pressing sustainability challenges. For instance, WBCSD is active in the chemicals and food supply sector. Recognizing that a growing number of businesses will face many challenges related to the environmental sustainability of their supply chains in the future, it has developed the guide entitled "[Collaboration, innovation, transformation Ideas and inspiration to accelerate sustainable growth - A value chain approach](#)" (2011).

6.4 International Organization for Standardization

The [International Organization for Standardization](#) is a Geneva-based non-governmental organization dedicated to develop international voluntary standards. When developing new standards, ISO applies a strict quality control model system. Multi-stakeholder experts are consulted to develop standards needed for the market based on a consensus. The ISO 26000 defines seven core subjects of social responsibility, including organizational governance, human rights, labour practices, the environment, fair operating practices, consumer issues and community involvement in your business activities. It thus sets social responsibility standards for enterprises, public administrations, governmental and non-governmental organizations by defining what the term implies and how to adhere to it. In 2014, ISO published a report to better synchronize GRI Sustainability Reporting Guidelines developed and ISO 26000.

7. Conclusions

The increasingly complex GSCs are a dominant economic reality in the 21st Century, and they are fast becoming a key theme in the global discussion of development.

Up until now, however, the discourse of multilateral organizations and the development community has largely been led by key economic institutions, notably the WTO, OECD and G20, and also by prominent regional organizations. The overarching focus has been to promote global growth and international trade liberalization, and increasingly prosperity and development. In the regions, the goal of organizations such as the EU, APEC, ASEAN and ECOWAS has been to foster greater economic integration, trade and economic development. The work of these key economic institutions has been underpinned by substantial research, flagship reports, policy papers, high-level statements, global or regional meetings and an increase in technical assistance programmes such as the joint OECD-WTO Aid for Trade or the WBG and IFC's growing portfolio of investments in GSCs. Several global economic organizations are currently expanding their work on GSCs, including the World Bank Group, who is taking fresh and more systemic look at the links between GSCs, trade, competitiveness and sustainable development.

The approach of the UN system has been based on an attempt to promote rights-based standards or principles to govern and guide GSC actors, as well as a growing body of work on the links between GSCs, trade and development. The UN Guiding Principles on Business and Human Rights, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and the body of International Labour Standards are instruments of key importance that can help bring about better global governance of GSCs, in contrast to the proliferation of private or public-private guidelines, principles and codes supported by large corporations, NGOs and some development partners.

Two of the Sustainable Development Goals comprise targets concerning supply chains, which is a reflection of how the UN broadly approaches GSCs in terms of the potential contribution to development that is socially inclusive and environmentally sustainable. However, the approach of the UN to GSCs to date has been characterized by inadequate coordination, with each agency approaching GSCs within its mandate and from a specific sectoral or thematic perspective. The work in the field is often focused on those at the bottom of GSCs, including farmers and smallholders (FAO) and micro- and small and medium-sized enterprises (UNIDO). There has been a strong focus on socio-economic development, with some attention to gender equality and environmental sustainability in recent years. However, none of the institutions included in this report have proactively or consistently worked with the ILO and its constituents to promote decent work in global supply chains.

7.1 Knowledge and research

The implications of global supply chains have been researched and analysed by all of the multilateral organizations covered in this paper. Economic institutions and the UN have provided invaluable contributions on the importance of global supply chains and their implications, each aligned with their respective organizational mandates. In recent years, almost all of them have made their research findings publically available in a number of flagship reports and in several policy or thematic papers, which complement and draw upon the growing body of academic studies and conferences.

These reports have often been used to underpin key policy messages, such as the need to reduce the cost of or barriers to trade, or the potential contribution of GSCs to increase

economic growth and macro-economic stability. While some reports and papers touch upon employment effects of GSCs as well as the potential and challenges for SMEs and job creation, none of the organizations surveyed in this report have published research reports on the implications of global supply chains in terms of decent work.

The OECD and WTO have conducted particularly extensive research and data analysis with regard to trade and growth to explore the broader development and macro-economic context of GSCs, often sponsored by the G20, and with occasional contributions from the World Bank Group, UNCTAD, ILO and others. In contrast, the majority of UN agencies included in this paper have analysed different components of value chain development. For instance, the UN Global Compact has worked on supply chain sustainability, traceability and CSR. UNCTAD has researched the effects of trade and investment for developing countries, most notably regarding SMEs and development. FAO has reflected on sustainable food value chains, and IFAD has specifically looked at the inclusion of agricultural smallholders. Regional Commissions of the UN have focused on economic diversification, inclusive growth and jobs (UNECE), trade in value chains (UNECLAC) or green agricultural value chains and livelihoods (UNESWCA). Development partner agencies have often looked at more specific aspects of value chain development such as gender equality in agricultural supply chains (USAID) or private sector development (GIZ).

The research and knowledge generated has also been used by global economic institutions and UN agencies to develop a growing body of hands-on toolkits, good practice guides and manuals on how to foster socio-economic upgrading through GVCs in specific sectors or countries. These are often silent on decent work.

Only a few of these organizations have created and developed databases that can contribute to an improved understanding of the topic. The best example is probably the WTO-OECD TiVA database that helps determine buying and selling activities or the UNCTAD-Eora GVC Database that focuses on measuring added value in supply chains. Unfortunately, none of these databases are publically available. This is in contrast with the ITC's Standards Map, which provides an overview of the most common voluntary standards for sustainable value chain management and development. There is a risk that these databases are developed in isolation from each other, resulting in significant overlap and duplication, and without indicators to monitor aspects of decent work.

Most of the organizations covered in this report have researched GVCs from a global and generic perspective, thus providing broad findings and policy recommendations. With the exception of agricultural value chain development, the topic is typically not analysed from a sectoral perspective. Some organizations are referencing the ILO, most notably with regards to the employment impact of supply chains. However, none of the organizations included in this study have provided figures regarding the number of jobs created in global value chains.

7.2 Governance instruments

Further to the ILO's ILS and the MNE Declaration, various other governance instruments have been developed or updated by the multilateral organizations covered in this report. When the OECD updated its Guidelines for Multinational Enterprises in 2011, the ILO's MNE Declaration and the 1998 Declaration on Fundamental Principles and Rights were referenced. The general trend seems to be, however, that a growing number of voluntary standards are outpacing attempts to reach binding global agreements on trade or on business and human rights that would bring about better governance of global supply chains.

Under the Doha Round, the WTO works towards a major reform of the international trading system through the introduction of lower trade barriers and revised trade rules. In the absence of a new global trade agreement, however, the current trade agreement regime has grown to more than 3,000 bilateral and regional trade agreements, often strongly supported by the regional organizations covered in this report. Important analyses have been carried out on the integration of core labour standards in selected free trade agreements, but these do not normally consider implications on decent work in specific supply chains regulated by such agreements.

The UN has developed various principles and guidelines, most prominently the UN Guiding Principles of Business and Human Rights. The UN Global Compact has formulated the Ten Principles for sustainable supply chains for like-minded businesses, whereas FAO has developed principles on responsible investment in agriculture and food systems and additional ones on commodity supply chain analysis for pro-poor growth. ISO 26000 provides guidance on how businesses and organizations can operate in a socially responsible way. Many other voluntary standards are listed on the ITC Standards Map. The ILO plays an important role in ensuring that the standards and guidelines developed by key economic institutions, other UN agencies and actors are coherent with ILO's mandate and International Labour Standards. However, it is not always possible to ensure that other organizations follow the advice and incorporate all of the most relevant labour standards in a correct or appropriate way.

Despite the broad number of principles and guidance that has been developed, there is little knowledge of how well they are enforced in practice. Strengthening the capacity of governments as well as that of workers' and employers' organizations to exercise their important functions for better governed supply chains remains a significant challenge in many countries.

7.3 Assistance in socio-economic upgrading

The approach taken by multilateral organizations to socio-economic upgrading of GVCs is largely determined by each organization's mandate. As a result, some organizations work to upgrade GSCs with the aim of reducing poverty and foster global integration at the global level, whereas others strive to enhance the competitiveness of firms in a specific sector.

Technical assistance programmes operate at the global, regional and local level. For example, the WBG, UNDP, FAO and UNIDO are active in specific sectors at the country level, whereas the G20, WTO, UNCTAD and the OECD mainly operate at the global level. Most of the global economic institutions and the United Nations are generally committed to strengthening global trade and development, and in particular to supporting developing countries that face challenges with regard to competitiveness and inclusion in GSCs. Supply chains are most often approached from a trade and competitiveness perspective, but with the renewed focus on environmental sustainability and inequality in the 2030 Agenda for Sustainable Development, it is increasingly recognized that sound policy frameworks and well-designed labour market and economic policies are key to both inclusive and greener supply chains.

With regard to development partner agencies and to the business organizations included in this desk study, there is growing evidence of how bilateral development partners increasingly channel official development aid to multi-stakeholder initiative or public-private programmes that aim to achieve both trade and development outcomes. Initiatives and forums such as WEF, WBCSD and IDH are rapidly increasing their role

and involvement in technical assistance programmes for the social, economic and environmental upgrading of GSCs.

Some of the largest providers of technical assistance in supply chains include the OECD and WTO with the Aid-for-Trade Initiative and the WBG with its trade and competitiveness global practice and notably IFC's extensive investments in GSCs. Since the start of the Aid for Trade Initiative, development partners have disbursed a total of US\$264.5 billion in official development assistance and an additional US\$190 billion in other official flows for financing trade-related programmes in developing countries.

The United Nations has taken some steps to better coordinate its socio-economic of GSC programmes. For instance, a CEB inter-agency cluster on trade and productivity was created, led by UNCTAD (see section 3.4). Besides, the UN Value Chain Development Group was formed in 2010 to strengthen coherence and cooperation among agencies. Most prominently, the UN Guiding Principles on Business and Human Rights have spurred a new set of capacity building programmes in this regard. Nevertheless, the general trend is that each UN agency has built its own specific portfolio of technical assistance in GSCs with little or no regard to other programmes in the area. No evidence was found of programmes by other multilateral organizations to strengthen the capacity of the ILO's tripartite constituents to promote decent work in GSCs.

7.4 Advocacy

Key multilateral organizations such as WTO, OECD and G20 have largely captured the global development debate on GSCs.

They forcefully advocate for free trade, economic integration and coherent macro-economic policies and emphasize the important employment potential of GSCs. In a break with the structural adjustment policies of the past, however, sound industrial policies are increasingly regarded as crucial elements. The 2015 Turkish G20 presidency advocates for trade policies and economic upgrading, but with a strong focus on the base of the pyramid and the need to build the capacity of developing countries to benefit from trade. The G7 has long promoted the economic upgrading of supply chains to foster economic growth, and has recently also called for stronger social and environmental standards in GSCs.

The UN also advocates a holistic approach towards sustainable and responsive value chains, but unlike the global economic institutions it has a much stronger focus on the need for improved governance of GSCs and human rights. The ILO is recognized as the authority on decent work in GSCs, and decent work priorities are increasingly included in statements and policy briefs of other multilateral organizations such as the G20 or the World Bank. There is great potential, however, for the ILO to pronounce itself much more forcefully in the global debates concerning GSCs, trade, growth and development.

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