



## Governing Body

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Policy Development Section

POL

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### DRAFT MINUTES

## Policy Development Section

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## Employment and Social Protection Segment

### First item on the agenda

#### Outcome 3: Creating and extending social protection floors (including the flagship programme) (GB.328/POL/1)

1. *The Employer spokesperson* underlined the shared conviction that social protection systems are essential to combat poverty, increase household consumption, enhance domestic demand and support profitable growth. That conviction has been reflected in the Social Protection Floors Recommendation, 2012 (No. 202), the plan of action adopted by the Governing Body and the 2030 Agenda for Sustainable Development (2030 Agenda). Social partners needed to be involved in implementing social protection floors and further capacity building would be required. Establishing progressive social protection systems and reforming existing systems while ensuring that they remained sustainable was only possible with the full participation of the social partners.
2. With regard to the implementation of outcome 3, it was important to ensure that the technical and advisory services and capacity building provided under area 2 to ministries, did not widen the gap between employers and workers. In that context, the International Training Centre of the ILO in Turin (ITC-ILO) courses and initiatives were welcome. The social partners must be technically prepared and able to participate in the development and implementation of social protection systems. In addition, building and strengthening partnerships as envisaged under area 5 would facilitate the sharing of knowledge and best practices, in the spirit also of the Global Business Network for Social Protection Floors.
3. Much remained to be done to make social protection systems economically and environmentally viable and reflective of current realities. The focus appeared to be on social protection floors and the extension of coverage rather than on the reform of systems and extension of benefits. The Office should strike a better balance between those two issues. It should provide more information on reforms of retirement or maternity plans, among others, and efforts to modernize the management of existing social protection floors.
4. With regard to the flagship programme on building social protection floors for all, which would change the lives of millions of people, employers' organizations must be actively included from the outset. A capacity-building programme for the social partners in target countries must be envisaged. Beyond the current strategy, a broader reflection on the future of social protection policies was needed on how to make social protection floors sustainable, how to promote and extend social protection while promoting decent jobs and how to meet the social protection needs related to new forms of work. His group supported the draft decision.
5. *The Worker spokesperson* said that the four basic social security guarantees remained to be achieved for much of the world's population. He welcomed the Office's work to extend social protection. He noted how the adoption of Recommendation No. 202 had reconfirmed the importance of the Social Security (Minimum Standards) Convention, 1952 (No. 102), and encouraged States to consider its ratification. The substantial increase in ratification rates of Convention No. 102 further showed the direct relationship between promotion efforts and technical assistance provided by the Office. The integrated approach, addressing both the horizontal and vertical dimension of social protection, as adopted in 2012 was

critical for the long-term development of social protection. It was important to ensure that social protection floors did not become ceilings, and that social protection encompassed the informal economy. Recommendation No. 202, the Domestic Workers Convention, 2011 (No. 189), and the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), were crucial instruments in that regard.

6. The prominent role of social protection floors in the Sustainable Development Goals (SDGs) gave the ILO a unique opportunity to lead social protection promotion within the United Nations (UN) system. Social protection was one of the best defined priorities in the ILO, and undoubtedly an area where the ILO has the potential to lead and to make a difference, building on its rich body of standards and established expertise in that field, and to become an international centre of excellence. Social protection should be a priority area for future work and resource allocation should be increased, including through the mobilization of additional voluntary contributions.
7. His group welcomed the proposed participatory approach of the flagship programme, which would involve other organizations, but emphasized that outreach to other organizations in line with Recommendation No. 202 should broaden support for social protection, not replace workers' and employers' organizations. His group stood ready to contribute to the global tripartite advisory committee called for by the Governing Body in November 2015. The Office's goal of extending social protection to an additional 130 million people represented a mere 2 per cent of the world's population. The world was too rich not to have social protection floors and their establishment was socially desirable, economically possible and politically necessary.
8. The rise of austerity policies and policy changes in some countries put achievements realized in recent years at risk. The burden of the economic crisis needed to be shared fairly, with the major companies which benefited from globalization contributing to the funding of social protection floors. The ILO should intensify its evidence-based advocacy work and underline the indispensable nature of social protection for social justice, social peace, equal opportunity and inclusive societies. Extension strategies should include all categories of workers, including digital and sharing economy workers and vulnerable groups such as domestic workers.
9. Broad-based political support among constituents and in society was essential for the extension of social protection. The ILO should prioritize policy guidance and advocacy work and strengthen the capacity of representative organizations, including workers' organizations. The ongoing initiative to mobilize workers' organizations on social protection, freedom and justice and the Global Business Network for Social Protection Floors were positive developments. The Office should help businesses to contribute to universal social protection while ensuring that the Organization's prestige was not exploited for a corporate social responsibility public relations exercise. The ILO should take advantage of its upcoming centenary and the SDGs to lead and shape the global debate, highlighting the crucial role of social protection for an open global economy and providing a credible alternative to unequal globalization. He supported the draft decision.
10. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of India commended the ILO on the significant footprints it had created in the global policy discourse and said he looked forward to the ILO's leadership in capacity-building and research-based activities to support national policy-making. While Governments had the primary responsibility to provide social protection, the current demographic and labour market context presented challenges requiring innovative policy measures including for the extension of social protection to informal and migrant workers. The Office should increase its efforts to disseminate best practices and solutions among stakeholders. He welcomed the

inclusion of eight Asian countries in the flagship programme and looked forward to its implementation. ASPAG supported the draft decision.

11. *Speaking on behalf of the Africa group*, a Government representative of Lesotho commended the Office on its strategic approach and areas of intervention and noted the progress made to date. The ILO should provide technical support to address the remaining social protection gaps and implementation challenges. His group appreciated the work done under the Decent Work Country Programmes (DWCPs) and noted other efforts at the regional and international levels. The promotion of social protection to eradicate poverty was a priority under the African Union's Agenda 2063. Further support was needed to integrate social protection floors into national strategic plans and to support their implementation in line with international development frameworks. The Office should promote the ratification and implementation of Convention No. 102 and Recommendation No. 202 and maintain its leadership role in social protection through building strategic partnerships with other organizations. A social security school had been opened in Algeria with support from the ILO; his group wished to see the Organization supporting similar initiatives, in addition to mobilizing and allocating more resources towards the flagship programme. His group supported the draft decision.
12. *Speaking on behalf of the European Union (EU) and its Member States*, a Government representative of Bulgaria said that the following candidate countries aligned themselves with the statement: Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Albania; Norway, member of the European Free Trade Association and the European Economic Area; and Georgia. The ILO had assumed a leading role in the development and implementation of social protection floors and contributed to the paradigm shift from considering social protection floors as a privilege to acknowledging them as a fundamental right. In order to ensure that social protection systems were sustainable and responsive to facing modern challenges, the EU and its Member States were conducting consultations on a social pillar. His group also supported many countries through development cooperation to strengthen social protection systems and create decent jobs. Access to adequate benefits, including services for all, was of particular importance. His group encouraged the Organization's work to upgrade its evidence-based policy knowledge on pensions, health and long-term care and commended its work on financial governance for building sustainable systems. His group encouraged the ILO to continue forging partnerships with international organizations and agencies, particularly in the context of the 2030 Agenda and welcomed the global partnership generated by the Universal Social Protection Initiative. A number of EU Member States had expressed support for the flagship programme. His group supported the draft decision.
13. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Panama recalled that the concept of social protection floors had first been formally established in Recommendation No. 202. In the light of the Decent Work Agenda and the 2030 Agenda, to both of which social protection was central, the ILO should reaffirm and strengthen its leadership role. His region had been a pioneer in the development of social protection systems and 22 countries in the region were currently developing systems in line with Recommendation No. 202. He urged the Office to pursue efforts that would result in a real impact in the context of the Social Security Plan of Action 2011–19, in particular to consolidate partnerships with other organizations and stakeholders at all levels. His group supported the draft decision.
14. *A Government representative of France* said that his country shared the Office's vision on the importance of social protection floors, without which development was not sustainable, in the context of the achievement of the SDGs. His Government had participated actively in the development and adoption of Recommendation No. 202 and supported the corresponding flagship programme, including the Global Business Network for Social Protection Floors.

The French Government and development agencies also provided support to the Social Protection Inter-Agency Cooperation Board (SPIAC-B) for the development of joint initiatives and evaluation tools and the ILO–World Bank Universal Social Protection Initiative.

15. A *Government representative of Argentina* said that the strengthening of social protection floors was indispensable to national development strategies and that the 2030 Agenda had drawn attention to their importance. His Government had ratified Convention No. 102 and implemented a number of institutional and legislative measures, including extending family allowances to people in temporary employment and ensuring universal pension coverage for those over 65 years. He encouraged the Office's initiative to incorporate gender in the design of policies and to extend coverage to informal economy workers, migrants and other groups. In order to advance in that area, his Government had also ratified the Ibero–American Multilateral Agreement on Social Security.
16. A *Government representative of China* said that with a view to establishing more sustainable social protection, his Government had extended coverage and established a social security framework. A feasibility study regarding the ratification of Convention No. 102 was under way and his Government looked forward to exchanging best practices with other member States. His Government supported the five intervention areas and expressed the hope that the ILO would concentrate its resources on outcome 3 and the corresponding flagship programme. He invited the ILO to continue its work on policy analysis, statistics and training with the ITC–ILO, as well as cooperation with UN and other organizations and enhance policy coordination at the national level.
17. A *Government representative of India* noted that the ILO strategy promoted implementation through DWCPs in line with the SDGs which was critical to ensure nationally appropriate interventions. Her country was currently the fastest growing economy in the world with the largest informal workforce, including self-employed and migrant workers. Over recent years, the extension of social security to all had been given priority in the national budget. Various reforms had been initiated to improve social protection, including by implementing a programme to universalize health coverage, creating bank accounts to guarantee delivery of benefits, and improving maternity benefits. Brazil, Russian Federation, India, China and South Africa (BRICS) had further agreed to work on concluding social security agreements to ensure the portability of social security and meet the principles of fair migration. She expected the ILO to provide capacity-building services to stakeholders and policy-makers. Her Government supported the draft decision.
18. A *Government representative of Ethiopia* said that her country welcomed the Office's commitment, strategy and implementation mechanisms to support member States in their efforts to make social protection floors a reality and contribute to the achievement of the SDGs. It trusted that the Office would continue to expand its support to include other member States under the flagship programme in following years. Her country's social protection policy sought to reduce poverty and address inequalities. The time had come to draw lessons from global initiatives on how to transform national social protection strategies into action to achieve sustainable development. Successful social protection practices could be replicated and scaled up elsewhere. Her delegation encouraged the Organization to further strengthen its coordination with other development partners as it improved programmes at the country level. She supported the draft decision.
19. A *Government representative of Colombia* said that one of the primary objectives of his Government was the creation of more and better quality jobs. To that end, a strategy had been developed, with the support of the ILO and the Spanish Agency for International Development Cooperation, which had led to a reduction in informal work and the creation of new jobs. In order to address formalization of the rural economy, a policy would be

designed, with the support of the Office, to guarantee social protection to rural workers, which would contribute to securing comprehensive peace.

20. *A Government representative of Japan* said that it was particularly important to promote the establishment and extension of social protection schemes in developing countries. His country supported relevant activities through the ILO/Japan Fund for Building Social Safety Nets in Asia and the Pacific (SSN Fund). It was crucial that country support was provided in conjunction with a DWCP and was adapted to the socio-economic situation of the country, and that the importance of formalization was taken into account. He expressed the hope that the Office would continue efforts to effectively disseminate its social protection policies among member States. He supported the draft decision.
21. *A Government representative of the United Republic of Tanzania* said that her Government would appreciate further ILO technical support for reforms to enhance the governance and improve the coverage of social security schemes in her country. The major social protection gaps identified in the *World Social Protection Report* meant that it was vital to design and implement policies that would achieve tangible results. Hence the flagship programme should encompass many countries, especially developing countries. She supported the draft decision.
22. *A Government representative of the United States* said that her Government valued the ILO's work in the area of social protection and believed that ILO assistance to member States to implement social protection strategies, analyse legal frameworks and develop good financial governance was key. She requested information on progress in relation to the results criteria of the programme and budget and wondered what implications the six-and-a-half-year implementation period of the flagship programme would have for the reportable results listed under the indicators. She commended the Office's work to enhance the knowledge base and providing benchmarks for assigning progress including through the Social Security Inquiry. The ILO could play a crucial role in assisting member States to build their statistical capacities in order to inform their efforts to achieve the SDGs and to enable them to measure progress. Since the Office's partnerships with other relevant institutions had leveraged expertise to the benefit of member States, those efforts should be pursued. She welcomed the Office's recognition that the primary responsibility for the delivery of social protection lay with States and she supported the draft decision.
23. *A Government representative of Mexico* underlined the importance of introducing and improving programmes establishing minimum levels of social protection and highlighted his Government's pioneer national solidarity programme of 1989. He welcomed the Office's efforts to update the Social Security Inquiry survey and database. It called on the Office to better disseminate the guidance emanating from the SPIAC-B and recognized the work on the various guides undertaken with the International Social Security Association. His Government believed that the implementation and adequacy of social protection floors, would benefit from the formulation of specific guidelines including on the complementarity of contributory and non-contributory systems as well as from the provision of guarantees concerning their financial sustainability. The Office should pursue the lines of action mapped out in the document under consideration. He encouraged the Director-General to continue to actively promote the creation and extension of social protection floors in cooperation with other international organizations. He supported the draft decision.
24. *A Government representative of the Russian Federation* stated that the ILO's discussion on social protection floors was extremely important. Her country had developed a social protection system that encompassed a wide section of the population. Among many other examples, social benefits had increased one-and-a-half-fold over the previous three years. Some benefits, such as family allowances, were paid irrespective of recipients' income. Maternity benefits had almost doubled and pensions and other benefits were inflation-

indexed. Indicators to reduce poverty, steps to increase social protection floors and the provision of social assistance were defined in the Citizens' Social Support programme adopted by her Government in 2014. She endorsed the ILO's strategy and the draft decision.

25. *A representative of the Director-General* (Deputy Director-General for Policy (DDG/P)) said that many countries had clearly established impressive social protection systems regardless of their level of economic development. The ILO's ambition, as recognized during the discussion, was to become the leader in the area of addressing the horizontal and the vertical dimensions of social protection, using Recommendation No. 202 among others, as its roadmap to that end. The technical assistance provided by the Office built on social dialogue, an important element of the strategy. The Office supported countries in finding fiscal space and continued to make the case with the G20 and others concerning the importance of social protection particularly in these challenging times. The evolution of the employment relationship presented further ongoing challenges and work on social protection for formal and informal workers was an area of emphasis. The ILO was also helping governments make their systems more sustainable through evidence-based policy-making and was endeavouring to respond to the numerous requests for assistance, inter alia by forging partnerships, such as with the World Bank. It would continue to give priority to building the statistical capacity of member States.
26. *A representative of the Director-General* (Director, Social Protection Department (SOCPRO)) explained that the flagship programme covered three five-year periods up to 2030. With regard to the indicators, they measure the number of countries that adopt strategies, schemes or governance reforms, in line with the programme and budget outcome indicators. Additionally the flagship will measure the impact on people. The flagship programme focused on 21 countries, whereas outcome 3 in the programme and budget covered a larger set of countries.
27. *The Employer spokesperson* said that his group was happy with the consensus reached and would join in efforts to advance the programme.
28. *The Worker spokesperson* said that he was encouraged by the unanimous consensus on the importance of social protection because it was socially necessary, economically and fiscally feasible and politically responsible to guarantee social protection as a human right. Social protection should be extended to new and non-standard forms of employment. More resources should be allocated to outcome 3.

## **Decision**

29. *The Governing Body requested the Director-General to take account of its guidance in further implementing the strategy for outcome 3 of the Programme and Budget for 2016–17.*

(GB.328/POL/1, paragraph 53.)

## **Second item on the agenda**

### **Outcome 4: Promoting sustainable enterprises** ([GB.328/POL/2](#))

30. *The Worker spokesperson* thanked the Office for work done under outcome 4. The conclusions reached at the 96th Session of the International Labour Conference concerning the promotion of sustainable enterprises should continue to guide the Office's work on that



subject. The group attached great value to an enabling environment for sustainable enterprises and inquired about progress of the assessment of the Enabling Environment for Sustainable Enterprises (EASE) programme, emphasizing the need to incorporate input from the social partners in that process. As in previous biennia the focus on activities had been too narrow; his group sought assurances that the five areas of work of the strategy would henceforth be implemented in a more balanced manner, in particular by paying more attention to the potential of collective bargaining to improve working conditions, by conducting research into the impact of social dialogue and collective bargaining on working conditions in small and medium-sized enterprises (SMEs) and by providing capacity development for SMEs.

31. The new product offering advice on enterprise formalization should be fully aligned with Recommendation No. 204, and should also focus on formalizing jobs. Better engagement with trade unions at the country, sectoral and shop-floor levels would help to improve productivity and working conditions. He welcomed the strategy for improved engagement with trade unions in Sustaining Competitive and Responsible Enterprises (SCORE) programme. Concerning value chain development, a closer look should be taken not only at the pressure which buyers exercised on the supply chain and the effects thereof on working conditions and the quality of jobs, but also at the pressure multinational enterprises (MNEs) exerted on SMEs. He wished to know how many jobs had been created as a result of entrepreneurship training, and asked what the quality of the jobs created in high-growth SMEs was and whether such enterprises were economically, socially and environmentally sustainable. Were the new interventions also aimed to improve working conditions and promote decent work.
32. His group appreciated the work on MNEs and asked the Office to take into account in its work the conclusions of the 2016 Conference discussion on global supply chains. He asked what countries had benefited from country-level assistance to apply the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and indicated that greater attention should be paid to the responsibility that MNEs bore for sustainable growth in the countries where they operated and more synergies should be built into country-level activities between MNEs and SMEs. He asked how good practices in respect of collective and framework agreements and industrial relations would be incorporated into outcome 4 activities.
33. More work should be done on developing and promoting investment criteria from a social perspective. Training activities under the Green Jobs Programme should be actively promoted and the guidelines for a just transition should also be promoted in the context of partnership initiatives. The Office was requested to continue its work on cooperatives which was highly appreciated. However, public sector enterprises and social economy enterprises needed to be factored into the strategy and the work on social and solidarity economy (SSE) legislation and policies should be extended to other countries. Outcome 4 should prioritize interventions that might substantially improve working conditions. He supported the draft decision in paragraph 39.
34. *The Employer spokesperson* said that his group fully supported the three main goals under outcome 4 and was pleased with the progress of work on the EASE. Stronger links should be forged between the assessment of the EASE and the ILO's work on employment and quality-of-work policies. Moreover, constituents should be helped to build their capacity to identify, implement and monitor the requisite reforms. In addition, the Office should provide feedback on progress achieved on the overall indicators, rather than on isolated results criteria. A deep involvement led by constituents was also needed to achieve results. The Employers appreciated efforts to embed the SCORE programme in national programmes for SME development and in supplier development agreements. However, additional budgetary

and extra-budgetary resources were required to meet the rising demand for SCORE initiatives.

35. The best way to promote the MNE Declaration was to offer country-level support to tripartite constituents on the application of its principles. However, the development of toolkits, self-assessment tools and policy briefs should be postponed until the updated Declaration has been adopted by the Governing Body in March 2017. He asked how many companies attended the ITC–ILO training modules. If the participation rate was low, it might be advisable to devise alternative formats with the Bureau for Employers’ Activities (ACT/EMP). Recognizing the ILO Helpdesk for Business as a huge success, he expressed the hope that it would become a one-stop-shop providing companies and constituents with information about country-specific risks, national labour laws and occupational health and safety regulations.
36. Concerning the Green Jobs Programme, the Office should advocate the integration of decent and productive work in the Green Initiative. He asked what impact the Programme had had on green business opportunities for potential and existing entrepreneurs. An assessment of lessons learned from the implementation of the *Guidelines for a just transition towards environmentally sustainable economies and societies for all* in pilot countries was needed before expansion to additional countries was considered. Outcome 4 should be more ambitious and additional resources should be allocated in the programme and budget to implement its programmes, especially SCORE and, eventually, the EESE.
37. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that it was crucial to enable member States to promote an environment conducive to the growth of sustainable enterprises and the creation of decent and productive work. More country-level support was needed to train additional trainers on ILO programmes. Member States also required technical support to harmonize trade and labour policies in order to create more jobs, to integrate programmes such as SCORE into their national SME development plans and to teach young people the skills which they needed to obtain safe employment with social protection in the green economy. The Office should also help constituents to assess best practice in SME development. The Africa group supported the draft decision.
38. *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria said that Turkey, Montenegro, Serbia, Albania, Norway and Georgia aligned themselves with the statement. The private sector should contribute more to inclusive economic growth, the creation of decent jobs, the transition to a green economy and the social and economic empowerment of women and youth, with a particular focus on the poorest and most vulnerable. The ILO should pay more attention to women, young people and vulnerable groups in its action with regard to SMEs. With regard to MNEs, he requested more information on the volume of country-level assistance and training, including to the ILO Global Network of MNE Declaration focal points, and on the work of the Helpdesk for Business. Concerning the promotion of cooperatives, he asked for information on the latest trends in requests from constituents and actions taken by the Office. Further consideration should be given to interventions directed to the social economy. Promotion of the 2015 *Guidelines for a just transition* and activities related to green jobs were welcomed. Consideration should be given to linking outcome 4 with action on the follow-up to the resolution adopted at the 105th Session of the International Labour Conference concerning decent work in global supply chains, as well as with action related to corporate social responsibility and business and human rights and the activities forming part of the Enterprises Initiative. Cooperation with other agencies on international initiatives to foster sustainable enterprises should be increased. His group supported the draft decision.

39. *Speaking on behalf of ASPAG*, a Government representative of Australia said that due consideration should be given to the conclusions reached at the 96th Session of the Conference concerning the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189). Her group supported the various ILO programmes which promoted sustainable enterprises and considered that the Office should scale up measures to promote cooperatives worldwide and other SSE enterprises as part of the Future of Work Initiative. Resolution III adopted at the 19th International Conference of Labour Statisticians in 2013 provided a good basis for gathering quality data and obtaining reliable statistics on cooperatives. The Office should help constituents to improve their capacity to gather and process statistics in cooperation with other relevant international bodies. The greatest challenge to SMEs was to boost productivity while adopting sustainable and responsible workplace practices. A set of tailor-made indicators providing greater insight into the challenges faced by SMEs was needed in order to measure their sustainability. Innovative training courses to develop the skills of potential and existing entrepreneurs were needed, as was access to finance, in order to facilitate their access to green business opportunities. ASPAG supported the draft decision.
40. *A Government representative of Argentina* said that his Government had taken measures to generate wealth and quality employment through the development of sustainable enterprises. While establishing the requisite conditions for investment was important, a country's recovery must be a joint effort between enterprises, workers and the Government. Employers must bear risks, invest, accept competition, innovate and create quality jobs, workers must be professional and efficient and the State must create an environment conducive to capital development and the fair distribution of wealth. Those conditions were essential for the achievement of SDG 8.
41. *A Government representative of the United States* while welcoming progress under outcome 4, asked how many of the participants in the Start and Improve Your Business (SIYB) programme had been women. New interventions to foster high-growth SMEs should focus on promoting decent work and not just productivity. She welcomed the new EESE programme component offering advice on formalization to SMEs. As her Government was a strong advocate of knowledge generation to inform policy-making, she asked what progress had been made with the five new impact assessments and when the results would be available. Strategic partnerships with other international organizations and other key organizations to further employment and decent work in SMEs would allow the ILO to build on its core competencies and extend the reach of effective programmes. She requested further information on how the Office's green jobs efforts promoted sustainable enterprises and supported the achievement of outcome indicators. Her Government supported the draft decision.
42. *A Government representative of India* asked who would lead implementation of the Enterprises Initiative in the field and whether governments or private sector entities would be responsible for creating an enabling business environment; how major stakeholders in the global value chain had responded; and how the challenges faced by micro-enterprises would be addressed. Within the spectrum of SMEs there were different challenges and strengths; and policy responses should vary accordingly. The ILO Initiative should be adapted to countries' needs and incorporated into national programmes. The success of outcome 4 and of the Enterprises Initiative would depend largely on the voluntary participation of employers. Appropriate assistance, including with technology transfer and accountability along the value chain, would be needed. The review of the MNE Declaration would highlight those. He supported the draft decision.
43. *A Government representative of Brazil* said that he welcomed the new component of the EESE programme on the formalization of informal SMEs and the reference to expanded business support services for potential and existing entrepreneurs. The review of the

MNE Declaration would show how businesses could be involved in implementation of the SDGs. While decent work and decent job programmes that took environmental sustainability into account were welcome, terms such as “the green economy”, “green growth” and “green jobs” did not reflect the integrated and balanced approach enshrined in the 2030 Agenda, which included the economic, social and environmental dimensions of development. He supported the draft decision.

44. *A Government representative of China* said that outcome 4 was an important tool for promoting private sector investment, innovation and inclusive development under the 2030 Agenda. His Government supported the promotion of green economic development within the United Nations framework, welcomed the introduction of green courses by the ITC–ILO and looked forward to improved forms of entrepreneurship training.
45. *A Government representative of the Russian Federation* underscored the importance of increasing investment attractiveness, improving the business climate and creating a favourable environment for sustainable enterprises. To that end, priority should be given to new business community initiatives, law enforcement practices and interaction with business representatives. Her Government was implementing a number of measures with the aim of developing workers’ vocational skills, creating a mechanism to ensure the legal regulation of public–private partnerships providing financial support to SMEs and providing information and advice to SMEs. She welcomed the approach under outcome 4, aimed at producing more knowledge on the effectiveness and cost-efficiency of SME interventions, and endorsed the draft decision.
46. *A representative of the Director-General (DDG/P)* said that the work on outcome 4 was carried out within the framework of the Decent Work Agenda and was based on an empirical foundation of what had worked previously. While improved productivity and working conditions were intertwined, the Office understood the unique challenges faced by SMEs and the importance of designing programmes to address them. The work of the ILO capitalized on its comparative advantage of tripartism. The ILO had increased its engagement with the SSE and the cooperative movement in order to shape an enabling environment in light of the future of work and the evolving employment relationship. The Office was endeavouring to scale up the SCORE programme within the available resources, intended to improve the Helpdesk for Business and was developing its capacities in order to ensure that environmental sustainability went hand in hand with improved working conditions and a more enabling environment.
47. *A representative of the Director-General (Director, Enterprises Department (ENTERPRISES))* said that the Office intended to step up its work on matters related to productivity and its cooperation with other agencies and had taken note of the Employers’ request for information on the relevant indicators. Once the requested feedback on the EESE programme review had been received, it would involve the social partners. Support programmes were required to report on how they had reached out to women and increased their participation. Some entrepreneurship development and training programmes were aimed exclusively at women and young people; a recent evaluation conducted jointly by the ILO and the World Bank showed that such interventions had a greater impact than vocational training or wage subsidies in low- and middle-income countries. The ILO offered entrepreneurship training for refugees, but further work was needed in that area. A forthcoming tracer study showed that an estimated 9 million jobs had been created under the SIYB training programmes over the past 15 years; monthly incomes and employment rates had increased by up to 50 per cent and 50 per cent of the trainees were women. Impact assessments would be made available by the end of the current biennium. It would be premature to comment on the quality of employment in high-growth SMEs.

48. The review of the MNE Declaration had begun. Technical cooperation projects in Asia and Africa were being funded by Japan and France, respectively; EU-funded projects on corporate social responsible supply chains in Asia were under discussion; and finalization of the global resource kit and tools was on hold pending the outcome of the review. Although training courses for constituents were funded by the Multinational Enterprises Unit, they were carried out in conjunction with ACT/EMP and the Bureau of Workers' Activities (ACTRAV). The ILO Helpdesk for Business had registered a high number of visitors over the past year and had converted 180 inquiries into general questions and answers.
49. The Office had taken note of the requests to take public and social enterprises and the link between cooperatives and the future of work into account. It had developed an overview of international experience and strategies for job preservation through cooperatives; was working on cooperative and entrepreneurship initiatives for refugees, youth and women; and would follow up on the resolution adopted at the 19th International Conference of Labour Statisticians.
50. Concerns about the use of “green” terminology would be taken into account. Green jobs, green business and just transition initiatives had been introduced in several countries. The guidelines requested by the United Nations Framework Convention on Climate Change (UNFCCC) secretariat had been introduced at a workshop held in Qatar and would be presented at the Marrakech Climate Change Conference. Because the guideline principles had been adopted without funding, extra-budgetary options were being explored in order to proceed with pilot applications.
51. *The Worker spokesperson* stressed that there was no contradiction between productive employment and decent work. The Office should take the conclusions concerning global supply chains, adopted at the 105th Session of the Conference (2016), into account in its work.
52. *The Employer spokesperson* said that there was a pressing need for resources to support delivery of the SCORE and EESE programmes.

### **Decision**

53. *The Governing Body requested the Director-General to take account of its guidance in further implementing the strategy for outcome 4 of the Programme and Budget for the biennium 2016–17 on promoting sustainable enterprises.*

(GB.328/POL/2, paragraph 39.)

### **Third item on the agenda**

#### **Labour-related provisions in trade agreements: Recent trends and relevance to the ILO ([GB.328/POL/3](#))**

54. *The Employer spokesperson* said that the research undertaken was relevant and pertinent. However, the report wrongly implied that globalization and trade were a source of income inequality and adverse labour market outcomes; with global market integration, the developing countries had raised their share of total world exports and the absolute poverty rate had decreased substantially. While inequality and non-standard forms of employment within countries had grown, it was not clear that globalization per se was the driver.

55. He pointed out that the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, established that labour standards should not be used for protectionist trade purposes and the comparative advantages of countries should not be called into question. Also, all countries must respect, promote and realize the fundamental principles and rights at work. A similar reasoning was found in the 2030 Agenda that expressly recognized trade liberalization as an engine for sustainable development. Any further ILO action should bear in mind the wide variety of labour provisions and follow-up tools, many of which sought to ensure that national labour laws were linked to the fundamental principles and rights at work, rather than pressing for new domestic regulations or reforms.
56. While he welcomed recent efforts to incorporate consultation and dialogue mechanisms to ensure the proper implementation of labour provisions, local social partners must be involved in cooperation activities from the beginning and governments needed to allocate additional resources, including for capacity building. The ILO had a role to play in providing advice on how those references could be best integrated in trade agreements in following the implementation of those clauses, upon request of the member States. The ILO's contribution to development cooperation and technical assistance initiatives should reinforce good governance, reflect tripartite consensus, respect countries' right to choose their own labour relations models and ensure participation of the social partners.
57. The Office should continue to collect and analyse information and build further partnerships with international organizations. Workers' and employers' organizations should be more involved in project implementation and should be notified of any ILO assistance requested, informal exchanges held, guidance provided and the impact thereof. The Employers' group supported the draft decision.
58. *The Worker spokesperson* said that his group was in favour of free trade, but only so long as it was fair. While the report noted that trade and investment liberalization could lead to job loss and income inequality, there was outside evidence of their impact on decent job creation, industrial development, universal access to public services, social protection, environmental standards, financial stability and workers' rights. He noted that regional integration required more than just a reduction in trade barriers; it also needed to address political, social, cultural and environmental issues.
59. While labour provisions had had a positive impact on law and practice, they could be improved based on an evaluation of the most effective approaches. According to him, trade agreements that included enforcement mechanisms and substantive labour standards and allowed for consultation with stakeholders had more credibility and leverage. The Office should place greater emphasis on research on the impact on employment and decent work of new, complex trade agreements with far-reaching implications. His group was concerned about investment agreements that allowed companies to sue States and about the limited transparency in the negotiation of trade and investment agreements. In particular, the negotiations on the Trade in Services Agreement (TiSA).
60. Trade and investment negotiations should be subject to genuine, transparent and democratic processes involving the social partners; good practices should be studied and disseminated; and transnational coalitions of trade unions should be supported. The Office could help trade unions to organize forums to inform policy-makers regarding trade partners' compliance with agreements. It should also provide more information on the outcomes of the programmes and whether any public submissions were subject to monitoring by the ILO supervisory mechanisms.
61. He requested information on development cooperation programmes and ILO partnerships that could help develop trade union capacity. Research and policy briefings on trade and investment in relation to employment and decent work and on the treatment of agriculture,

investment and services in trade and investment agreements would also be welcomed. The ILO's partnership with the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD) should be expanded, including with respect to research studying the link between foreign direct investment and development and the role of productive integration, focusing on the promotion of decent work. While his group supported the draft decision, capacity building should be included in the technical assistance provided to constituents under paragraph 31(a).

62. *Speaking on behalf of the Africa group*, a Government representative of Lesotho requested the Office to continue to provide the African States with information, technical assistance, and extend support especially in the negotiations and future implementation of the Continental Free Trade Area (CFTA). While acknowledging the importance of labour-related provisions in trade agreements, his group did not support linking labour standards with trade agreements for the purpose of developing protectionist policies that impeded market access. He supported the draft decision.
63. *Speaking on behalf of GRULAC*, a Government representative of Panama said that trade agreements should take into account the political, economic and social context of the countries in which they would be implemented. The Office should assist requesting governments with the implementation of labour-related provisions of agreements. His group supported the draft decision.
64. *Speaking on behalf of the BRICS countries*, a Government representative of India said that at the current stage, fair trade policies should not automatically have to include labour-related provisions. While it was useful for the Office to collect and analyse information on trade agreements that included such provisions, it should focus more closely on capacity building for the social partners. Partnerships with other international organizations must respect the mandates of the entities in question and avoid imposing multiple, and sometimes contradictory, compliance obligations on countries. The report should have indicated the regional concentrations and development levels of the countries that had trade agreements with labour provisions in order to show what was working and where. It was important to bear in mind the established principle that labour standards should not be used for protectionist purposes. He supported the draft decision but emphasized that, in view of the absence of indicators for the implementation of the 2030 Agenda, paragraph (b) must be implemented with due regard for national commitments under the SDGs.
65. *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria said that the following candidate countries aligned themselves with the statement: the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania and Norway. She urged the Office to maintain its focus on generating and disseminating knowledge on the relationship between trade and labour. The EU was supporting further research on the effectiveness of labour provisions in trade agreements and a handbook with practical information on the design and implementation of labour provisions in trade agreements and the tripartite constituents' involvement would be published in December 2016.
66. The ILO had a key role to play in providing technical assistance and policy advice and the EU supported the Office's efforts to help EU trade partners to ratify and implement international labour Conventions where appropriate. The EU encouraged the Office to step up its work on labour provisions in trade arrangements in accordance with its mandate to promote the ratification and implementation of international labour instruments and the implementation of the Declaration on Social Justice for a Fair Globalization. The ILO should cooperate more closely with other organizations, including UNCTAD, in implementing the 2030 Agenda, which would require the integration of trade and development policies. She supported the draft decision.

- 67.** *A Government representative of Bangladesh* said that the report might usefully have mentioned the decisions taken at the first and fourth Ministerial Conferences of the WTO. More information on how labour-related issues were incorporated into trade agreements and on their relationship to trade would be appreciated. Referring to the ILO Declaration on Fundamental Principles and Rights at Work he said that labour standards should not be used for protectionist purposes and that countries' comparative advantages should not be called into question. Lastly, it was important to view the effect of labour-related provisions on employment and inequality in the trade partners. He urged the Office to continue its research.
- 68.** *A Government representative of Argentina* said that he supported both the inclusion in trade agreements of labour-related provisions in which the parties undertook not to lower labour standards or deviate from labour law to improve their competitive positions, and the use of supervisory mechanisms to ensure the implementation of those provisions. He supported the draft decision.
- 69.** *A Government representative of the United States* said that it was useful to have a solid, empirical body of research on labour provisions of trade agreements. She encouraged the Office, if sufficient resources were available, to hold seminars, distribute copies of its research and develop a short informational handbook on the results of its work. She welcomed further empirical research by the Office on the subject. She supported the draft decision.
- 70.** *A Government representative of Colombia*, in alignment with GRULAC's statement, said that trade agreements should include provisions that protected workers. Explaining measures taken by his Government, he said that his country had signed several such agreements with, among others, the EU and the United States. Also, that improvements had been made in social dialogue, strengthening labour inspectorates, and applying fines to violators of labour standards. He supported the draft decision.
- 71.** *A Government representative of Canada* said that labour provisions in progressive trade agreements supported inclusive and sustainable economic growth, had significant potential to protect workers' rights and brought about improvements in working conditions in global supply chains. The expansion and liberalization of international trade should not occur at the expense of workers' rights. The Office should make widely available the findings of research on the benefits of labour provisions in trade agreements. She supported the draft decision.
- 72.** *A Government representative of Belgium* said that trade agreements containing labour provisions highlighted ILO instruments and provided opportunities for their implementation. The Office had made a valuable contribution to the design and application of labour provisions contained in trade agreements, in accordance with its mandate, and should disseminate its research in that regard within the relevant international forums. She urged the Office to continue research on the topic.
- 73.** *A Government representative of China* referring to the Group of 77, said that trade agreements containing labour clauses played an active role in raising awareness of international labour standards, promoting decent work and achieving inclusive growth. He noted that the role of trade unions and employers in the negotiation and implementation of labour clauses in trade agreements had been enhanced. Bilateral memorandums of understanding had led to improved cooperation on labour issues. Further, the ILO had developed a supervisory mechanism related to labour standards and it was not necessary to apply labour standards by trade sanctions and the ILO is opposed to the use of labour standards for the purpose of protectionism. The international community should adopt a firm stance against all forms of trade protectionism. His Government hoped that the Organization would continue to oppose that labour standards impede trade and investment.



74. A *Government representative of India* considered that the findings on the growing incidence of labour provisions were preliminary and not conclusive. The inclusion of labour standards in trade agreements could lead to the comparative advantages of developing countries being adversely affected and ignored differences in national capacities and contexts. They should not be the norm in trade agreements. The vast majority of trade agreements with developing countries did not contain labour provisions. He noted that the Office should have compared the performance of countries signatories to trade agreements not containing labour provisions to that of countries signatories to trade agreements containing labour provisions. There must be clarity related to the mandates of the Office and the WTO. The WTO Singapore Ministerial Declaration of 1996, in line with the ILO Declaration on Fundamental Principles and Rights at Work, categorically rejected the use of labour standards for protectionist purposes and emphasized that the comparative advantage of countries must not be put into question. Before the Office adopts a position on the issue, a substantial body of statistics and a database containing regional and other classifications on how the benefits of such agreements were distributed among countries must be developed. The ILO must work with the social partners, in particular the employers, to build capacity and provide assistance with regard to good labour practices and technology transfers. Any conclusions from the research should be deferred in the absence of any specific focused initiative backed by empirical evidence and differing from those already on the table.
75. A *representative of the Director-General (DDG/P)* said that the ILO research was not about the rights and wrongs of trade and globalization, or whether trade agreements should include labour provisions. Those matters were policy issues, to be decided on by the tripartite constituents. The research neither detracted from nor added to the relevant provisions of the ILO Declaration on Fundamental Principles and Rights at Work or the ILO Declaration on Social Justice for a Fair Globalization. The research contributed to the knowledge base on labour provisions in trade agreements and would inform policymaking if and when the ILO chose to engage in that area. The research provided three simple but important empirical findings: (1) the inclusion of labour provisions in trade agreements did not decrease or divert trade; (2) they seemed to increase employment rates among women; and (3) they provided opportunities for the involvement of the social partners, in particular regarding changing regulatory frameworks. She acknowledged that the findings generated questions that remained unanswered which could be resolved as the Office continues to build its knowledge base. The Office was ready to provide technical assistance in the form of capacity building for social partners on request by governments and social partners. She acknowledged the request by some speakers to disseminate more widely the research carried out to date, and also highlighted that it provided a basis for future, more comprehensive work on the various aspects of labour provisions in trade agreements.
76. *The Employer spokesperson* said that there was broad alignment on numerous points raised and consensus regarding the draft decision.
77. *The Worker spokesperson* reiterated that there was significant evidence that trade agreements led to increases in informality. It was vital to bear in mind both the ILO Declaration on Fundamental Principles and Rights at Work and the ILO Declaration on Social Justice for a Fair Globalization when discussing labour standards and protectionism. Labour provisions in trade agreements must be enforceable. One of the basic ILO principles was that labour was not a commodity. Consequently, international trade related to goods and services and not to workers. The ILO was the competent body to deal with labour-related issues, including labour provisions in trade agreements. More knowledge and instruments and greater political commitment were required to turn free trade into fair trade through labour provisions in trade agreements, and those labour provisions must be accompanied by enforcement mechanisms.

## **Decision**

**78. The Governing Body requested the Director-General to:**

- (a) continue to collect and analyse information regarding labour provisions in trade agreements and provide technical assistance to constituents requesting support in the context of applying such provisions;*
- (b) develop partnerships with relevant international organizations and others with a view to offering integrated policy advice to constituents regarding the promotion of decent work in the context of trade and investment opening as part of the implementation of the 2030 Agenda; and*
- (c) report periodically to the Governing Body on action regarding trade, investment and decent work for sustainable development.*

(GB.328/POL/3, paragraph 31.)

## **Fourth item on the agenda**

### **Voluntary peer-review mechanisms of national employment policies**

**(GB.328/POL/4)**

**79.** *The Worker spokesperson* said that the Office had demonstrated that peer-review processes were feasible and could be successful. In light of the ILO Declaration on Social Justice for a Fair Globalization and the tripartite conclusions of the 103rd Session of the Conference (2014) recurrent discussion on employment, the Office has a mandate to carry out peer reviews. Peer reviews should be voluntary in nature. They would provide member States with valuable information on employment policies, feed policy development and provide the social partners with the opportunity to engage in the review process and the implementation of recommendations. Further, in order to achieve full, productive and freely chosen employment and decent work, governments must do more to assess the impact of national employment policies on employment and decent work outcomes. That would also contribute to ILO's role in the policy coherence debate in the framework of the G20 and the 2030 Agenda. The ILO should therefore develop a universal mechanism for employment policy reviews. He strongly favoured the global review proposed in option 1, which would allow for inter-regional and country exchanges of views and greater learning opportunities, would be more innovative than existing mechanisms and would reach a wider public. The modalities of the Global Employment Agenda review process could be examined and strengthened for use as part of the new review process.

**80.** While favouring implementation of the peer-review mechanism within the Governing Body, he said that it could form part of the recurrent item discussion on employment and for cost reasons should be linked to existing governing forums. The review should be based on the comprehensive employment policy framework adopted at the 103rd Session of the Conference (2014) and should include the policies contained in that framework and be in accordance with the Employment Policy Convention, 1964 (No. 122). Countries participating in peer reviews must receive assistance in the form of analytical tools, inter-ministerial coordination, and consultations and engagement with the social partners. Mechanisms for consultation with the social partners were essential from a procedural point of view and would strengthen ongoing and future national tripartite policy discussions on

employment. Reviewer countries could be selected on the basis of interest expressed or mutual interest. The ILO could provide assistance with the preparation of reports and analysis, and also provide recommendations that countries would be free to adhere to. On request, it could also provide technical assistance for the implementation of the recommendations. He requested the Office to further elaborate on option 1.

- 81.** *The Employer spokesperson* said that, during the 103rd Session of the Conference, the Employers' group had pointed out that peer reviews previously undertaken at the Governing Body had not proved satisfactory, differing national contexts made international benchmarking almost impossible and it was unclear how any new peer-review mechanism would complement existing supervisory mechanisms and technical cooperation procedures related to the ILO member State obligations. The peer-review process should not involve the interpretation of what ratified Conventions required in national terms. The existing ILO supervisory mechanisms measured how member States meet their commitments to the Organization. Each country should be left to measure its own progress, taking into account the needs of its own tripartite constituency. Poorly designed peer reviews would be unhelpful, potentially overlooking differences between countries and restricting their ability to set their own goals. Although the Employers' group was not opposed to a peer-review mechanism in principle, none of the proposals would be effective. Neither options 1 or 2 made provision for sufficient time and resources to conduct substantial reviews, would be add-on events rather than properly considered processes, and would inevitably turn into a series of pre-prepared speeches. Option 3 would be feasible if reviews and follow-up were voluntary and controlled by the requesting country. In addition, there must be adequate tripartite engagement. Peer reviews should not be add-ons to existing events and should be funded by the requesting country or donors. They should not focus on compliance with ILO standards. Countries must be allocated sufficient time for dialogue and reflection. More work should be put into demonstrating the added value of a potential peer-review mechanism with regard to knowledge building and technical assistance. Employers were willing to continue to work with the Office to agree on an effective process.
- 82.** *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that the African Peer Review Mechanism (APRM) provided a model for an ILO voluntary peer review mechanism. The ILO proposals required further elaboration. Clarification should be provided on the number of countries to undergo a peer review at any given moment; on the eligibility criteria for participation; on the role of the ILO in the follow-up to the reviews and the provision of related technical support to member States; and on ways to ensure the sustainability of the mechanism. Information on the budgetary allocations for the mechanism and the cost implications for participating member States is necessary. He supported the draft decision.
- 83.** *Speaking on behalf of the Governments of Denmark, Finland, Iceland, Netherlands, Norway and Sweden*, a Government representative of Norway said that peer reviews consumed a high level of resources and should focus on a limited and well-defined area. Option 1 was similar to the recurrent discussion approach, and the proposed peer review under the auspices of a recurrent discussion would neither fulfil the requirement of a limited item, nor add the expected value. As to option 2, no decision on new activities should be taken until the results of the Governing Body reform process regarding Regional Meetings were available. The Office should refrain from organizing peer reviews in regions where other international bodies were already organizing them. Option 3 was not feasible because it was difficult to persuade ministers to attend highly technical discussions. None of the proposed options seemed to represent value for money or to respond to the needs of the constituents.
- 84.** *A Government representative of Ghana* said that Ghana had championed that topic previously. He recalled the experience gained in the context of the APRM and welcomed the inclusion of such mechanisms in the 2030 Agenda. After a year in operation, the national

employment policy in Ghana, with ILO support, had been mainstreamed into the work of a range of ministries and social partners, and Ghana stood ready to share its experience. Although preparation was critical, the real key to success was commitment to implementation and impact. As such, Ghana endorsed voluntary peer review mechanisms as a tool to monitor the performance and impact of policies. All options must remain voluntary and any country submitting itself to a review must receive ILO technical support. The preference would be for a mechanism combining elements of all three options. Ghana supported the draft decision.

- 85.** *A Government representative of Japan* supported the regional format proposed in option 2 but, given the ILO's experience and its proximity to the social partners, it should facilitate the mechanism. Regional offices should be provided support to assess issues such as employment policy, taxation and social security systems, and to provide up-to-date information. Challenges regarding employment services should be addressed with the involvement of the World Association of Public Employment Services (WAPES). Efforts should focus on countries with low levels of policy development. He hoped that the Employment Service Convention, 1948 (No. 88), and Convention No. 122 would be better enforced through a voluntary peer-review mechanism. Japan requested a more detailed proposal.
- 86.** *A Government representative of France* highlighted the utility of peer reviews and said that France supported option 2.
- 87.** *A Government representative of the United States* endorsed the statement made by Norway. She was unclear what the outcome and follow-up to the reviews would be; if action plans would be developed and by whom; what would be the relation to DWCPs; and the cost of each option. The ideas all sounded robust, but at the same time expensive. Option 1 would involve some duplication if held in the context of recurrent discussions. She asked how many reviews there would be, how reviewers would be chosen, whether there would be on-site visits and, if so, who would pay for them. Conducting the reviews at Governing Body sessions could affect its work, and there was also the issue of its partial representation. Regarding option 2 as Regional Meetings were part of the reform agenda, it would be premature to choose that option. Option 3 was overly ambitious and unrealistic. She requested clarification on the expression that a ministerial meeting could "identify priorities for future peer-review work" [paragraph 17]. In conclusion, she was not convinced of the value added, and requested further information, notably on alignment with ILO priorities.
- 88.** *A Government representative of the Russian Federation* attached importance to reviewing national employment policies and requested more detailed proposals. She highlighted the positive results of the review undertaken in the Russian Federation which included ILO technical support. The Russian Federation participated in the ILO's youth employment policy reviews in the countries of the Commonwealth of Independent States (CIS) network and, within the country, an ongoing skills-review system targeted youth skills development.
- 89.** *A Government representative of Cuba* recalled the concerns and reservations expressed during the discussions at the 103rd Session of the Conference. He referred to the Annex to the ILO Declaration on Social Justice for a Fair Globalization regarding the principles of a review mechanism. The ILO's comparative advantage over other forums were its binding standards on employment, but the follow-up should have a clearly delimited mandate and avoid duplication of work. The mechanism should neither duplicate the work of the Committee on the Application of Standards nor provide a forum for political confrontation. The regional and subregional levels would be the most useful for sharing experience on implementation. More discussion would be needed before any option could be endorsed.

90. *A Government representative of Mexico* looked forward to discussing a more detailed proposal, which could include case studies of successful national resource mobilization for employment policy implementation. Option 3 seemed to provide for a more balanced exchange of experiences. He supported the draft decision.
91. *A Government representative of India* said that the success of the mechanism would depend on its ability to account for the varying levels of national employment policy development. The ILO should first support countries in developing those. Although the primary objective of the peer review should be knowledge-sharing on good practices from countries facing similar situations, a broad global perspective would be required if paradigm shifts were necessary. He requested a further detailed proposal.
92. *A representative of the Director-General (DDG/P)* recalled that a mechanism for peer reviews had been requested by the 103rd Session of the Conference (2014). Given the number of questions raised – on the purpose; the value added; the issue of duplication; the scope; the cost; the role of international labour standards, despite there being no mention of benchmarks; the format; the follow up; the link to DWCPs; the role of the Office in providing assistance and voluntary implementation – the Office would submit a more detailed paper.
93. *A representative of the Director-General (Director, Employment Policy Department (EMPLOYMENT))* stressed that the voluntary nature was inherent in all options and that the only goal, to be further developed in line with the issues raised, was mutual learning. There was no proposal for an impact evaluation element. Although the Office would further clarify the objectives, follow-up limitations, experiences and results, the value added was to be found in the discussion to take place between experts, ministers, social partners and others, whereby policy instruments used to tackle specific challenges would be reviewed. The mention of benchmarking referred to the resolution concerning the second recurrent discussion on employment that had provided a policy menu to be combined according to national circumstances and priorities. No option entertained limiting the review to countries with existing national employment policy processes, nor was there any attempt to create a link to the ILO's supervisory mechanisms. It was clear that each option had received some level of support but also that more information was needed, particularly on the value added, the process itself and the resource implications, all of which would be presented in a new paper.
94. *The Worker spokesperson* maintained the view that global reviews would have the greatest added value and the lowest cost.
95. *The Employer spokesperson* said that the debate had clarified the main aim to be the mutual sharing of experiences and, although the issue was not yet ripe, the Employers welcomed the consensus reached and stood ready to work with all concerned to reach a decision at the following meeting.

## **Decision**

96. *The Governing Body requested the Director-General to prepare a more detailed proposal for a peer-review mechanism of employment policies based on the guidance provided during the discussion, and the discussion foreseen in March 2017 on the follow-up to the evaluation of the impact of the Social Justice Declaration.*

(GB.328/POL/4, paragraph 18.)

## Social Dialogue Segment

### Fifth item on the agenda

#### Sectoral meetings held in 2016

(GB.328/POL/5)

97. *The Employer spokesperson* said that the Employers' group supported the draft decision.
98. *The Worker spokesperson* said that improving harsh conditions for workers in the oil and gas industry operating in polar and subarctic climate zones of the northern hemisphere remained a priority for the ILO. Drawing attention to the recent deaths of 25 oil industry workers in Pakistan, he said that improvements in occupational safety and health were crucial and asked for recommendations and conclusions that resulted from tripartite discussions to be widely implemented. He welcomed efforts to facilitate the Subcommittee on Wages of Seafarers of the Joint Maritime Commission held on 6–7 April 2016 and commended the quality of the interim report of the Joint ILO–UNESCO Committee of Experts on the Application of the Recommendations concerning Teaching Personnel (CEART). His group supported the draft decision.
99. *Speaking on behalf of the Africa group*, a Government representative of Mali reiterated the group's concern that an equivalent meeting focused on workers in the oil and gas industry operating in desert regions should be held. He invited the Office to take the necessary follow-up measures to ensure that the outcomes of the two sectoral meetings were implemented and expressed the hope that corresponding activities would be results-oriented and strategically aligned. His group supported the draft decision.
100. *A representative of the Director-General (DDG/P)* noted that occupational safety and health remained a priority on the ILO's agenda and that work in that area would continue by strengthening the capacity of governments, working with the social partners and providing technical assistance.

#### Decision

##### 101. *The Governing Body:*

- (a) *took note of the reports of the two meetings referred to in section I of document GB.328/POL/5 and of the interim report of the Joint ILO–UNESCO Committee of Experts on the Application of the Recommendations concerning Teaching Personnel (CEART);*
- (b) *authorized the Director-General to communicate the reports of the two meetings referred to in section I of document GB.328/POL/5 to governments, requesting them to communicate the reports to the employers' and workers' organizations concerned, and to the international employers' and workers' organizations and other international organizations concerned;*
- (c) *requested the Director-General to bear in mind, when drawing up proposals for future work, the recommendations for future action by the ILO made by the meetings referred to in section I of document GB.328/POL/5;*

- (d) *approved the convening of the Subcommittee on Wages of Seafarers of the Joint Maritime Commission in the first half of 2018;*
- (e) *authorized the Director-General to communicate the interim report of the CEART, along with the observations made by the Governing Body, to the governments and organizations concerned, and invited them to take the necessary follow-up action as recommended therein.*

(GB.328/POL/5, paragraph 11.)

## Sixth item on the agenda

### Preparations for the IV Global Conference on Child Labour Report (GB.328/POL/6)

- 102.** *A Government representative of Argentina* restated his Government's view that a more integrated approach should be adopted to combat child labour and forced labour. The IV Global Conference on Child Labour would offer an opportunity to take steps towards the eradication of all forms of child labour and also to tackle other related scourges, such as human trafficking, new forms of slavery and forced labour. His Government hoped that the Conference would mark a turning point at a time when thought was being given to finding new ways of addressing migration and supervising compliance with labour standards as a means of ensuring decent work, including in global supply chains, and that the Conference agenda would therefore be as inclusive as possible. In line with SDG 8.7, it should cover the sustained eradication of child labour and forced labour. The Conference should discuss active social and economic inclusion policies, the improvement of education systems to foster inclusion and dissuade children from dropping out of school, the transition from school to work and the creation of quality youth employment. His Government would be hosting a preparatory meeting on 12 and 13 December 2016, at which he invited all the member States of the Organization of American States and the Members of the ILO in the Americas to launch a debate on a timeline for achieving target 8.7 in the American continent. The tools for doing so were available in the shape of Alliance 8.7 and the International Programme on the Elimination of Child Labour and Forced Labour (IPEC+); countries and constituents simply had to join forces to give effect to their commitments.
- 103.** *The Employer spokesperson* called upon the Office to preserve the ILO tripartite approach during preparations for the IV Global Conference in order that all the constituents could contribute to the technical groundwork, and asked for information about resources to fund that process. Her group welcomed the fact that the Office was prepared to invest resources in providing new global data and research on child labour and it also welcomed Alliance 8.7 as an opportunity for engaging in more effective, holistic action with other key stakeholders in cooperation with the UN system. However, the Employers remained cautious about combining the subjects of child labour and forced labour, since some thematic issues might differ. Policy interventions and outcomes had to be clearly defined in order to avoid weak delivery and the lack of any lasting impact.
- 104.** *The Worker spokesperson* said that it must be made clear to governments that they had an important role to play in eradicating child labour, one of the most abhorrent scourges of the world of work, and in punishing unscrupulous firms which used child labour and modern forms of slavery. The Workers therefore welcomed the adoption of target 8.7 and Recommendation No. 204, as well as the debate on global supply chains, which had shown that many production units violated fundamental human rights by employing child labour. He trusted that other

organizations in the UN system would be invited to the Conference in order that an integral response could be given to a problem that in many countries stemmed from poverty and structural inequality. His group supported the eradication of all forms of child labour by 2025; welcomed the widening of the Conference agenda to include forced labour; and was in favour of including a debate on active social and economic inclusion policies and youth employment. It was vital that, at the Conference, the social partners and governments should agree on effective action to combat child labour and forced labour. Governments should be asked to assess the impact of policies to that end. His group urged the Office to allocate the necessary funds to ensure meaningful participation by the social partners. The Regional Meetings would not predetermine the positions that the Workers would take during the Conference. It was important that the inclusion of a wider range of stakeholders in Alliance 8.7 should not diminish the presence of the social partners nor their opportunity to contribute at a sufficient level. The group was pleased that tripartite consultations would be held in Geneva to draft the final document. The recurrent discussion on fundamental principles and rights at work at the International Labour Conference in 2017 should also influence the outcomes of the IV Global Conference on Child Labour. It was essential to abide by the ILO's basic principles governing public-private partnerships when seeking funding for the Conference. His group hoped that funds would be made available to enable Worker delegates, representatives of the numerous trade unions actively combating child labour, Employer delegates and delegates from least developed countries to take an active part in debates. The Workers supported the draft decision, subject to the insertion of the word "tripartite" before the words "Regional Meetings" in paragraph (b) of the English and French versions of the document under discussion, in line with the Spanish version.

- 105.** *Speaking on behalf of ASPAG*, a Government representative of the Islamic Republic of Iran said that his group was in favour of enlarging the scope of the Conference in line with target 8.7, provided that the primary objectives of the Conference were not undermined. His group supported the draft decision.
- 106.** *Speaking on behalf of the Africa group*, a Government representative of Mali said that the Conference should focus on the eradication of child labour, including its worst forms and the trafficking and enslavement of children. It encouraged the ILO to facilitate the organization of Regional Meetings to promote information sharing about the Conference and to ensure that financial resources were available for those meetings, as they would contribute to the success of the Conference. Having consulted with GRULAC about the scope of the agenda, his group supported the draft decision as it stood.
- 107.** *Speaking on behalf of GRULAC*, a Government representative of Panama said that his group intended Latin America and the Caribbean to be the first developing region free from child labour by 2025. To that end it had given priority to devising national policies to combat child labour, to building capacity for direct action against it, to knowledge generation, to drafting and implementing legislation and to awareness raising. His group was in favour of broadening the scope of the Conference to encompass forced labour and to include a discussion about active social and economic inclusion policies in line with the creation of quality youth employment. Forced labour was a serious human rights violation and the antithesis of decent work; it should be countered by the immediate adoption of the requisite legislation and the strengthening of labour inspectorates. At the same time, it was crucial to take steps to assist vulnerable persons, to facilitate social inclusion and access to education and vocational training, to promote gender equality and to ensure better governance of migration. Informality was a major challenge and the persistence of child labour was an obstacle both to children's rights and to the development of the region. The creation of more and better jobs for youth in the formal economy was a huge challenge in his region and in many other countries, but it would have to be overcome in order to build stronger economies and fairer societies. His group therefore supported the draft decision as it stood and agreed with the expanded scope of the Conference.



- 108.** *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria said that the following countries aligned themselves with the statement: the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania, Norway and the other countries of the European Economic Area, and reaffirmed their commitment to the elimination of child labour in all its forms. The Conference would provide an opportunity to take stock of action to reduce child labour and eliminate the worst forms thereof. Efforts to attain the goals set in the Roadmap for Achieving the Elimination of the Worst Forms of Child Labour by 2016 and the Brasilia Declaration on Child Labour should be scaled up wherever possible. In preparation for the Conference, in June 2016 the EU Foreign Affairs Council had adopted the Council Conclusions on Child Labour, which reaffirmed the urgency of eliminating the worst forms of child labour and underlined the importance of a rights-based approach. Combating child labour called for a multi-dimensional approach covering a range of issues such as children's rights, social protection floors, quality education, decent job opportunities including for youth, trade agreements and global value chains. It was also crucial to shield unaccompanied migrant children from the risk of trafficking and child labour. The EU welcomed the Office's support for the organization of the Conference which should not, however, duplicate the work of other conferences on trafficking and forced labour. The EU endorsed the draft decision as it stood.
- 109.** *Speaking on behalf of the Community of Portuguese Language Countries (CPLP)*, a Government representative of Brazil welcomed the hosting of the IV Global Conference in Argentina in 2017. The III Global Conference in Brasilia had addressed the need for integrated public policy to achieve the sustained eradication of child labour. The CPLP had lengthy and, on balance, successful experience in adopting and implementing national plans to eradicate child labour, supported also by South-South and triangular cooperation, and had declared 2016 the CPLP Year Against Child Labour. It was in favour of enlarging the scope of the Conference to cover forced labour and human trafficking, as that would reflect worldwide interest in concerted action to implement target 8.7 of the 2030 Agenda. The CPLP supported the draft decision.
- 110.** *A Government representative of the United Kingdom* supported the proposal to enlarge the scope of the Conference to include forced labour, not least because target 8.7 called for an end to forced labour, modern slavery and human trafficking by 2030, and to child labour by 2025. She supported the Alliance 8.7 initiative and its aim of bringing together all parties interested in achieving target 8.7 through coordinated efforts. Her Government would be interested in participating in the Conference and sharing its experience in tackling child labour and forced labour which, in its view, formed part of modern slavery. It was keen to work with international partners to step up global action to put an end to modern slavery in all its forms. It strongly endorsed the help which the Office was giving to Argentina to prepare the Conference, as well as the decision as originally drafted.
- 111.** *A Government representative of the United Republic of Tanzania* said that eradicating child labour required a concerted effort at the national, regional and global levels. Her country was grateful to have received support over the years from the Office, development partners and non-governmental organizations in implementing national programmes and action plans to eliminate child labour. Her Government was implementing a five-year development plan with an emphasis on inclusive growth, poverty reduction and public services. She commended the Government of Argentina on agreeing to host the Conference, the outcomes of which should bolster efforts to achieve the common objective of eliminating all forms of child labour in line with the 2030 Agenda and the relevant ILO instruments. Her Government supported the draft decision and looked forward to a successful Conference.
- 112.** *A Government representative of the United States* thanked Argentina for hosting the Conference and the Office for the significant work being carried out in preparation for it. Enlarging the scope of the Conference to include the forced labour of adults, in addition to all forms of child labour, was consistent with target 8.7. Her country was pleased to be able to provide funding

for Alliance 8.7 and the Conference, and looked forward to engaging fully in the preparations and the Conference itself.

- 113.** *A Government representative of Spain* congratulated the Government of Argentina on its initiative. His Government was not surprised at the eloquence with which the Government representative of Argentina had explained why it was vital to join forces to combat child labour and forced labour, since that country had always been at the forefront of efforts to eradicate those twin scourges and to improve overall working conditions. The Government of Spain therefore supported the initiative and the Spanish version of the draft decision. It trusted that the English and French versions would be brought into line with the Spanish version.
- 114.** *A Government representative of India* said that while his Government understood the rationale behind the proposal to enlarge the scope of the Conference in order to provide a platform for the Alliance 8.7 initiative, focus on the main issue should not be lost. He urged the Office to exercise caution when using the term “modern slavery” because it was not clearly defined in the ILO context. He requested more information on the relevance of the concept of modern slavery to the world of work and asked why the existing terminology was inadequate. The Government of India welcomed the proposal and supported the draft decision.
- 115.** *A Government representative of the Netherlands* said that the overarching goal of the Roadmap for Achieving the Elimination of the Worst Forms of Child Labour by 2016 had not been accomplished. Immediate action was therefore needed to achieve target 8.7. It was essential to follow up the Roadmap and the political commitment embodied in the Brasilia Declaration on Child Labour by setting priorities and undertaking real action. One issue which the Conference should examine was how stakeholders in global supply chains could help to eliminate child labour. His Government had decided to support research into that topic in order to provide the Conference with some basic facts and figures. Adequate preparation for the Conference was crucial to deciding on the action needed to eradicate child labour by 2025 and to achieve synergies between efforts to eliminate forced labour and combat child labour. The Netherlands stood ready to assist the Government of Argentina in preparing for and holding the Conference, including by sharing its experience in organizing similar conferences. He fully supported the draft decision.
- 116.** *A representative of the Director-General (DDG/P)* welcomed the opportunity to work closely with Argentina in the preparations for what, she hoped, would be a fruitful, meaningful Conference on a most important issue. Due note had been taken of the need for care not to dilute any child labour outcomes by dealing with forced labour and child labour in one Conference. The Office would therefore work with Argentina on formulating targeted policy recommendations and maintaining the focus of the Conference. She was grateful to those working with the Office to ensure that sufficient resources were available for a successful Conference. Tripartism would be preserved in all meetings leading up to the Conference. The Regional Meetings were intended to raise sufficient awareness of the issues to elicit the full engagement of countries and the social partners; they were not a substitute for any decision-making in the Governing Body or any other tripartite body. The term “modern slavery” was drawn from target 8.7, but the draft decision employed the expression “forced labour”. There was no intention of broadening the notion contained in ILO Recommendations and other instruments.

## **Decision**

### **117. *The Governing Body:***

- (a) endorsed the proposal made by the Government of Argentina to enlarge the scope of the IV Global Conference on Child Labour in 2017 to encompass the forced labour of adults in addition to all forms of child labour;*

- (b) *endorsed the proposal for tripartite Regional Meetings and global preparatory tripartite consultations, as specified in paragraph 14 of document GB.328/POL/6; and*
- (c) *requested the Director-General to take the necessary action to provide the Government and the social partners of Argentina with the required technical assistance for the organization of the IV Global Conference on Child Labour in 2017, taking into account the Governing Body discussion.*

(GB.328/POL/6, paragraph 15.)

## Seventh item on the agenda

### Follow-up within the Office to the resolution concerning fundamental principles and rights at work adopted by the 101st Session of the International Labour Conference (2012)

([GB.328/POL/7](#))

118. *The Worker spokesperson* said that despite having been identified as enabling rights, the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), remained the two least ratified core Conventions. The Office should build on the annual reviews and the comments of the supervisory system to develop a clear strategy on how to mainstream the ratification and implementation of fundamental principles and rights at work in DWCPs. The strategy should address both the linkages between the categories of fundamental principles and rights at work and between them and other ILO strategic objectives. While it was satisfying to see that 35 new ratifications of fundamental Conventions had been registered, universal ratification required a further 133 ratifications. The focus on the ratification and implementation of Conventions Nos 87 and 98 was welcome, but the goal remained universal ratification, and therefore the ratification of the Equal Remuneration Convention, 1951 (No. 100), the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and the Abolition of Forced Labour Convention, 1957 (No. 105), should also be promoted. The use of the term “cross-cutting priorities” in paragraph 8 might create confusion, given that the ILO Declaration on Social Justice for a Fair Globalization called fundamental principles and rights at work, and in particular freedom of association and collective bargaining, “both rights and enabling conditions” and gender equality and non-discrimination were identified as “cross-cutting”. Regarding the four categories of change, he endorsed the work on public policies and governance, but reasserted the goal of universal ratification. The strategy of the second category of change, “empowerment and protection”, should ensure not just voice in trade union organizations, but also representation. The strategy should also strengthen workers’ organizations to represent workers and improve their working conditions, including through collective bargaining. Support for small producers should pursue similar principles. He asked which sectors the Office planned to target. While the Workers’ group supported the launch of Alliance 8.7, it was urgent that the Fundamental Principles and Rights at Work Branch (FUNDAMENTALS) develop a strategy to promote freedom of association and collective bargaining and the elimination of discrimination. The Office should ensure that the role of the social partners was safeguarded in Alliance 8.7 and that social dialogue was not undermined while more partnerships were created for the implementation of the SDGs. Work on “knowledge and data” should also help document the interdependent and mutually reinforcing nature of the four categories of fundamental principles and rights at work and the mutually aggravating nature of their

violation. Regarding human and financial resources, there was an urgent need to appoint a specialist on freedom of association and collective bargaining in order to ensure that work was carried out across all categories of fundamental principles and rights at work. Noting that only 12 of 42 staff members at headquarters had regular budget posts, he said that work on fundamental principles and rights at work was at the heart of the ILO mandate and should be appropriately funded by the regular budget, rather than being dependent on technical cooperation funding. As June 2018 would mark the 20th anniversary of the ILO Declaration on Fundamental Principles and Rights at Work and the tenth anniversary of the ILO Declaration on Social Justice for a Fair Globalization, the Office should use the period prior to the 107th Session of the Conference (2018) to reinvigorate the campaign for universal ratification of the fundamental Conventions, which needed also to be at the heart of the debate about the future of work and was a requirement for the pursuit of the Declaration of Philadelphia.

- 119.** *The Employer spokesperson* said that the Employers' group had originally initiated the ILO Declaration on Fundamental Principles and Rights at Work. Full implementation of the Declaration and unleashing the full potential of the human rights it enshrined were essential for the achievement of social justice. The recurrent discussion on fundamental principles and rights at work at the 106th Session of the Conference (2017) would focus on constituents' needs, work carried out by the Office, lessons learned and future priorities. It was important not to anticipate or prejudge any of those points, in particular because essential information, including information about the awareness-raising campaign on all fundamental principles and rights at work, had yet to be made available. The call for knowledge and data issued as part of that recurrent discussion remained highly relevant, and further debate in that regard would take place at the 106th Session. The Employers' group highly appreciated the closer integration of various work streams relating to fundamental principles and rights at work, which had led to increased staff efficiency within the Office. That approach could serve as a model for other ILO departments seeking to break down silos. In accordance with the 2016 resolution concerning decent work in global supply chains, capacity building and technical assistance must be strengthened to improve compliance throughout the world of work, including domestic as well as global supply chains. No distinction must be made between workers in the export sector and those employed by enterprises operating exclusively at the national level. She welcomed the support provided by the Office to enterprises regarding the implementation of fundamental principles and rights at work, in particular in the form of a business network on forced labour. However, more specific wording was required in that regard. The significant fall in extra-budgetary resources since 2008 raised the question of whether donor countries were truly committed to the fundamental principles and rights at work, which were not only human rights but also core values of the ILO. At the 101st Session of the Conference (2012), the Employers' group had called for funding for the promotion of fundamental principles and rights at work to be increased and further incorporated into the regular budget. The relevant discussions at the 106th Session must reinvigorate efforts to mobilize resources in that regard and give rise to a project that would attract government funding.
- 120.** *Speaking on behalf of the Africa group*, a Government representative of Mali said that the Africa group had noted the action taken by the Office to consolidate FUNDAMENTALS, which had developed an integrated, rights-based strategy related to its tasks. Furthermore, the report on the overall Office follow-up to the resolution concerning the recurrent discussion on fundamental principles and rights at work would be submitted to the 106th Session of the Conference (2017). The results of the 2012–16 high-level evaluation of ILO work on fundamental principles and rights at work were encouraging. The Office should ensure that FUNDAMENTALS was in a position to assist member States in meeting their obligations to the ILO and, also, to continue to integrate the three thematic priorities for an integrated approach. His group noted the Office's determination, through FUNDAMENTALS, to better manage resources in order to achieve optimal results

regarding the abovementioned priorities and staff management. It was important for the Office to bear Africa in mind when considering high-potential projects. He supported the draft decision.

121. *Speaking on behalf of the group of industrialized market economy countries (IMEC)*, a Government representative of France said that the action plan should include proposals to overcome the remaining identified obstacles to the universal ratification of the fundamental Conventions. She welcomed the establishment of FUNDAMENTALS and the improvement of collaborative work within the Office on fundamental principles and rights at work, and said that joint work with the Research Department might be useful for the collection of relevant data, the provision of research methodology and the development of knowledge. The provision of relevant data to evaluate constituents' needs was particularly important to determine how best to provide support. A cross-cutting approach was essential in that regard. She welcomed the three priorities of the strategy; the opportunities for practical exchange provided by the Child Labour Platform; and the changes made in the context of the reorganization to support the implementation of fundamental principles and rights at work through the provision of strategic advice and technical assistance. Fundamental principles and rights at work were a priority for the constituents and required renewed resource mobilization.
122. *The Worker spokesperson* said that there appeared to be some areas of consensus. He supported the draft decision.
123. *A Government representative of Uruguay* said that he agreed with the Worker spokesperson's comments and that the promotion of fundamental principles and rights at work was indispensable for the mandate of the ILO. He supported the draft decision.
124. *A representative of the Director-General (DDG/P)* said that she noted the consensus on the draft decision and that the Office would continue to provide a structured programme around the fundamental principles and rights at work, including by considering more reliance on the regular budget. The Office would take all interventions into account when preparing the discussion on the matter at the 106th Session of the Conference. The Office would continue to develop greater collaboration between areas such as employment and social dialogue by focusing on fundamental principles and rights at work. The Office used every opportunity – for example, through work on child labour – to work on collective bargaining and freedom of association within the context of fundamental principles and rights at work. She acknowledged the concerns expressed that references to the enabling rights of freedom of association and collective bargaining as “cross-cutting” might have been misleading.

## **Decision**

125. *The Governing Body requested the Director-General to take account of its discussions and guidance in continuing to develop and pursue an integrated strategy to promote fundamental principles and rights at work, including in external partnerships and to consider, among other funding options, renewed resource mobilization efforts to support the implementation of this strategy.*

(GB.328/POL/7, paragraph 16.)

## Eighth item on the agenda

### Review of the Sectoral Policies Department (GB.328/POL/8)

126. *The Worker spokesperson* said that all constituents should continue to be involved in determining the priorities for future sectoral activities through the advisory bodies. While his group agreed in general with the suggestions set out in paragraph 7 of the document under discussion, it was not sufficient to promote sectoral results and tools in other departments; it was also necessary to facilitate close cooperation between the Sectoral Policies Department (SECTOR) and those departments. Departments with mandates related to specific conclusions from sectoral meetings should contribute to their implementation and their follow-up. Sectoral activities were not adequately promoted at the country level; therefore, regional and national directors and national constituents should increase their awareness of sectoral tools. To that end, stakeholders at the national level should also be trained and provided with resources, since efforts to mobilize constituents in member States had stalled owing to the lack of SECTOR experts at the national and regional levels. While sectoral activities were increasingly in line with the ILO's strategic framework, it was essential that they should be based on the promotion of fundamental rights. The advisory bodies at their next session in January 2017 should take into account the need to improve coordination among sectoral activities, research activities and the Future of Work Initiative when drawing up the programme of meetings for 2018–19. Furthermore, various international trade unions had indicated that they would benefit from sector-specific contributions from the ILO, including on poverty reduction and women's employment. However, it was important to ensure that research was conducted not by external consultants but by experts from SECTOR. The proposals that the advisory bodies would make in January regarding the Future of Work Initiative would not be binding; those recommendations would also include other proposals that had no direct link to the Initiative. It was important to preserve the independence of the constituents and strengthen the role of the advisory bodies.
127. With regard to Appendix I to the document, it was vital that independent experts in the textile industry continued to work, funded from the regular budget, in SECTOR and that those activities were not linked to the Better Work programme. Closer collaboration between SECTOR and the ITC–ILO should be encouraged with regard to training in sectoral standards and should involve ACTRAV and ACT/EMP. He asked what follow-up had been undertaken in respect of recommendation 8 of the 2012 independent evaluation. With reference to Appendix II, he underlined that constituents should receive comprehensive updates on SECTOR activities prior to the forthcoming meeting of advisory bodies in January 2017, in order to be able to discuss approaches and contribute to the programme of ILO activities. He proposed that the advisory bodies should include in their recommendations that a meeting should be held to complete work on the promotion of sustainable rural livelihoods targeting the agro-food sectors. Joint responsibility frameworks were needed to institutionalize the relationship between SECTOR and other departments as well as the management of regional and country offices. It was also important to promote exchanges between SECTOR experts and field staff. He noted that global union federations were concerned that DWCPs were further strengthened, given the federations' expertise. The Workers also supported the further strengthening of the cooperation between the Partnerships and Field Support Department (PARDEV) and SECTOR. His group had proposed, in conjunction with the Employers, an amendment to the draft decision.
128. *The Employer spokesperson* encouraged the Office to continue to identify synergies between SECTOR and other departments. While he acknowledged that sectoral work, as part of the ILO, should respect the mandate of the Organization and fit into its plans and strategies, the social partners must also play a central role in setting priorities for sectoral work. Sectoral

partners were best placed to ascertain workers' needs. With respect to the draft decision, he expressed concern about the stand-alone reference to the 2012 independent evaluation. During the evaluation, the Employers had opposed what they considered to be an initiative to drive sectoral work from the centre of the ILO's work, and they maintained that position. More guidance was needed on how the choice of sectoral work could reflect the broader priorities of the ILO. In addition, the recurrent work of SECTOR had been discussed over some years and was a matter of concern. In view of the ever-growing list of requests and suggestions for work emerging from sectoral meetings, he asked how the Office intended to allocate resources to meet the many needs identified. His group, with the Workers, had proposed an amendment to the draft decision.

- 129.** *Speaking on behalf of IMEC*, a Government representative of the Netherlands said that sectoral activities could help to identify trends and developments and that sectoral policies could contribute to promoting decent work. However, current changes in the world of work were not exclusively sector-specific; many changes were often cross-cutting, as was the case with teleworking. The ILO's sectoral work should therefore not be isolated but rather aligned and integrated with its overall strategy. Sectoral work had unique features, but should not be an isolated strand of work. In order for sectoral work to be integrated into the broader ILO agenda, its programming should be decided with input from the advisory bodies, although ultimately decisions should be made by the Governing Body, which could decide against following some recommendations out of programme or budget concerns. SECTOR and other ILO units should share tools and information, which would promote teamwork within the Office. The upcoming sectoral advisory bodies' session could provide guidance on how sectoral work could inform the work of the Future of Work Initiative.
- 130.** With reference to the appendices to the document, his group considered that continued attention to the issues of dual governance and the governance of the ILO's sectoral work was warranted and looked forward to discussing and adopting a programme of sectoral work during the March 2017 session of the Governing Body. At that point, it would be apposite to reflect on whether the changes made to the sectoral advisory bodies were sufficient to enable substantive recommendations to be made through an inclusive tripartite process. He asked what follow-up had been given to recommendation 8 and requested further information on the modalities and procedures under consideration for the implementation of recommendation 10. He also asked whether and how the biennial programme implementation reports would present information on follow-up to sectoral meetings. Finally, it was important for the Office to clarify when the last of the structural and governance issues identified by the 2012 evaluation would be addressed and the review concluded, as well as how its conclusions would be communicated to the social partners. He regretted that the Government representatives had not been involved in discussions on the amendment to the draft decision. His group required additional time to reflect on the amended decision and reach a conclusion.
- 131.** *Speaking on behalf of the Africa group*, a Government representative of Mali said that good results could be achieved by better aligning sectoral activities with the Organization's focus as well as by creating synergies with other ILO units. The two approaches proposed in the document were not incompatible. Sectoral meetings could focus on themes relating to the future of work, including the policy issues raised by SECTOR's research. His group was ready to address the issue again in March 2017. He encouraged the Office to continue its efforts to complete the follow-up to the recommendations of the 2012 independent evaluation. His group supported the draft decision, but could only comment on the proposed amendment subsequently as it had not previously been consulted.
- 132.** *A representative of the Director-General (DDG/P)* emphasized the importance of SECTOR both as a forum for social dialogue and as an avenue for developing a knowledge base, through a focus on sectoral dimensions of work, which allowed it to provide an in-depth

understanding of different challenges. Its work on informality, fundamental principles and rights at work and working conditions in the garment industry, for example, showed increasing integration into the mainstream work of the Office, as did the collaboration with the ITC–ILO to develop knowledge products for constituents. Despite strong signs of improvement, the priority challenge for SECTOR remained knowledge management, namely how to encourage other departments to use the products of SECTOR’s work and the sectoral meetings. In addition, further synergies and coherence could be achieved by ensuring that SECTOR’s work would focus on ILO priorities.

- 133.** *A representative of the Director-General (Director, SECTOR)* said, in response to comments from constituents, that the review of SECTOR was not a new issue but had been addressed on a number of previous occasions and formed part of an ongoing reform process. The 2012 independent evaluation had shown clearly that better collaboration between the departments and SECTOR was needed and that competition among departments and outcomes should be avoided. SECTOR was not alone, however, as such challenges were not only experienced in the ILO, but often also by national and international institutions. The evaluation had highlighted a second issue, namely whether SECTOR’s recurrent work should be determined by advisory bodies or by the programme and budget, as determined by the Governing Body. That question could be addressed in greater detail in January 2017.
- 134.** *Speaking on behalf of IMEC*, a Government representative of the Netherlands said that his group had not had sufficient time to consider the proposed amendment to the draft decision and that their questions had not been fully answered. It would require additional time and additional explanations from the Office before it could take a position on the proposed amendment.
- 135.** *Speaking on behalf of the Africa group*, a Government representative of Mali said that his group’s issue with the amendment was not substantive but rather one of principle, given that all three groups needed to be consulted on proposed amendments.
- 136.** *The Worker spokesperson* said that the proposed amendment had been drafted following long discussions with the Employers; having been agreed only that morning, it had been made available at the earliest possible opportunity and its late delivery was in no way an attempt to avoid dialogue with all. In response to the concerns expressed by IMEC about sectoral work being too far removed from the ILO’s concerns, he said that everyone involved in sectoral work fully understood that they were an integral part of the ILO and that the value, relevance and possible influence of sectoral social dialogue sprang precisely from the fact that that was the case. Autonomy, independence or isolation were not the goals. The proposed amendment sought to achieve a better balance as it recognized the value of sectoral work in allowing ILO policy positions to be more broadly understood and in swiftly identifying new challenges through its connections with the field. Finally, it was clearly stated in the Standing Orders that the Governing Body held the authority to make decisions on a whole range of matters, some of which could be inspired in part by the proposals put forward by SECTOR on the basis of its analyses and studies in the field.
- 137.** *The Employer spokesperson* fully endorsed the comments made by the Worker spokesperson and reiterated his regret at the short notice provided to the Governments with regard to the proposed amendment. His group understood that Members would clearly need time to consider the proposed amendment, which sought to recognize the delicate interplay between SECTOR and the Office. He reiterated that the Governing Body was the deciding body and the role of the advisory bodies was to advise.



138. *Speaking on behalf of GRULAC*, a Government representative of Panama said that his group believed fervently in tripartism and put it into practice at all levels. As SECTOR's work was key for the region, anything that would have an impact on its functioning, such as the draft decision in question, needed to be considered carefully.
139. After further consultations, *speaking on behalf of IMEC*, a Government representative of the Netherlands said that in addition to some minor adjustments to streamline the wording, his group proposed that the word "dominant" should be deleted from the proposed amendment and that the word "determining" should be replaced with the words "advising on", to better reflect the agreed role of the advisory bodies. He reiterated his earlier questions concerning: the follow-up to recommendation 8 of the 2012 independent evaluation; modalities and procedures for the implementation of recommendation 10 of the 2015 tripartite informal brainstorming meeting; how the biennial programme implementation report could present information on follow-up to sectoral meetings; when the review of SECTOR would be concluded; and how the social partners would be informed of its conclusions.
140. *Speaking on behalf of the Africa group*, a Government representative of Mali said that his group supported all the subamendments.
141. *The Worker spokesperson* said that his group agreed with the subamendments.
142. *The Employer spokesperson* said that his group was satisfied with the subamendments.
143. *A representative of the Director-General (DDG/P)* said, in response to questions concerning recommendations 8 and 10, that the Office would include a dedicated sectoral-based session in each global technical team so that the results of sectoral meetings and other sectoral products could be disseminated and fully discussed in a forum where headquarters and field staff were present. In addition, the Office would report on the outcomes of sectoral meetings within the policy portfolio and disseminate those results to the regions. Furthermore, the knowledge management coordination team would assist in developing the best methods of embedding sectoral products and the results of sectoral meetings into the work of the portfolio. It was important to ensure that flagship programmes took into account the sectoral dimensions of work, as Better Work and the IPEC+ programme were already doing. The Office was keen to develop sector-specific policy guidance and integrate sectoral products into the work of other departments by creating a range of knowledge-sharing tools, such as an online repository of implementation advice, and by increasing the number of webinars and briefings.
144. The inclusion of a section on follow-up to sectoral meetings in programme implementation reports, which included some reporting on global products, would enable the Governing Body to ascertain progress being made. Lastly, the review of SECTOR would be concluded with the adoption of those proposals by the Governing Body at that sitting.

## **Decision**

### **145. *The Governing Body:***

- *noted the need to improve the balance between the role played by the social partners and governments within the sectoral advisory bodies in advising on the priority activities of the Sectoral Policies Department and the need for the Department to bring its work in line with the ILO's mandate and with the Organization's broader priorities;*

- *requested all parties to contribute to this aim;*
- *requested the Director-General to take into consideration its guidance in giving effect to the recommendations of the 2012 independent evaluation, the conclusions of the 2015 informal consultations and the review of the Sectoral Policies Department.*

(GB.328/POL/8, paragraph 9, as amended by the Governing Body.)

## Development Cooperation Segment

### Ninth item on the agenda

#### Enhanced programme of development cooperation for the occupied Arab territories

([GB.328/POL/9](#))

146. *The Employer spokesperson* said that further resource mobilization was needed in order to continue the reconstruction effort in the Occupied Palestinian Territory and, in particular, to create job opportunities in Gaza, where the lack of prospects was a source of political and security tensions. The Office should focus more closely on youth employment. Entrepreneurship development and the Know About Business (KAB) and SIYB programmes could facilitate the integration of young people into the labour market and ease pressure on the public sector to provide employment. The ILO was doing important work in the areas of technical and business management training and skills for women, but greater asset replacement efforts were needed in order to enable businesses to recover.
147. *An Employer member from the United Arab Emirates* said that the situation in the occupied Arab territories would not improve while the Israeli occupation persisted; Palestinian workers must be allowed to travel freely and enjoy their full rights. In keeping with its mandate, the Organization should send a group of experts to assess the working conditions under which the Palestinians had suffered since the 1970s. The Office should support the work of the Palestinian Fund for Employment and Social Protection and organize a donor conference to promote employment and social security. The new social security legislation would provide welcome support to Palestinian workers and, in that connection, he called for contributions to the programme of action mentioned in paragraph 20 of the report. It would be timely to ensure implementation of the Paris Protocol of 1995. It was vital to continue to provide technical and economic assistance to the occupied Arab territories and to support the collaborative work that would put into effect the principles and resolutions of the Organization.
148. *The Worker spokesperson* said that humanitarian and economic conditions in the occupied Arab territories were deplorable and it was difficult to promote decent work in a situation of occupation. The recent decline in development cooperation and donor support would cause public debt to rise and deprive Palestinians of much needed assistance. By withholding the social security payments of Palestinian workers, Israel was depriving the Palestinian Authority of resources and preventing it from stimulating economic growth or investing in job creation. The working conditions of Palestinians in Israeli enterprises were a cause for concern; the report should have mentioned the obstacles encountered by Palestinians in travelling to work as a result of roadblocks and checkpoints and the failure to pay the minimum wage.

- 149.** His group supported the National Development Plan 2014–16 and the Palestinian Decent Work Programme 2013–16 and welcomed the results achieved through the Gaza recovery programme. Additional funding was needed in order to attract investment in social security, youth employment and the development of cooperatives. The protection of workers' rights was of particular importance in view of the insecure situation of workers in the occupied Arab territories. The workshops on social security and labour law reform that the Office had organized were commendable; any resulting reforms had to be in conformity with ILO Conventions. While welcoming the effort to address occupational safety and health deficits and improve labour inspection capacity, he was dismayed by the results reported in the study on unacceptable forms of work in the construction sector.
- 150.** His group also welcomed the launch of the national campaign on the rights of Palestinian women at work. He thanked the Office for supporting the development of the new legislation on social security and recommended that a gap analysis should be conducted to facilitate implementation of an effective social protection system. His group supported promotion of the Decent Work Agenda and social justice for the Palestinian people. He called on donors to provide additional support for the ILO's work in the occupied Arab territories. He stressed the importance of collaborating with trade unions.
- 151.** *Speaking on behalf of the Africa group*, a Government representative of the United Republic of Tanzania welcomed the steps proposed in paragraphs 29–32 of the report and, in particular, the Office's commitment to support the establishment of a social security institution through capacity building for the social partners. She urged donors to fulfil the pledges made at the Cairo Conference on reconstructing Gaza. Her group looked forward to strengthening international cooperation to advance the Decent Work Agenda for the Palestinian people.
- 152.** *Speaking on behalf of ASPAG*, a Government representative of Jordan endorsed the ILO's support to the tripartite dialogue on the draft law on trade unions and underlined the importance of providing technical assistance to the tripartite constituents. He commended the Office's contribution to the adoption of legislation on social security and called on donor countries to provide funding for the programme of action mentioned in paragraph 20 of the report.
- 153.** *Speaking on behalf of the Arab group*, a Government representative of Sudan said that his group supported the tripartite dialogue and, in particular, the work of the Palestine General Federation of Trade Unions (PGFTU). Continued support for women's participation in the labour market was needed since only 16.1 per cent of women were employed. The new law on social security was a significant achievement to which the ILO had contributed. He expressed the hope that technical and financial assistance would continue with a view to consolidating the social security system.
- 154.** *A Government representative of the Bolivarian Republic of Venezuela* commended the ILO initiatives implemented under the Palestinian Decent Work Programme 2013–16 and endorsed the measures set out in paragraphs 29–32 of the report.
- 155.** *A Government representative of Cuba* said that the situation described in paragraphs 2–7 had been caused principally by the occupying power, which had impeded the creation of an independent State through the occupation of land, demolition of houses, restriction of freedom of movement and blockade of the Gaza Strip. The problem could only be solved through peaceful means, one outcome of which would be decent work. The Palestinian people must be allowed self-determination and independence; to that end, he endorsed the work of the ILO, called for increased funding and technical cooperation within the framework of current and future Decent Work Programmes and supported the actions set out in paragraphs 29–32.

- 156.** *A Government representative of Algeria* welcomed the assistance provided by the Office to the Palestinian Authority in implementing labour law reforms, workshops for the social partners and projects promoting gender equality. The new law on social security was a matter of particular satisfaction. He encouraged the Director-General to seek funding to support the establishment of a social security system.
- 157.** *A representative of the Director-General* (Regional Director for Arab States, ILO Regional Office for the Arab States) said that the input provided by the Governing Body would guide the Organization's future work in the occupied Arab territories. The next Palestinian Decent Work Programme would focus on supporting implementation of the new social security legislation, establishment of the social security institution and youth employment. A programme of action had been developed and donor support was being sought. A revised version of the Social Security Law, signed by President Abbas on 29 September 2016, addressed the concerns expressed by the social partners and civil society with regard to governance and the safeguarding of social security funds and reflected the ILO's legal and actuarial comments aimed at aligning it with international labour standards and good practice.
- 158.** The Office was working with the Ministry of Social Development in an effort to expand the social protection floor to include those not covered by the new social security system and, despite the challenging environment for resource mobilization in the Occupied Palestinian Territory, had been trying to expand its donor base and pursue new funding opportunities and partnership modalities. A new public-private partnership for enterprise development had been signed with the Palestine for Development Foundation and internal ILO resources had been mobilized in that area. Negotiations were under way with a number of donors to support the development of a tripartite-governed social security institution, promote youth employment and support cooperatives.

## **Outcome**

- 159.** *The Governing Body took note of the report contained in document GB.328/POL/9.*

(GB.328/POL/9.)