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Institutional Section

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FIFTH ITEM ON THE AGENDA

An analysis of public–private partnerships (PPPs)

Purpose of the document

As requested by the Governing Body in November 2012 and October 2013, this document provides information on the geographical and thematic scope and on the participation of ILO social partners in public–private partnerships (PPPs), as well as an analysis of the PPP selection criteria, the lessons learned and results, and proposals to clarify and refine an ILO strategy with regard to PPPs. for the Governing Body is invited to consider the draft decision in paragraph 26.

Relevant strategic objective: Cross-cutting.

Policy implications: Facilitating the achievement of decent work by leveraging ILO resources and expertise through PPPs.

Legal implications: None.

Financial implications: None.

Follow-up action required: Improve the application of relevant internal governance instruments to a refined PPP strategy.

Author unit: Partnerships and Field Support Department (PARDEV).

Related documents: GB.301/TC/1; GB.301/PV; *Provisional Record* No. 19, International Labour Conference, 95th Session, Geneva, 2006; GB.316/POL/6; GB.316/PV(&Corr.); GB.319/INS/5(Rev.); GB.319/PV/Draft; GB.320/INS/5/1; GB.320/POL/10.

I. Background

1. At its 316th Session (November 2012),¹ the Governing Body discussed the progress made by the Office in promoting public–private partnerships (PPPs) since the establishment of the guiding principles on PPPs by the Governing Body in 2008.² The Office provided an overview of the use of PPPs by the ILO in the international development context and presented key findings and lessons learned for guidance on their further use.
2. The Governing Body discussion generally emphasized the need to develop a more targeted, systematic and proactive approach to PPPs based on the guiding principles, with the close involvement of the tripartite constituents, sound internal governance processes and a clear strategy designed to ensure coherence between the Decent Work Agenda and the objectives and implementation modalities of PPPs.
3. At its 319th Session (October 2013), the Governing Body held a discussion on ILO engagement with the private sector and requested the holding of a further specific discussion on PPPs at its March 2014 session, based on additional analytical information.³ The present paper responds to this request, as well as to the request made by the Governing Body at its November 2012 session. It should be read in conjunction with the papers submitted to the present session of the Governing Body on the strategy for wider ILO engagement with the private sector and the implementation strategy for the follow-up mechanism of and promotional activities on the ILO Declaration of Principles concerning Multinational Enterprises and Social Policy.⁴

II. Analytical information

General overview of PPPs (2008–13)

4. The ILO has been collaborating with private actors since its foundation in 1919, but only in 2008 did the Governing Body formally approve a set of guiding principles to ensure coherence between the Decent Work Agenda and the objectives and implementation modalities of PPPs.⁵
5. Since then, the ILO has concluded 145 partnerships with 108 different partners for a total amount of US\$46,487,424. This represents an approximate average of 3.5 per cent of extra-budgetary technical cooperation (XBTC) resources during the period 2008–13. PPPs are not only established when funding is involved, but also when the collaboration is based on an exchange of other types of resources between the actors, such as the exchange or pooling of knowledge and information, publication and research projects, campaigning or advocacy, meetings or other events, capacity building and training, the temporary

¹ See GB.316/PV(&Corr.), para. 505, and GB.316/POL/6.

² GB.301/TC/1, paras 15.1–15.8; GB.301/PV, para. 249.

³ GB.319/PV/Draft, para. 134.

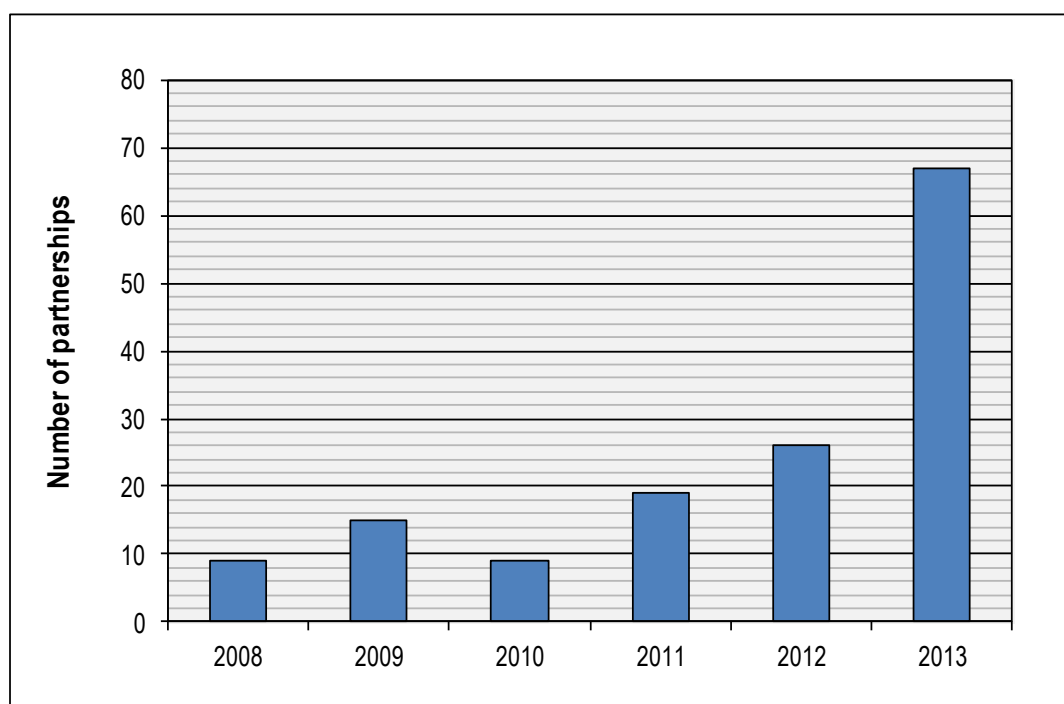
⁴ GB.320/INS/5/1 and GB.320/POL/10, respectively.

⁵ The principles that guide the ILO's development of PPPs were previously articulated by the International Labour Conference at its 95th Session, Geneva, 2006 (see *Provisional Record* No. 19).

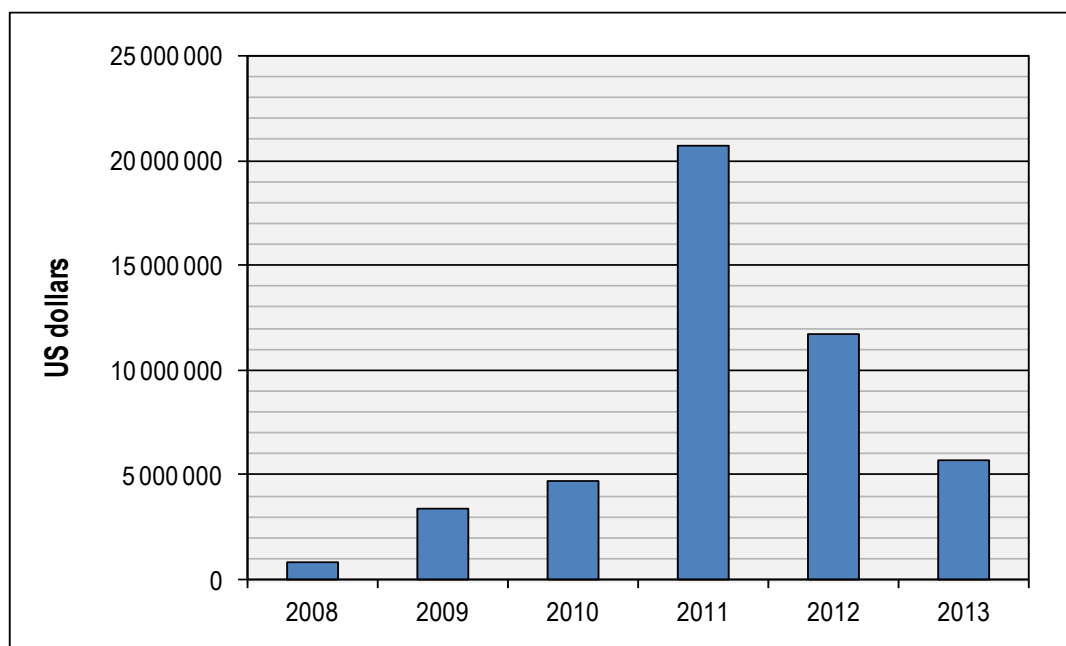
placement of personnel and other types of resources.⁶ In all cases, PPPs are linked to programming instruments (the programme and budget, regional agendas, sectoral strategies, etc.).

6. While funding levels have fluctuated, the number of partnerships has steadily increased, allowing work across a broader spectrum of outcomes (from six in 2008, to 14 by the end of 2013). The fluctuations in funding are due to the fact that no target has been established for fund-raising, as funding is not an objective in itself or the only indicator of engagement for PPPs. Indeed, although there was a decrease in funding in the last biennium, there was also an increase in partnerships not involving financial transactions that have contributed to knowledge, research and the development of tools, which is a key element in ensuring that the ILO is regarded as a global centre for technical excellence in the world of work.
7. PPP partners are grouped under four main categories: (i) enterprises; (ii) foundations; (iii) think tanks and academia; and (iv) non-state actors.
8. A total of 81 PPPs have been concluded with enterprises (55.86 per cent) and 28 with foundations (19.31 per cent). This is followed by 22 PPPs (15.17 per cent) with academia, think tanks, etc., and 14 (9.66 per cent) with non-state actors. In terms of funding, the largest total source of funding (51.5 per cent) has been from foundations, followed by enterprises (44.81 per cent). Others account for 1.64 per cent of financing, while think tanks and academia account for 2.05 per cent.

Figure 1. Number of partnerships 2008–13

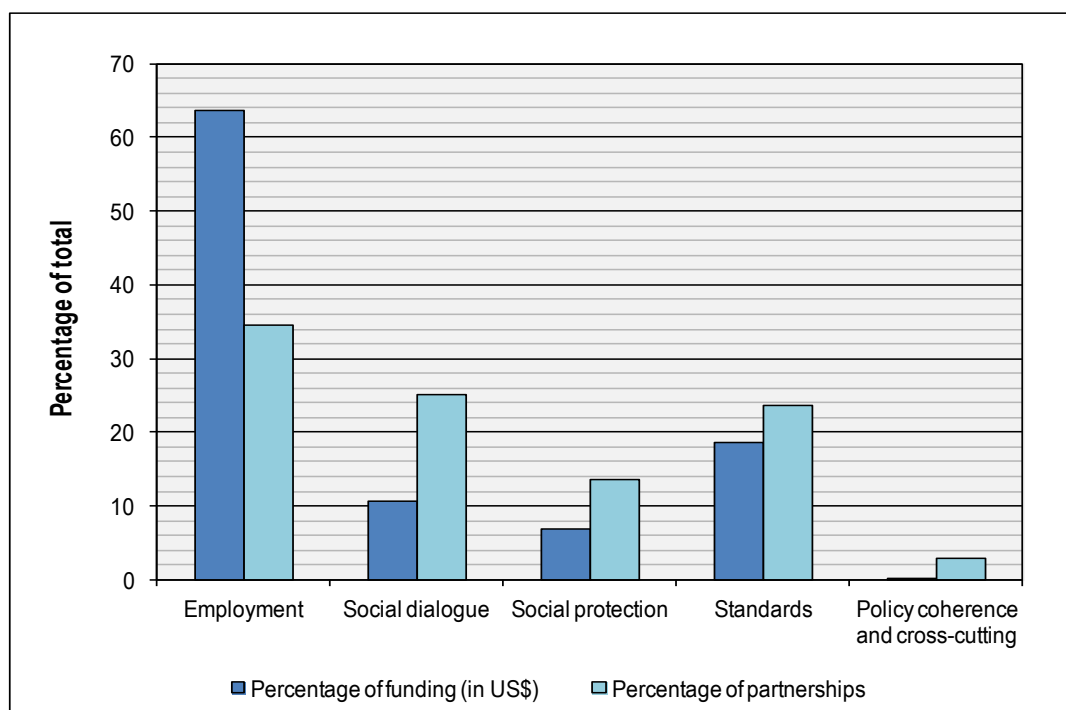


⁶ Director-General's Announcement, *Public-private partnerships*, IGDS No. 81 (version 1), of 14 July 2009, para. 4.

Figure 2. Funding 2008–13 (in US dollars)

Thematic and geographical scope of PPPs and participation of the social partners

Thematic scope

Figure 3. PPP funding and numbers of participants by theme (2008–13)

9. Employment is the strategic objective with the largest number of partnerships (34.53 per cent), accounting for 63.66 per cent of PPP funding. The PPPs mainly address the development of policies and programmes for employment promotion, youth employment, small and medium-sized enterprises (SMEs) and sustainable enterprises, social finance and

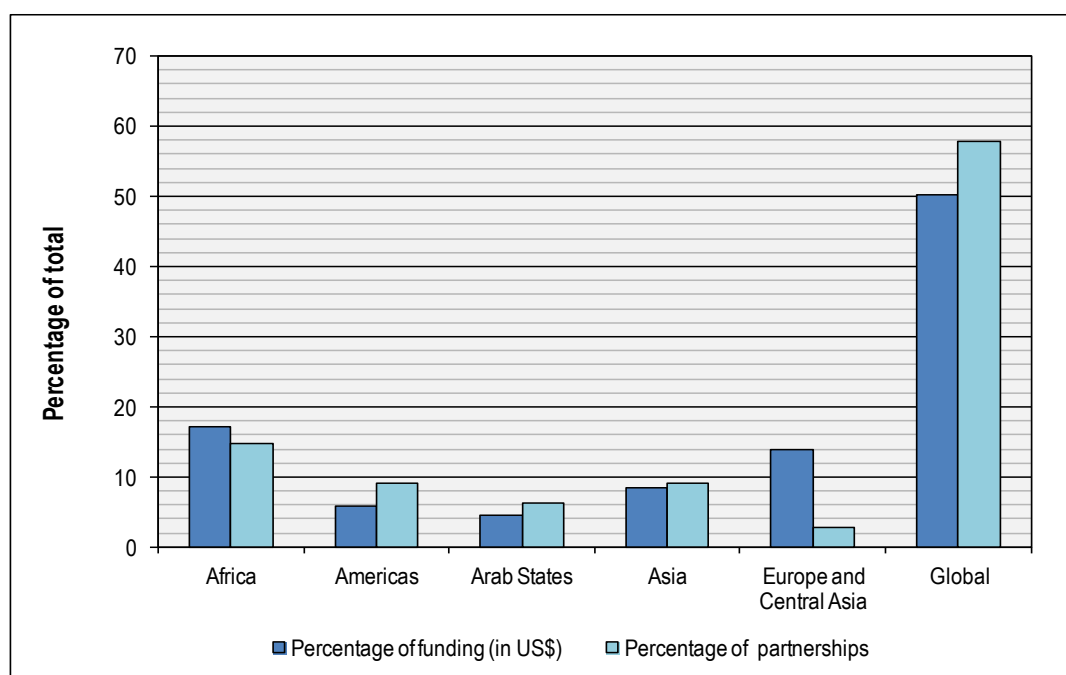
the promotion of disability inclusion. Social dialogue comes second, with 25.18 per cent of partnerships (10.56 per cent of funding), mainly including PPPs under Better Work, as well as joint workers' and employers' initiatives in three sectors (construction, electronics and agriculture). The next strategic objective is standards, with 23.74 per cent of partnerships (18.63 per cent of funding), of which all but two focus on combating child labour. Social protection accounts for 13.6 per cent of partnerships (6.95 per cent of funding), mainly focusing on HIV and AIDS and the strengthening of social security systems. Finally, policy coherence and cross-cutting themes account for 2.95 per cent of partnerships (0.2 per cent of funding).

10. All the partners direct the largest proportion of their funding towards employment. Partner enterprises have a key secondary focus on standards, which receives 38.6 per cent of their funding. Further disaggregation by type of partner better illustrates their priority themes. For example, enterprises mainly collaborate with the ILO in areas that relate closely to their operations and supply chains, such as promoting decent work in specific economic sectors (particularly the garment sector), skills development, the elimination of child labour and the promotion of sustainable enterprises, as well as, at a lower level, forced labour, occupational safety and health and HIV and AIDS.

Geographical scope

11. In terms of numbers of partnerships, 57.75 per cent of PPPs are global in scope, including interregional and cross-regional initiatives. This is explained by the large number of subscribers to global networks and platforms (such as the ILO Global Business and Disability Network, Better Work Buyer Partners, and the Child Labour Platform). In terms of funding, global PPPs mainly support employment promotion, including youth employment (85.87 per cent of funding for global PPPs).
12. The highest geographical concentration of PPPs is in Africa, with 14.78 per cent of partnerships and 17.13 per cent of funding. The fewest partnerships cover Europe and Central Asia (2.82 per cent), and the lowest level of funding is for the Arab States (4.59 per cent).

Figure 4. PPP funding and number of partnerships by region (2008–13)



13. Analysis of the thematic focus of PPPs by geographical area shows that the partnerships respond to regional and country priorities and that there is a good alignment of PPPs with programme and budget priorities. In Africa, 81.21 per cent of funding is for child labour and 11.84 per cent for HIV and AIDS. In Asia, 39.5 per cent of funding is directed at promoting decent work in specific sectors. In Europe and Central Asia, 92.8 per cent of PPP funding has mainly been in support of youth employment through skills development. In the Americas, 56.33 per cent of PPP funding has been devoted to combating child labour. In the Arab States, PPPs have mostly supported the development and improvement of sustainable enterprises.
14. Differences exist with regard to the geographical spread of projects and funding between types of partner. Enterprises and non-state actors devote the lowest proportion of their funding to global level partnerships (8.66 and 10.66 per cent, respectively) and prefer to collaborate with the ILO on country specific projects. Enterprises direct the largest proportion of their funding to Africa, Europe and Central Asia. Foundations devote 87.85 per cent of their funding to ILO global initiatives.

Participation of the social partners

15. The quality appraisal and review procedure for each PPP is based on a consultation process with the social partners at both the global and national levels through the ILO Bureau for Employers' Activities (ACT/EMP) and the Bureau for Workers' Activities (ACTRAV).
16. In addition to these consultations, in its Integrated Resource Information System (IRIS), the Office classifies the participation of the social partners in all technical cooperation projects, including PPPs, according to five categories, which are not mutually exclusive, based on their involvement in: (i) project design; (ii) implementation; (iii) project governance; (iv) social partners being direct project recipients; and (v) project activities specifically strengthening mechanisms of social dialogue.
17. Of all the PPPs recorded in IRIS as technical cooperation projects, 96 per cent correspond to one or more of these five categories. For the remaining 4 per cent of PPPs, although the social partners are consulted in the quality appraisal and review process, none of the five categories apply. This is the case for: a number of specific research projects, compendiums and publications based on specific focus groups; one training activity conducted for the Ministry of Labour in Yemen, which resulted in the establishment of a new unit; and community-based activities in post-disaster (Haiti) and informal economy (Guinea) settings.

PPP selection criteria, results and lessons learned

18. The guiding principles (2008) provided the basis for the operational guidelines established by the Office in July 2009,⁷ which also define the steps for the selection of PPPs. Since the establishment of the guiding principles, the ILO has steadily worked with an increasing number of private partners in a wider range of thematic areas. PPPs are a result of a combination of initiatives, the majority originating from the Office (69 per cent), and predominantly from headquarters (71 per cent) through targeted outreach (for example, on youth employment, Middle East and North African (MENA) countries, HIV and AIDS, Bangladesh, Philippines). The ILO is now increasingly being addressed by potential

⁷ Office Procedure, *Public-private partnerships*, IGDS No. 83 (version 1), of 14 July 2009.

partners, and particularly private enterprises, on issues relating to their supply chains and on global issues relating to industrial relations, social dialogue and wages.

19. PPPs addressing employment have contributed to promoting youth employment, improving policy frameworks and institutional capacities, developing a conducive business environment for SMEs and fostering an entrepreneurship culture and skills. A number of enterprises have made an important commitment to supporting sustainable enterprises and productive and decent jobs throughout their supply chains. The promotion of social finance has increased opportunities for vulnerable persons and reduced risks. Decent jobs have also been created in post-disaster settings through skills training and SME development.
20. PPPs on social dialogue have supported ILO joint efforts with companies and workers to promote better industrial relations. This has been achieved through training, the development of tools and coordination mechanisms that reduce costly duplicate audits, particularly at the factory level and in supply chains, and through enhanced cooperation between management and workers on continuous improvement processes, resulting in better working conditions, productivity and compliance with international labour standards. Other work has increased the participation of workers' and employers' organizations, for example through the development of social policies (such as in the construction sector in Uruguay).
21. PPPs linked to social protection have mainly focused on mitigating the impact of HIV and AIDS in the workplace, preventing new infections and improving national policies. Other initiatives have been concerned with extending innovative micro-insurance solutions to previously excluded persons, improving workplace nutrition, protecting migrant workers and training experts in the design and implementation of social security systems.
22. PPPs addressing standards have been almost entirely focused on the prevention and elimination of child labour. The ILO has supported enterprises and major buyers, especially in supply chains, to improve their performance, become more sustainable and align their practices with codes of conduct relating to child labour. PPPs have also led to an increased understanding of the situation on the ground in key sectors, such as tobacco and cocoa, and ultimately the enhancement of child labour monitoring systems. The Child Labour Platform also provides a forum for sharing effective approaches to the elimination of child labour, and the child labour guidance tool developed by the ILO and the International Organisation of Employers (IOE) provides practical guidance to companies on this issue.
23. The main areas of interest of the PPPs conducted with enterprises by the International Training Centre of the ILO, Turin (Turin Centre), have been gender equality and non-discrimination, industrial relations and social dialogue, and youth development. Initiatives are currently being implemented to roll-out directly with companies the training package on occupational safety and health that is currently used to train employers' organizations. Through a PPP, the Turin Centre has also supported the development of sustainable supply chain strategies for ethanol and biodiesel which incorporate farmers in the supply chains in Brazil. In addition to these targeted efforts, PPPs have also provided significant support for the masters programmes offered by the Turin School of Development, as well as other learning and training programmes.
24. The lessons learned can be summarized as follows:
 - (a) The evolution of PPPs demonstrates their increased added value for ILO operations, knowledge, visibility and networking capacity, and the added value for enterprises, which have expressed appreciation of the ILO's global reach and of its capacity, expertise and advice on labour rights issues. The Office has published a number of

fact sheets illustrating key areas of mutual benefit and the results of individual partnerships.⁸ The review of the overall portfolio is ongoing.

- (b) PPPs are the result of a common understanding on shared objectives between the ILO and the various partners. In 69 per cent of cases, PPPs were initiated by ILO units, mainly at headquarters. In all cases, PPPs are aligned with programme and budget priorities.
- (c) In the last three biennia, the ILO has been able to expand the areas of work covered by PPPs from six outcomes in 2008 to 14 in 2013. Nevertheless, there is a need to develop a strategy to deepen engagement over further areas and to develop regional action plans and capacities.
- (d) Procedures for small-scale and in-kind contributions could be streamlined to gain efficiency and deal with new partnerships within reasonable timelines. Differentiated procedures for the various types of partners could also be applied and their management refined. In particular, relations between employers' organizations and individual companies that enter into partnerships with the ILO could be strengthened to achieve better recognition of representational structures and improved systematization.
- (e) The quality appraisal mechanism has been instrumental in refining the content and design of PPP interventions, coordinating discussions on content between the relevant units and improving the participation of constituents in PPPs. This mechanism could be further strengthened. The IRIS categories for tripartism could also be further improved, including through more direct involvement of employers and workers in their definition.
- (f) The template developed for PPP agreements has had to be adapted frequently, especially for in-kind contributions and collaboration in the fields of knowledge exchange and research.

III. Proposals to refine the PPP strategy

25. PPPs are one way of promoting active engagement in support of the ILO's Decent Work Agenda. An enhanced approach is proposed, based on the guiding principles adopted in 2008. This would entail:

- (a) *A focused approach*: the identification of emerging needs for engagement with the different partners and the development of appropriate tools for such engagement would enable the Office to target its efforts better. New policy tools and packages to facilitate engagement with partners in emerging areas of work that have not yet been developed may also need to be prepared.
- (b) *A more proactive approach*: further support to ILO field offices may be needed, as 86 per cent of partnership initiatives have originated from headquarters, and only 14 per cent from the field.
- (c) *Enhanced representational functions and coherence*: all contacts from enterprises will initially be directed to ACT/EMP or ACTRAV, if the contact comes from workers' organizations. ACT/EMP and ACTRAV will be responsible for sharing information with one another and with their respective groups' secretariats and the

⁸ <http://www.ilo.org/pardev/public-private-partnerships/lang--en/index.htm>.

employers' and workers' organizations concerned, and for the provision of any orientation or advice required.

- (d) *Clearance and review*: the review of the application of the guiding principles and procedures would continue to involve employers' and workers' representatives closely through an agile but thorough process, differentiated according to the nature of the partnership and the type of partner (companies, foundations, academia and others).
- (e) *Coordination*: effective measures to ensure the involvement by all relevant units and constituents will be put into place from the design phase of new partnerships.
- (f) *Knowledge sharing*: efforts should be continued to foster research, knowledge exchange and innovation through PPPs.
- (g) *Strategic monitoring of progress*: a more strategic monitoring of partnerships would enable the Office to produce more in-depth analyses of the value added of such partnerships and to improve the engagement strategy on a constant basis.
- (h) *Communication*: a strategic communication plan would need to be developed for both enhanced transparency and the improved visibility of results.

Draft decision

26. The Governing Body requests the Office to:

- (a) ***implement, on the basis of the guiding principles,⁹ the proposals in paragraph 25 of the present paper for a refined PPP strategy; and***
- (b) ***report on progress in relation to such implementation no later than March 2016.***

⁹ IGDS No. 81 (version 1), op. cit., para. 6.