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Policy Development Section

POL

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DRAFT MINUTES

Policy Development Section

Contents

	<i>Page</i>
Employment and Social Protection Segment	1
First item on the agenda	
Outcome 5: Decent work in the rural economy (GB.329/POL/1)	1
Second item on the agenda	
Outcome 6: Formalization of the informal economy (GB.329/POL/2)	6
Third item on the agenda	
Addressing the impact of climate change on labour (GB.329/POL/3)	11
Social Dialogue Segment	18
Fourth item on the agenda.....	
Sectoral meetings held in 2016 and proposals for sectoral work in 2017 and 2018–19 (GB.329/POL/4).....	18
Development Cooperation Segment.....	22
Fifth item on the agenda	
ILO Development Cooperation Strategy 2015–17: Report on progress (GB.329/POL/5).....	22
Sixth item on the agenda	
ILO cooperation with the tobacco industry in the pursuit of the Organization's social mandate (GB.329/POL/6).....	28
Multinational Enterprises Segment	31
Seventh item on the agenda	
Recommendations of the tripartite ad hoc working group concerning the review of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy text, annex and addenda and the interpretation procedure (GB.329/POL/7).....	31

Employment and Social Protection Segment

First item on the agenda

Outcome 5: Decent work in the rural economy (GB.329/POL/1)

1. *The Employer spokesperson* said that the 2008 International Labour Conference (ILC) conclusions on the promotion of rural employment for poverty reduction still clearly reflected the Employers' focus on unleashing the potential of rural areas through strengthening entrepreneurship, building leadership capability and capacity, and promoting sustainable rural enterprises.
2. Turning first to the positive elements of the document, he welcomed the three interrelated areas of expected change listed in paragraph 5, emphasizing the importance of the third area, on an enhanced knowledge base and strengthened analytical capacity. He supported the Office using the 2008 ILC conclusions as a basis for its further work and the development focus outlined in paragraph 11, particularly the integration of decent work principles into national development policies and frameworks covering rural areas, as that was an important way of moving forward. Many of the country interventions described in the document could have wider implications. The overview of ILO tools and methodologies on the rural economy referred to in paragraph 19 would be useful, as long as it was simple and effective to use at country level. The national sector-specific programmes referred to in paragraph 21 could also have wider relevance. The Training for Rural Economic Empowerment (TREE) programme, and the use of its methodology to empower women, was of note. Lastly, the capacity-building activities at the International Training Centre of the ILO, Turin (ITC-ILO) remained an important part of establishing and maintaining an enabling environment.
3. However, he asked for more information on the Office's efforts to support the Enabling Environment for Sustainable Enterprises (ESEE) programme, and for clarification of the meaning of promoting employment-intensive investments in infrastructure; it would be better to create infrastructure efficiently and then invest in creating entrepreneurs and enterprises as a result of the provision of that infrastructure.
4. Section D of the document, on building constituents' capacity and strengthening social dialogue, was notably weak. The ILO should focus on building the voices of rural employers' and workers' organizations. With regard to section E, more mention should be made of the importance of partnerships between the ILO and the private sector: bringing people out of rural poverty could not be done without private sector engagement.
5. Concerning the draft policy guidelines for the promotion of sustainable rural livelihoods targeting the agro-food sector, he recalled the lack of consensus on those draft guidelines at the Meeting of Experts in September 2016. The draft guidelines were too long, repetitive and confusing, and they failed to consider family farms and small farms. The Office should rethink its policy advice to be more responsive to the industry and to consider varying types of farms. Any future discussion should be based on a new set of guidelines.
6. Better statistics on decent work would be useful, but the Office should focus on obtaining fact-based labour market statistics in the rural economy. Finally, the ILO should harness its worldwide private sector network to nurture the creation of sustainable enterprises in rural areas, thus reducing poverty. The Employers' group supported the draft decision.

7. *The Worker spokesperson* recalled the importance of including the rural economy as a formal part of the global supply chain, but noted that not all forms of integration into supply chains were beneficial to workers and employers in developing countries. Collective bargaining would promote sustainable, inclusive and thriving rural economies.
8. Outcome 5 was very wide-ranging, so activities should be focused on wage employment in the rural economy, and not just broadly on rural communities. The aim should not be to take people out of wage employment and into self-employment, as paragraph 1 of the document seemed to suggest. Industrialization and production in higher, value-added segments of the market would facilitate poverty reduction, as would the promotion of decent work in the rural economy. There was a need to move away from reliance on agriculture, an approach that was to be discussed under the High-Level Section of the session the following week.
9. The Workers' group agreed with the strategy outlined in Part III of the document and emphasized the importance of a rights-based approach to rural development, with particular regard to trade union rights and collective bargaining. Further ratification of the Indigenous and Tribal Peoples Convention, 1989 (No. 169), was recommended. The International Union of Food Workers and relevant national trade union centres should be consulted on all interventions concerning the rural economy, and notably on capacity-building initiatives. Noting that constituents from 27 target countries had requested technical assistance, he asked the Office to specify whether the constituents in question were employers' or workers' organizations, or governments. More efforts were needed to address the challenges posed by plantations, and he requested the Office to step up that work.
10. It was regrettable that agreement had not been reached on the draft policy guidelines for the promotion of sustainable rural livelihoods targeting the agro-food sectors; those guidelines were extremely important to improve the rights of workers in the rural economy.
11. Institutional capacity building of constituents, in particular social partners, was vital. The capacity-building activities mentioned in section D were too limited and did not focus on areas that were of importance for the Workers' group. International labour standards and social dialogue should be promoted in all partnerships with other organizations, and the added value of social partners' participation in partnerships should be emphasized.
12. In conclusion, some of the activities referred to in the document did not seem to be related to the rural economy. Occupational safety and health (OSH) and violence at work in rural areas should be better addressed in light of the decent work deficits in agriculture. The Workers' group supported the draft decision.
13. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that the 2008 ILC resolution and conclusions on promoting rural employment for poverty reduction had helped countries in Africa to unlock the potential of rural economies, create decent and productive jobs, and contribute to sustainable development and growth. As reflected in the Millennium Development Goals and the Sustainable Development Goals (SDGs), rural development had a role to play in poverty reduction and food security, which required a cross-cutting response across the Decent Work Agenda. Regional initiatives reflected Africa's commitment to transform the rural economy and thus create employment and growth. However, progress on the ground had not been effective, as Africa faced many challenges, including the impact of climate change and low productivity in the agricultural sector worsened by a lack of consistent policies and integration of decent work principles. The knowledge base and analytical capacity to make better use of information in policy development remained insufficient. The Africa group therefore supported the continuing provision of adequate resources for rural development to constituents, noting the increased number of target countries requesting the Office's technical assistance.

14. Decent work in the rural economy cut across all of the programme and budget outcomes, and the synergies highlighted in paragraph 11 were welcome. He urged the Office to increase technical support to member States for: integrating decent work principles and objectives into national development policies and frameworks covering rural areas; reviewing Decent Work Country Programmes (DWCPs); conducting analytical studies on the rural economy; and building the capacity of constituents to develop and implement targeted sector-specific programmes. Furthermore, the Office should coordinate with other organizations to develop statistical indicators and definitions, to make national and international reporting more consistent. Finally, he called on the Office to facilitate the sharing of best practices on collecting and disseminating statistical information on decent work in rural areas and on developing and implementing effective rural economic development programmes. He supported the draft decision.
15. *Speaking on behalf of the Asia and Pacific group (ASPAG)*, a Government representative of Pakistan said that her group was encouraged by the increase in budgetary allocations to outcome 5 for the biennium 2018–19 but noted that the increase would not offset the estimated reduction in extra-budgetary expenditure. The Office had to seek ways to bridge that shortfall. As rural economies were increasingly affected by climate change and devastation caused by both sudden and slow-onset natural disasters, the Office should design policy guidance on mitigating the impact of such phenomena, enhancing resilience and generating alternative employment. The Office should also continue to support cooperatives, which played an important role in rural economies. ASPAG encouraged the ILO to continue providing courses on strengthening decent work in rural economies through its International Training Centre and to strengthen its partnerships with the Food and Agriculture Organization of the United Nations (FAO) and the World Bank.
16. *Speaking on behalf of the group of Latin American and Caribbean countries (GRULAC)*, a Government representative of Panama drew attention to the high levels of poverty in rural areas of Latin American and the Caribbean as reported in the thematic labour overview *Working in rural areas in the 21st century*, issued by the Regional Office for Latin America and the Caribbean. Seasonal employment in agriculture was often informal, of low quality and involved child labour or forced labour. The SDGs on ending poverty and hunger could only be attained through the promotion of decent work and economic growth. In that context, his group supported the adoption of an integrated approach, with multi-dimensional policies based on rights, as well as collaboration with international organizations and partners such as the G20 Development Working Group, so as to improve the mobilization of resources and the harmonization of policies. Within the framework of Argentina's presidency of the G20 the following year, the promotion of decent work for youth in rural areas would be further elaborated and strengthened by the Development Working Group.
17. GRULAC welcomed the technical assistance provided by the Office to the design and implementation of specific sectoral and macro-level programmes in a number of countries (including Bolivia, Chile, Colombia, Ecuador and Paraguay). It urged the Office to mobilize resources for the development and implementation of national action plans to improve working conditions in plantations in the region. It should also provide technical assistance for the development of public policies that enhanced employability through training. In addition, the work plan for outcome 5 should include the development of policies aimed at combating child labour in rural areas and ensuring observance of the minimum wage in rural areas.
18. *Speaking of behalf of the European Union (EU) and its Member States*, a Government representative of Bulgaria said that Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania, Bosnia and Herzegovina, Norway, the Republic of Moldova and Georgia aligned themselves with the statement. The 2008 ILC resolution and conclusions remained relevant, and the current Office strategy for outcome 5, underpinned by three interrelated areas of expected change, provided a balanced approach. He welcomed

the establishment of synergies between the strategy and other ILO programme and budget outcomes. In order to design adequate policies, it was important to consider the population structure of rural areas. The high prevalence of child labour in such areas called for quality education and skills development. Furthermore, private sector investment had to be leveraged in order to guarantee decent work opportunities and appropriate infrastructures for current and future generations. Decent work could not be isolated from solid social protection systems, which would ensure that vulnerable workers and their families had access to basic services. Moreover, in the light of the high percentage of women living and working in rural areas, women's rights relating to land ownership and financial services must be protected.

19. He supported efforts to align outcome 5 with the relevant SDGs and suggested that the Office draw inspiration from the Organisation for Economic Co-operation and Development (OECD)–FAO *Guidance for responsible agricultural supply chains*. He welcomed the ILO initiative to issue the *Portfolio of policy guidance notes on the promotion of decent work in the rural economy* and expressed interest in receiving feedback on the new agriculture insurance training package that would be implemented in 2017. The collection and dissemination of disaggregated data on decent work in rural areas was important and should be done in association with other key actors such as the FAO and the World Bank. It was critical to improve the organization and representation of rural stakeholders, to ensure youth participation in decision-making processes, and to give effect to the 2015 General Survey concerning the right of association and rural workers' organizations instruments. He supported the draft decision.
20. A Government representative of Indonesia commended the ILO's work on outcome 5 and encouraged the Office to enhance its technical assistance to constituents to better promote productive employment and decent work in the rural economy in accordance with national development policies. With a high proportion of its population depending on farming for a living, Indonesia saw agricultural and rural development as the key to eradicating poverty. It particularly appreciated the ILO's pilot project on sustainable rural development and food security in East Nusa Tenggara and was looking forward to further such cooperation in other national rural development programmes.
21. A Government representative of India emphasized the importance of establishing a robust macroeconomic policy and legislative framework in order to integrate the many linkages involved in achieving decent work in the rural economy. The strongly cross-cutting nature of outcome 5 allowed for optimal sharing of resources and, given the strong correlation between outcomes 5 and 6, India looked forward to the latter benefiting from such linkage as it had suffered a cut in resources. India had learned from implementing the Mahatma Gandhi National Rural Employment Guarantee Act of 2005 that public employment programmes could be very effective in addressing underemployment and seasonal employment, provided they benefited from well integrated financial inclusion and asset/infrastructure creation. The positive results included wage and income increases, enhanced rural market capacity, halting of distress migration and greater workforce participation by women. The development of agro-based industry and the promotion of decent work therein performed a vital role in developing the rural economy, by removing an excess of population from the agriculture sector, and thus making it more competitive. He thanked the ILO's Delhi Office for its support in providing reliable and timely statistics on rural labour markets and expressed support for the draft decision.
22. A Government representative of Brazil said that, despite the great changes in society and in production methods over recent decades, the rural sector still accounted for one of the largest groups in the national labour market. Brazil had committed itself unconditionally to sustainable rural development, the promotion of decent work and the eradication of rural poverty in the framework of the 2030 Agenda for Sustainable Development (2030 Agenda). In recent years, tripartite agreements, certification and greater inspection had brought a

reduction in informal work, while increased union membership had reduced child labour and forced labour. However, labour conditions were still precarious in the rural sector owing to its seasonal nature, organizational problems and crop rotation, and the struggle against informal work and rural poverty faced new challenges from reduced land occupation and changing means of production. Cooperatives and economic solidarity could play an important role in raising qualifications, strengthening social dialogue, improving organization and providing greater financial and administrative support throughout the rural production chain. She expressed support for the draft decision.

23. *A Government representative of Bangladesh* said that, as poverty in his country was predominantly rural, its seventh five-year plan was well aligned with the UN SDGs and the 2030 Agenda, and his Government attached great importance to outcome 5. It had taken a number of poverty alleviation initiatives, including the “one house one farm” project for vulnerable groups and smallholders, and was taking other steps to generate employment, increase micro- and small enterprise productivity and improve employability with a view to achieving greater formalization. Improved market promotion would lead to greater access by women to the labour market and improved product pricing. Improved and innovative technologies had an important role to play in the diversification of rural enterprises, and information and communications technology skills in particular offered great potential for achieving decent employment among young rural men and women. Support for rural human resource development and technological innovation was crucial to the promotion of decent work in the rural economy through appropriate strategic planning that took full account of national contexts. Bangladesh supported the draft decision.
24. *A Government representative of Argentina* said that, as the host country for the G20 summit in 2018, Argentina was committed to ensuring that the topic of decent work for young people in rural areas remained on the international agenda.
25. *A Government representative of Colombia*, after commending the work of the ILO Cooperatives Unit and Regional Office, said that in rural areas, cooperatives assured a range of services for improving quality of life and well-being in a number of sectors and played a vital role in promoting agro-industrial enterprise, small business development and job creation. Those virtues had been specifically recognized by the Havana peace accords, under which a national development plan (PANFLES) had been developed, covering the legal, organizational, cultural and practical aspects of a solidarity- and cooperative-based programme intended to further socio-economic recovery at all levels.
26. *A representative of the Director-General* (Deputy Director-General for Policy (DDG/P)), responding to interventions made, noted the general recognition of the crucial role of the rural economy in poverty reduction and sustainability, and the general satisfaction that had been expressed with the ILO’s work on outcome 5, in particular the integration of decent work principles in national rural development policies and strategies. At country level, the Office was striving to respond to the Employers’ requests for a greater focus on jobs for young people, combined with the promotion of an enabling environment for sustainable enterprises, while also responding to the Workers’ requests for greater attention to wage employment and plantation workers. The latest research indicated that the poorest rural households derived most income from wage employment.
27. The secretariat would do its best to respond, over the following biennium, to Governments’ requests for more technical assistance on the complementary areas of the informal economy (outcome 6), rural cooperatives (outcome 4) and skills development (outcome 1). The additional regular budget resources earmarked for outcome 5 showed the importance that the ILO attached to the promotion of decent work in the rural economy as a means to reduce poverty. Concerning decent work in plantations, she noted that a number of interventions were already in place. The Office was also making efforts to generate more statistics in that area and was leveraging its resources and work across the Office on youth employment,

social protection, jobs for peace and resilience, environmental sustainability and child labour. In response to a question from the Employers' group on employment-intensive infrastructure projects (EIIP), she said they constituted an important pillar of the Office's work on the rural economy and were a component of the flagship programme on jobs for peace and resilience (JPR). The EIIP approach included training workers for transferable skills in a context of decent working conditions. The Office would respond to requests to more proactively seek public-private and multilateral partnerships to develop EIIP further. Finally, the Office was committed, as part of its work on the rural economy, to finding common ground on the sectoral meeting mentioned by a number of speakers.

28. *The Worker spokesperson* expressed appreciation for the position of GRULAC concerning the importance of an integrated approach and multidimensional, rights-based policy for economic development based on a rural economy, and added that it was now time to focus also on evaluating industrialization and structural transformation. He endorsed the Africa group's position on the need for specific focus on empowering women and ending child labour in rural areas, the Government group's comments on the importance of rural workers being represented not only at national but also at international level, and the EU's comments about the ILO making use of the recently adopted OECD guidelines on responsible agricultural supply chains.

Decision

29. *The Governing Body provided the Director-General with guidance in further implementing the strategy for outcome 5 of the Programme and Budget for the biennium 2016–17 on decent work in the rural economy.*

(GB.329/POL/1, paragraph 37.)

Second item on the agenda

Outcome 6: Formalization of the informal economy

(GB.329/POL/2)

30. *The Worker spokesperson* said that informal employment was the result of countries' inability to create formal jobs; despite the many decent work deficits it entailed, informal employment remained pervasive in many developing and emerging economies since people could not afford to remain unemployed. The growing trend towards the informalization of formal jobs was identified as an added challenge. He welcomed the renewed ILO focus on formalization, which made an important contribution towards achieving SDG 8, and also its integrated strategy promoting policy coherence, institutional coordination and social dialogue in line with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), together with its focus on strengthening constituents' capacity to formulate integrated strategies for transition from the informal to the formal economy. It would be important to ensure that formalization policies based on the Recommendation were included DWCPs. He welcomed the promotion of Recommendation No. 204 at forums such as the G20 and BRICS (Brazil, Russian Federation, India, China and South Africa) meetings, adding that, while social dialogue should be central to the strategic approach for outcome 6, it could only be effective if underpinned by realization of the rights enshrined in 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). The progress of legal reforms promoting formalization remained weak, and the Office would need to step up its assistance to Members in that regard. Recommendation

No. 204 and the Promotion of Cooperatives Recommendation, 2002 (No. 193), recognized the crucial role played by cooperatives in formalization.

31. Although section IV of the report described many interventions that gave valuable effect to Recommendation No. 204, their presentation might give the impression of a piecemeal approach. While it was important to take into account country specificities, it was important to avoid countries adopting a few elements of the Recommendation while disregarding others. With regard to formalization strategies, the group welcomed the mainstreaming of gender equality in all activities and work to facilitate the transition to formal employment for domestic workers, migrant workers and indigenous people, and looked forward to further reporting on progress made in extending social security coverage, especially to domestic workers. Further priorities for the group were strategies to prevent the informalization of formal jobs. The group welcomed the specific actions described in the document on compliance including the strengthening of labour inspectors, prevention of occupational accidents and disease, and promotion of fundamental principles and rights at work. The group would like the ILO to continue to further strengthen, at country level, its sector-based approach to formalization of domestic work in line with Recommendation No. 204, and also to receive more information on how the Office intended to promote integrated formalization in line with that Recommendation and assist countries to achieve their targets as part of its contribution to the 2030 Agenda. Finally, he welcomed the development of a biennial plan of action and requested the Office to ensure that the plan included the promotion of ratification and application of standards listed in Recommendation No. 204, with the involvement of the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACT/EMP).
32. *The Employer spokesperson* said that formalization of the informal economy was a key priority, which should not be considered as a single event but as a concerted effort of dialogue in which the national context represented the foundation for action. The Employers supported the ILO strategy and its implementation. Formalization required incentives in which the benefits of formalizing outweighed the costs of remaining informal. They included accessibility to microfinance, improvements to labour standards and legislation, security of property rights and stronger industrial associations through capacity building. More innovative ways needed to be found in private and public education and skills development to aid transition at the meso- and micro levels. It was unfortunate that policy-makers in many transitional and developing countries saw formalization, at least in the short term, as a means to increase income by taxing and licensing small start-ups. Greater efforts should be made to improve the environment for them and thus enhance their interest in remaining in the formal sector.
33. The group supported the key pillars of the ILO strategy for promoting transition to the formal economy, namely: raising awareness for widespread implementation of Recommendation No. 204; building the capacity of governments, employers and workers, taking into account national circumstances; supporting national dialogue processes; and promoting cooperation and partnerships with relevant international organizations. Specific attention should be paid to: establishing an inclusive growth strategy that promotes national policy coherence in the context of implementing SDG 8; promoting a conducive business and investment environment; promoting access to land and property rights; harnessing the entrepreneurial spirit of informal operators, especially women and young people; dismantling tax, registration and compliance barriers; incentivizing micro-, small and medium-sized enterprises; promoting access to education, lifelong learning and skills; and facilitating access to property rights, financial services, business development services, markets and infrastructure, and technology. Other important areas were promoting social dialogue to identify needs at country level, integrating that work into DWCPs, strengthening internal delivery capacity, a sectoral approach to formalization, and strengthening the capacity of national statistics offices.

34. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that the situation in Africa was grim, with 80 per cent of workers in the informal economy and 30 per cent of informal employment in the formal economy. The Africa group acknowledged the progress made by the Office in supporting member States to promote transition from the informal economy to the formal economy. He agreed that the transition to the formal economy could best be facilitated through integrated strategies, policy coherence, institutional coordination and social dialogue. He called on the Office to support the sharing of experiences by setting up a database of relevant projects and providing technical support to member States in assessing policy gaps and building their capacities to collect and analyse statistics on informality, as well as disseminating national statistics on the informal economy through the ILOSTAT database and other publications. He also called on the Office to continue to offer courses on integrated policies through the ITC–ILO and to extend its training activities to national and regional institutions. He noted that promoting social dialogue was at the heart of the outcome 6 approach and requested the Office to strengthen the capacities of social partners to be able to participate effectively in policy formulation and implementation and to organize national and regional workshops to raise awareness for the implementation of Recommendation No. 204. The formalization of the informal economy must be a priority in implementing the Programme and Budget for 2018–19 in the Africa region. He welcomed the advocacy work and joint initiatives undertaken with regional and international organizations. He supported the draft decision.
35. *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: Turkey, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, Albania, Bosnia and Herzegovina, Norway, the Republic of Moldova and Georgia. His group supported the statement to be made by the representative of Bulgaria on behalf of the group of industrialized market economy countries (IMEC). He welcomed the strategy for action that built on a shared understanding that the transition to the formal economy could best be facilitated through an integrated strategy, policy coherence, institutional coordination and social dialogue. The transition to formality and achieving decent work for all must be stimulated by integrated approaches and realistic objectives to make a real impact and support member States in addressing the avoidance of social contributions, labour law and regulations. He welcomed the publication of the report *Formalizing Domestic Work* and the Office’s approach to integrating, mainstreaming and strengthening the formalization objective through the DWCPs and the training provided at the ITC–ILO on measuring and monitoring informality. He also welcomed efforts to raise awareness, drive advocacy and develop knowledge dissemination among the tripartite constituents and specific groups of workers and economic units. The proposed online platform to raise awareness of Recommendation No. 204 was particularly welcome in that regard. He looked forward to receiving an update from the Office on the progress of the diagnostic assessment and monitoring mechanism. He welcomed the Office’s engagement with regional and international organizations, including through the European Platform Tackling Undeclared Work, G20, BRICS employment working groups, and the OECD. Recommendation No. 204, together with social protection floors, were critical in the delivery of the SDGs. He welcomed the ILO’s efforts to integrate the economic and social inclusion of workers in the informal economy into the indicators and targets used to monitor progress across the SDGs.
36. *Speaking on behalf of GRULAC*, a Government representative of Panama reiterated his group’s commitment to the formalization of the informal economy and to the implementation of Recommendation No. 204 to address decent work deficits. Addressing the high rates of informality in the world, including in his region, called for sustained action and innovative alliances. He welcomed the reference to the national programmes of the countries of his region and the links between those programmes as action plans and roadmaps and the Organization’s efforts to implement the strategy. It was essential to give priority to raising awareness about the informal economy; without adequate understanding of the reality on the ground, neither the ILO nor the constituents could come up with the

solutions needed. He supported capacity-building efforts and activities of the ITC–ILO to formalize enterprises and improve social dialogue, including the participation of vulnerable workers and domestic and migrant workers. He agreed on the importance of Recommendation No. 204 in achieving the SDGs. He supported the draft decision.

37. *Speaking on behalf of IMEC*, a Government representative of Turkey indicated that the strategy appropriately addressed the various components of Recommendation No. 204. He highlighted that it was a cross-cutting issue with links to various programmes/activities such as safer workplaces, elimination of child labour or gender mainstreaming, and urged the Office to adopt a systematic and comprehensive approach to integrating programmes and activities to create interlinkages and synergies. Moreover, there should be a methodical approach to selecting the countries and regions for interventions and he requested the Office to report on the selection methods used. He also requested the Office to share in future reports of the results of the analyses it had carried out on the processes that generated and/or maintained informality and on the guidance to address specific regional and sectoral differences. Welcoming the Office's collaboration with other international organizations in raising awareness and promoting partnerships and cross-collaboration, and recognizing the pivotal role of social dialogue in achieving formalization, he supported efforts to advocate for the common understanding that buy-in from employers and workers was required for formalization to occur. He invited the Office to share information on the impact of implementation and on any adverse effects and complications encountered. He urged the Office to further encourage cooperatives and other social economy units. He looked forward to the ILO web page dedicated to Recommendation No. 204 and its implementation becoming fully operational and updated. As it was a long strategy which extended until 2021, he suggested to present it in tabular form, annexed to the report and showing its key features, indicators and outcomes. He supported the draft decision.
38. *A Government representative of India* said that it was essential to create a conducive environment for businesses to grow and investment to take place in sectors that could sustain the large young population entering the labour market. It was also important to improve compliance through reforms in labour legislation to bring it in line with the changing work environment and mechanisms to encourage industry to follow decent work practices. He encouraged the Office to increase its activities in the Asia and the Pacific region that had a high incidence of informality through interventions rooted in the local context. He further noted that the ITC–ILO training programmes should be held at the country level and customized to the local context. The ILO could also help promote social dialogue by encouraging the involvement of trade unions and employers. He supported the draft decision.
39. *A Government representative of Thailand* supported ILO efforts to promote the implementation of Recommendation No. 204 and the strategy for action (2016–21), particularly those aimed at improving legal and policy frameworks, raising awareness among the constituents and building their capacities, promoting gender equality and addressing the needs of rural workers. Special attention should be paid to promoting social dialogue to ensure that the voices of workers and other stakeholders in the different sectors of the economy were heard. She noted that the transition to the formal economy was instrumental in achieving SDG 8 and urged the Office to ensure that the needs and circumstances of the constituents were taken into consideration in implementing outcome 6 and in formulating the ILO's programme and budget for the coming biennium. She supported the draft decision.
40. *A Government representative of Brazil* supported the statement made by GRULAC and said that formalizing the informal economy meant generating more decent work and promoting social justice and sustainable development. There was therefore a clear link between Recommendation No. 204 and the SDGs, particularly SDG 8. The ILO must be involved in international alliances to mobilize resources and raise awareness among stakeholders. In recent years, Brazil had implemented public policies to facilitate the transition to the formal

economy, had simplified taxation, had acted to enhance the social protection for workers, and had promoted social dialogue. She supported the draft decision.

41. *A Government representative of Mauritania* drew attention to a high-level tripartite symposium organized by his Government in February 2017 on implementing Recommendation No. 204. During the discussions, the incidence of decent work deficits had emerged, including the lack of social security coverage for workers in the informal economy, lack of job security, the absence of employment contracts and labour inspection, and child labour. As a result, the Government had set up a follow-up tripartite committee to use the findings of the symposium to draft a roadmap to implement Recommendation No. 204. His Government acknowledged the engagement of the social partners and thanked the Office for its support in helping Mauritania towards achieving that goal.
42. *A Government representative of China* said that his Government was actively cooperating with the ILO in promoting the implementation of Recommendation No. 204, not least by advocating for the inclusion of the formalization of the informal economy as an agenda item for the G20 summit, which had gained the extensive support of member States. Member States were taking steps to include the transition to formality in national economic development, including enhancing protection for vulnerable groups, promoting the formalization of enterprises and extending social security coverage. The ILO could assist further by helping economic entities to grow and speed up economic development and by supporting the active labour market economy in developing new initiatives to eradicate poverty and improve employability. He supported the draft decision.
43. *A Government representative of Colombia* said that Colombia, with a high level of informality, had focused its efforts on policies to promote economic and social development and decent work and to reduce the informal economy. Those efforts had led to a fall in unemployment, the creation of over 3 million jobs, 72 per cent of which were in the formal economy, and an increase in social security coverage. Efforts had also been focused on strengthening labour inspection and increasing the number of labour contracts. The Government shared the view that promoting social dialogue was a key element in the transition to the formal economy, together with extending social security coverage to workers in the informal economy and supporting the growth of cooperatives and social economy enterprises. The ILO could make a significant contribution in that area. He supported the draft decision.
44. *A representative of the Director-General (DDG/P)* said that the key components for transition were included in the strategy for outcome 6 set out in the document. Recommendation No. 204, social dialogue and social protection had been stressed, alongside an integrated approach and coherent policy as was evident in paragraph 5. Since some of the challenges of moving from informality to formality were outside the traditional labour framework, the Office was working with other ministries. Statistics were important and had been emphasized in the strategy. The Office would continue to rely on the ITC–ILO with a focus on country-specific strategies. With respect to the Africa group’s suggestion to develop a platform on good practices, a website was being developed with the ITC–ILO that would support work on transition and encompass the guiding principles and policy guidelines of Recommendation No. 204. The website would help develop integrated approaches and coordinate the strategy’s different components. Regional and national data on informal employment and good practices would be made available. Additional time and data were needed before evaluating the impact of work on the strategy for outcome 6.
45. *The Worker spokesperson* welcomed the work achieved to date on Recommendation No. 204 and called for a greater focus on the role of cooperatives in formalization. The majority of people in the informal economy were women, who should be empowered and respected. Particular attention should be paid to social protection for women in domestic work.

46. *The Employer spokesperson* said that the statements made during discussions would enrich the implementation of Recommendation No. 204. The Employers stood ready to provide support to ensure its effective implementation.

Decision

47. *The Governing Body provided the Director-General with guidance in further implementing the strategy for outcome 6 of the Programme and Budget for the biennium 2016–17 on formalization of the informal economy.*

(GB.329/POL/2, paragraph 29.)

Third item on the agenda

Addressing the impact of climate change on labour

(GB.329/POL/3)

48. *The Employer spokesperson* said that the transition to environmentally sustainable and low-carbon economies and societies should create jobs and encourage economic growth as well as sustainable development. The potential risks of economic losses, harm to occupational health and security, and therefore to productivity, and to the labour market must also be addressed. As jobs were replaced and redefined, job requirements and skills would change. Predicted net employment gains of millions of jobs were encouraging, although such estimates were based on a perfect labour market with the required mobility and adequate available labour with the right skills. That vision emphasized the need for policies on labour mobility and the development of skills in line with market needs, among other issues. Efforts to combat climate change under the 2030 Agenda and the Paris Agreement on Climate Change implied structural change; the success of those efforts would depend on the development and implementation – through social dialogue – of measures to ensure a transition that promoted economic prosperity and sustainable businesses that created jobs, and on a favourable environment for those businesses. In light of the *ILO Guidelines for a just transition towards environmentally sustainable economies and societies for all*, countries should take into account model policies, in particular on growth, business and skills development. Feedback on the implementation of the *Guidelines* in the Philippines and Uruguay would indicate their feasibility. The focus on labour issues in climate change negotiations was welcome, including efforts by the Office and the United Nations Framework Convention on Climate Change (UNFCCC) secretariat to draft a technical document on a just transition. The International Organisation of Employers had also worked on the document, to ensure that it reflected the voice of business. Discussions on the Improved Forum on Response Measures and the participation of the Office in the work of the expert group responsible for guiding the negotiations were of particular interest. More information on the contents of the Memorandum of Understanding between the Office and the UNFCCC secretariat would have been useful. The discussion should continue and should be linked with the Green Initiative, which would establish new activities for the Organization. With respect to subparagraph (c) of the draft decision, feedback from the pilot projects should be obtained before promoting the ratification of international labour standards and reflecting on possible gaps in the *Guidelines*. Gaps identified should not necessarily be addressed through a normative approach, which should be limited to implementing the decisions made under the Standards Review Mechanism, by updating standards to integrate the environmental aspect rather than inventing new ones. Capacity

building for constituents would be the most practical means of addressing the impact of climate change.

49. *The Worker spokesperson* said that without action to limit global temperature increases, the challenges of climate change would become barriers to achieving decent work for all. The Organization and its constituents should be more vocal about the impacts of climate change and promote solutions. With respect to subparagraph (a) of the draft decision, the 2018 World Employment and Social Outlook report should be used to assess the environmental implications of ILO Recommendations. It was critical to build a future-proof world of work that encompassed multiple needs, including the protection of the planet for future generations; that report should make the case for just transition strategies as a tool for managing the labour dimension of climate change and other environmental challenges. The pilot application of the *Guidelines* should be extended, as a package, to more countries. The Green Climate Fund should be used at national level by constituents to finance that work. Countries should report how a just transition had been considered and how social partners had been involved in managing the social impacts of climate policies when setting out their nationally determined contributions under the Paris Agreement. Such information would prove valuable to a future ILO instrument that would elaborate on the policies needed to ensure that just transition arrangements were implemented in the world of work. It would be important to promote the ratification and implementation of the international labour standards and resolutions listed in Annex 1 to the *Guidelines*. It would be useful to identify areas that would require further regulation as a result of climate change, as well as policies to prevent it and to develop new green jobs. Environmental and climate issues should be taken into account under the Standards Review Mechanism, since doing so would further discussion on a new standard on just transition. In that light, he submitted an amended version of the draft decision. Further work to promote the *Guidelines* and decent work should focus on the national and international levels. In light of the introduction of environmental sustainability as a cross-cutting policy driver, new DWCPs should include the transition towards environmentally sustainable economies and societies for all and the *Guidelines* should serve as a starting point for that work. The Organization should provide training to workers on climate change and just transition. Collaboration with the relevant international institutions was welcome, notably the signing of a Memorandum of Understanding with the UNFCCC secretariat. The Organization should focus on its comparative advantage in developing activities and programmes with other institutions, starting with social dialogue and the involvement of social partners. Workers and employers must be involved in ensuring decent working conditions in the transition to a greener economy.
50. *Speaking on behalf of the Government group*, a Government representative of Mexico said that he took note of the potential positive and negative impacts on labour of climate change. The Future of Work Initiative could address the associated challenges by proposing alternatives, promoting sustainable employment and supporting capacity building to adapt policies to mitigate job losses. The Office's commitment and contributions to global and regional meetings on climate change were welcome. The Director-General should follow up and promote the Organization's collaboration with relevant institutions and stakeholders to address climate change and achieve decent work and just transition, and report back to the Governing Body on the results. The Director-General should provide more information on the Memorandum of Understanding with the UNFCCC secretariat. The attention to environmental sustainability as a cross-cutting issue in the Programme and Budget proposals for 2018–19 was appreciated. Given that the *Guidelines* were a practical tool to carry out the 2030 Agenda, details should be provided on the outcome of follow-up work in member States. He expressed support for ILO training to help officials and constituents respond to the impacts of climate change on decent work.
51. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that the information provided in the document on the impact of climate change on labour markets was enlightening and the analysis called for policy integration, in the context of the

implementation of the Paris Agreement steered by the *Guidelines*. The Office should further explain the ILO's role in the follow-up to the Marrakech Action Proclamation for Our Climate and Sustainable Development. While his group supported the creation of the Initiative for the Adaptation of African Agriculture to Climate Change, a link needed to be established with the ILO Green Initiative. The ILO's contribution to the Technical Expert Group regarding the Improved Forum on Response Measures was welcome. The Africa group would appreciate further information and updates on the Memorandum of Understanding to enhance collaboration with the UNFCCC. The Office should raise awareness of the *Guidelines* and the Paris Agreement among constituents and advocate the ratification of the international labour standards most relevant to the just transition. It should also extend capacity building for the integration of climate change in sectoral programmes, national development strategies and policies, in line with the 2030 Agenda and the Agenda 2063. He supported the draft decision as set out in the document.

52. *Speaking on behalf of GRULAC*, a Government representative of Panama said that it was clear that the transition towards a green economy required firm commitment from member States and other concerned parties to modernize economies and update programmes on climate change mitigation and adaptation. He supported the original draft decision. However, GRULAC had not had time to review the Workers' proposal. His group was already having to address the impact of climate change on labour in the wake of intense rains and flooding in Peru.
53. *Speaking on behalf of IMEC*, a Government representative of Canada said that IMEC looked forward to learning about the results of the pilot project implementing the *Guidelines* in a number of member States. He observed that whereas paragraph 17 of the report stated that the *Guidelines* had been adopted by the Governing Body, it had in fact taken note of them. In the interest of ensuring technical accuracy and of limiting the work of the ILO to its mandate and expertise, subparagraph (c) of the draft decision should be amended to read "promote the ratification of those international labour Conventions and the implementation of those Conventions, Recommendations and resolutions most relevant to the just transition framework towards environmentally sustainable economies and societies for all as listed in the appendix to the ILO *Guidelines*, and identify and address possible gaps related to the policy areas in the *Guidelines* within the ILO's current mandate". With those amendments, he supported the draft decision
54. *Speaking on behalf of ASPAG*, a Government representative of India requested additional information on the positive labour market outcomes of transitions to a low-carbon economy that specified where net employment gains had been achieved and where the benefits were most evident. Since the Asia and the Pacific region was prone to natural disasters and catastrophes that could aggravate labour migration, the Office should pay special attention to the most affected areas and endeavour to mitigate the consequences, carry out further country-specific research into the problem, and disseminate the findings effectively. ASPAG endorsed the *Guidelines*, welcomed the Office's contribution to climate change negotiations and collaboration with the UNFCCC secretariat, encouraged it to further its cooperation with the relevant international bodies and institutions and highlighted the role of the Turin Centre in building constituent capacity on matters relating to decent work and climate change. The draft decision should be brought into line with the Paris Agreement by adding, in subparagraph (a) after "climate change" and before "for the world of work", a comma and the words "particularly on indigenous people, local communities, migrants, children, persons with disabilities and people in vulnerable situations, bearing in mind gender equality, empowerment of women and intergenerational equity", and by adding, in subparagraph (c), the words "creation of decent work and quality jobs, in accordance with nationally defined development priorities and the principles of UNFCCC, including common but differentiated responsibilities" before "and identify".

55. *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria said that candidate countries Montenegro and Serbia, Stabilisation and Association Process and potential candidate Bosnia and Herzegovina as well as the Republic of Moldova and Georgia aligned themselves with her statement. Since the first ILO discussion on work and the environment, in 1972, it had been recognized that the Organization's responsibilities encompassed the relationship between the environment and the world of work and that it had the unique advantage of bringing together Government, Employer and Worker representatives to discuss that issue. Climate change and other environmental issues should be mainstreamed into programmes, policies and strategies in order to contribute to implementation of the Paris Agreement and the transition to low-carbon sustainable development, the promotion of decent work and implementation of the 2030 Agenda, including through the *Guidelines* and the Green Initiative. The EU supported the action by the Office to engage at the international level and scale up its knowledge, policy advice, capacity building and tools for a just transition. Since national priorities must be taken into account, lessons learned from the pilot project on a just transition would be instrumental to implementation of the *Guidelines* and social dialogue would be important at every stage of that process. Particular attention should be paid to gender equality and vulnerable groups. The EU attached great importance to the ratification and implementation of the relevant international labour standards and to cooperation between international institutions and initiatives such as the Global Covenant of Mayors for Climate and Energy. It stood ready to support ILO efforts to address the implications of climate change for the world of work, develop mitigation and adaptation measures and implement the Green Initiative, good practices and new initiatives. She supported the draft decision with the amendments proposed by IMEC; as a compromise, however, she suggested that subparagraph (a) should be reworded to read: "through the Green Initiative, promote further discussion, knowledge and understanding of the implications of climate change for the world of work, particularly on those most affected"; and subparagraph (c) to read: "promote the ratification of those international labour Conventions and the implementation of those Conventions, Recommendations and resolutions most relevant to the just transition framework towards environmentally sustainable economies and societies for all (as listed in the appendix to the ILO *Guidelines*), and take into account environmental aspects when elaborating or reviewing standards". A new subparagraph (d) should be inserted, reading: "promote the creation of decent work and quality jobs through nationally defined development priorities", such that current subparagraph (d) would become new subparagraph (e).
56. *A Government representative of India* said that implementation of the *Guidelines* should reflect the UNFCCC framework and the principles of common but differentiated responsibilities and nationally determined contributions with a view to national ownership of the just transition to an environmentally sustainable world of work. Because the primary economic sectors were most affected by climate change, its impact would be significant and the affected population large; in developing responses, the limitations of member States must be borne in mind and their strengths must not be compromised.
57. *A Government representative of Indonesia* encouraged cooperation in addressing the impact of climate change on labour in the spirit of the Paris Agreement, which his national Parliament had ratified in October 2016, and welcomed the role of the Turin Centre in providing capacity building on green jobs. As part of its nationally determined contributions, Indonesia planned to increase the share of new and renewable energy from 17 to 23 per cent of its total energy consumption by 2025, and to 29 per cent by 2030. It therefore welcomed the implementation of the Green Jobs Programme in Indonesia, including the Indonesian Green Entrepreneurship Programme and the Strategic Plan for Sustainable Tourism and Green Jobs for Indonesia.
58. *A Government representative of the United States* said that her delegation had noted with interest the ways in which climate change was likely to affect employment and the growing evidence that the job creation potential of the shift to low-carbon economies and societies

outweighed the risks of job losses. The ILO's role should be to help governments, employers and workers to face changing employment and production landscapes as a result of shifts to new energy sources and more efficient technologies, policies and processes, including by providing training and capacity building so that workers could take advantage of new opportunities and by helping businesses and workers to identify and address changing OSH and other workplace issues in traditional and emerging industries and changing workplaces.

59. *A Government representative of Ethiopia* encouraged the Office to widen the scope of the partnership on climate change to include innovators, financiers, regional administrations and advocacy groups in the spirit of SDG 17, including by scaling up collaboration with the International Solar Alliance and other renewable energy initiatives with a view to creating jobs and diversifying rural employment in Ethiopia and other African countries. As current Chair of the Climate Vulnerable Forum, Ethiopia noted the successful collaborative study of the impact of heat on labour productivity and called for further collaboration in order to ensure that climate change negotiations took the labour and employment impact of climate change into account. Since two important sources of employment in sub-Saharan countries, agriculture and tourism, were affected by rising temperatures, flooding, drought and poor rainfall, it was important to address the impact of climate change on the rural economy and to explore cooperation with the New Partnership for Africa's Development Climate Smart Agriculture initiative. The Office should consider the impact of climate change on small and medium-sized mining enterprises in the rural economy and enhance support for climate-change-vulnerable countries through development cooperation and technical assistance programmes, taking national priorities and common but differentiated responsibilities into account. Ethiopia welcomed the Office's input on the implementation of the *Guidelines* and expressed interest in the pilot project on a just transition. Adaptation to climate change was a priority in rural areas and a variety of approaches to skills development and employment diversification were needed. In particular, the ILO should equip farmers with innovative schemes such as climate change insurance. Ethiopia had submitted its intended nationally determined contributions and encouraged the social partners to work towards ratification of the Paris Agreement. His delegation supported the draft decision.
60. *A representative of the Director-General (DDG/P)* said that the Office needed to communicate with constituents, including through policy briefs and information on pilot projects, on the dynamic issue of climate change. Pursuant to the new Memorandum of Understanding, the ILO and the UNFCCC secretariat would be conducting joint research on the linkages between climate and decent work and providing collaborative policy advice on implementation of the *Guidelines* and capacity building on climate issues. The Office was aware of the need to focus on gender issues and vulnerable communities and sectors and realized that social dialogue was crucial to a just transition to a more sustainable economy. Lastly, she encouraged constituents to take advantage of the Turin Centre's new course on climate change and decent work in the context of a just transition.
61. *The Employer spokesperson* said that his group had no objection to the amendments proposed by the Worker spokesperson.
62. *The Worker spokesperson* said that his group endorsed the compromise text proposed by the EU.
63. *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria said that the compromise text that she had proposed was, in fact, quite similar to that proposed by the Workers.
64. *A Government representative of the United States* said that her delegation had concerns about the language proposed by the Workers' group. The proposed amendment to subparagraph (c) appeared either to invite the adoption of a new standard – an issue that should be discussed

in the context of the discussion on the agenda of the ILC (GB.329/INS/2) – or the integration of environmental concerns into all ILO standards, which would require highly sophisticated technical and scientific capacity; such an endeavour would have cost implications, on which further information would be required. Moreover, since ILO standards were broadly applicable to all workers, such a review would be unnecessary.

65. *Speaking on behalf of GRULAC*, a Government representative of Panama said that his delegation needed more time to consider the proposed amendments and suggested that the discussion should be continued at a future meeting.
66. *Speaking on behalf of ASPAG*, a Government representative of India said that the amendments proposed by ASPAG were based on the intergovernmental Paris Agreement, which, with the UNFCCC, was mentioned frequently in the report. Moreover, paragraph 4 identified the areas that would be most affected by climate change; it was important to understand which specific sectors of the labour force would require more focused intervention. Consequently, ASPAG could not accept the proposed compromise text.
67. *Speaking on behalf of IMEC*, a Government representative of Canada requested clarification concerning the amended text. While he appreciated the efforts to achieve consensus, he was not in a position to adopt the draft decision at the current meeting.
68. *Speaking as a Government representative of Canada*, he recalled from a procedural perspective that in adopting its decisions, the Governing Body had tended not to import language from other bodies but had remained focused on labour, employment and the world of work. He asked constituents to bear past practice in mind and take a simple labour approach to the issue.
69. *A Government representative of Panama* said that he would also prefer to postpone a decision on the proposed amendments.
70. *The Chairperson* invited the Governing Body to consider the following amended draft decision following consultations on the compromise text proposed by the EU in which the Workers' group, ASPAG and IMEC took part:

The Governing Body takes note of the information provided by the Office and requests the Director-General to:

- (a) through the Green Initiative, promote further discussion, knowledge and understanding of the implications of climate change for the world of work, particularly those most affected;
 - (b) continue with the pilot country application of the *Guidelines* for a just transition towards environmentally sustainable economies and societies for all with a focus on assisting governments and employers' and workers' organizations in developing policies, through social dialogue, to implement their climate change commitments;
 - (c) promote the ratification of those international labour Conventions and the implementation of those Conventions, Recommendations and resolutions most relevant to the just transition framework towards environmentally sustainable economies and societies for all (as listed in the appendix to the ILO *Guidelines*), and take into account environmental aspects when elaborating or reviewing standards;
 - (d) promote the creation of decent work and quality jobs through nationally defined development priorities; and
 - (e) promote collaboration among the ILO and relevant international institutions addressing climate change, with a view to advancing decent work and a just transition for all.
71. *The Employer spokesperson*, referring to subparagraph (d), said that the Employers wished to replace the word "quality" with the word "productive", since the term "productive jobs" reflected the language used in SDG 8.

72. *The Worker spokesperson* said that while he supported that proposal, the resulting phrase “decent work and productive jobs” was better shortened to “decent and productive jobs”.
73. *Speaking on behalf of GRULAC*, a Government representative of Panama expressed satisfaction with the text as amended by the Employers.
74. *Speaking on behalf of ASPAG*, a Government representative of India proposed that the words “and vulnerable” should be added to the end of subparagraph (a) and that the words “in accordance with the principles of the UNFCCC” should be added after the word “priorities” at the end of subparagraph (d). With regard to the wording proposed by the Employers’ group, it would be preferable to retain the words “decent” and “quality” since jobs were expected to be productive.
75. *A Government representative of Argentina* proposed either “quality and productive” or “decent and productive”, since the notion of productiveness was not implicit either in the word “quality” or the word “decent” alone.
76. *Speaking on behalf of GRULAC*, a Government representative of Panama observed that “quality” was a subjective idea, whereas “productive” implied an objective and measurable concept. He requested clarification from the Office.
77. *A representative of the Director-General (DDG/P)* said that the terms “quality” and “quality jobs” were not generally used by the Office. By contrast, “productive work” and “productive jobs” were terms in common use in the ILO.
78. *Speaking on behalf of IMEC*, a Government representative of Canada asked the Office to comment on the possible implications of separating the words “decent” and “work”.
79. *A Government representative of the United States* reiterated that she would prefer not to refer to the UNFCCC in subparagraph (d), as the implications of such a reference to external documents or agreements for the work of the ILO remained unclear.
80. *Speaking on behalf of the Africa group*, a Government representative of Lesotho said that the word “promote” in subparagraph (d) should be replaced by the word “support”, which better reflected the terms of the ILO’s mandate.
81. *A representative of the Director-General (DDG/P)* said that the term “decent work”, pioneered by the ILO, was widely accepted and implied more than simply jobs; it reflected an environment that encompassed jobs, freedom of association and collective bargaining.
82. *A Government representative of Belgium*, referring to subparagraph (d), proposed using the words “productive jobs and decent work”, since those were used in the ILO Declaration on Social Justice for a Fair Globalization (Social Justice Declaration) on which part of the proposed draft decision was based.
83. *A representative of the Director-General (DDG/P)* said she considered it more appropriate to say “decent work, including productive jobs”.
84. *A Government representative of the United States*, referring to subparagraph (c), proposed replacing the word “reviewing” with the word “revising”, which better reflected concerns raised previously by her delegation as well as the language of the Social Justice Declaration.
85. *Speaking on behalf of ASPAG*, a Government representative of India said that his group was content to delete the reference to the UNFCCC that it had proposed should be included at the end of subparagraph (d).

86. *The Worker spokesperson* said that he agreed with the ASPAG proposal to add the words “and vulnerable” to subparagraph (a) and the United States’ proposal to replace the word “reviewing” with the word “revising” in subparagraph (c). In addition, he proposed that the words “decent work, including productive jobs” should be replaced with the words “full and productive employment and decent work”, which was the actual wording contained in Part I(A) of the Social Justice Declaration.

Decision

87. *The Governing Body* took note of the information provided by the Office and requested the Director-General to:

- (a) *through the Green Initiative, promote further discussion, knowledge and understanding of the implications of climate change for the world of work, particularly those most affected and vulnerable;*
- (b) *continue with the pilot country application of the Guidelines for a just transition towards environmentally sustainable economies and societies for all with a focus on assisting governments and employers’ and workers’ organizations in developing policies, through social dialogue, to implement their climate change commitments;*
- (c) *promote the ratification of those international labour conventions and the implementation of those Conventions, Recommendations and resolutions most relevant to the just transition framework towards environmentally sustainable economies and societies for all (as listed in the appendix to the ILO Guidelines), and take into account environmental aspects when elaborating or revising standards;*
- (d) *support the creation of full and productive employment and decent work through nationally defined development priorities; and*
- (e) *promote collaboration among the ILO and relevant international institutions addressing climate change, with a view to advancing decent work and a just transition for all.*

(GB.329/POL/3, paragraph 33, as amended.)

Social Dialogue Segment

Fourth item on the agenda

Sectoral meetings held in 2016 and proposals for sectoral work in 2017 and 2018–19 (GB.329/POL/4)

88. *The Employer spokesperson* said that his group endorsed points (a), (b), (c) and (d) of the draft decision. It also endorsed points (f) and (g). The proposals in Appendix II had been the product of a very successful and positive discussion in the advisory bodies. It had been agreed by consensus during those discussions to save a ninth slot for an important issue that might need to be discussed at short notice. That represented a positive and progressive step

forward; it was thus important to keep that slot open. The Meeting of Experts to Adopt Policy Guidelines for the Promotion of Sustainable Rural Livelihoods Targeting the Agro-Food Sectors held in September 2016 had failed to adopt guidelines, owing, in part, to the fact that the draft prepared by the Office contained a number of elements that the Employers' group could not accept, as they were not relevant to the situation of single farms, family farms or farms employing one or two people. Although the Office and the Workers' group contended that several paragraphs of the document had been agreed, the Employers' group took the view that the discussion had resulted in no outcome. It was consequently important that any further work on the subject should be based on a new Office draft, substantially and substantively different from the previous one. Although it was tempting to arrange a renewed discussion in the so-called "emergency" ninth slot, the Employers' group considered that it should either wait for the next biennium or preferably replace one of the eight topics already agreed. In relation to paragraph 20, while his group recognized that the Office had a fundamental mission to promote the ratification of Conventions adopted by the ILC, it reiterated its opposition to sectoral Conventions in general and the Working Conditions (Hotels and Restaurants) Convention, 1991 (No. 172), in particular.

89. *The Worker spokesperson* expressed satisfaction with the organization and results of the Global Dialogue Forum on the Challenges and Opportunities of Teleworking for Workers and Employers in the Information and Communications Technology Services (ICTS) and the Financial Services Sectors, and the Meeting of Experts to adopt a revised Code of Practice on Safety and Health in Ports. He requested the Office to promote the results of those meetings. It was regrettable that the Meeting of Experts to Adopt Policy Guidelines for the Promotion of Sustainable Rural Livelihoods Targeting the Agro-Food Sectors had not been able to conclude its work. Poverty and lack of decent work were serious problems in rural areas, where workers were counting on ILO intervention. His group supported the proposal to hold another Meeting of Experts to complete the work initiated in September 2016. Participants should be committed to preserving the spirit of the initial document, which included finalizing the review of the chapter on plantations. The Workers' group supported the recommendations by the sectoral advisory bodies for global sectoral meetings for 2018–19, contained in Appendix II, which had been agreed following active participation from Employers, Workers and Governments. Recurrent sectoral work for 2018–19 should prioritize the promotion of sectoral Conventions and Recommendations and sectoral guidance. It should ensure the implementation of conclusions and points of consensus adopted in sectoral meetings and forums. For that to be effective, better monitoring and supervision mechanisms must be put in place, and the budget of the Sectoral Policies Department (SECTOR) should primarily be used for sectoral work recommended by the advisory bodies. The sectoral activities classified as recurrent by the Office should be included in the more detailed version of the programme of work. Further details on the subjects to be included on the sector-specific research agenda would be welcome, as sectoral research on the future of work was of strategic importance. The advisory bodies were working well – the recently introduced operational changes had been successful.
90. *Speaking on behalf of the Government group*, a Government representative of Mexico noted with regret that the Meeting of Experts to Adopt Policy Guidelines for the Promotion of Sustainable Rural Livelihoods Targeting the Agro-Food Sectors had not been able to conclude its work. He supported the proposal to finalize the policy guidelines in another Meeting of Experts to take place during the 2018–19 biennium on the understanding that the reserve slot would be used to avoid additional costs. He stressed the need for a clear tripartite commitment to achieve a positive outcome and accomplish the mandate of the Governing Body. As the list of proposals for global sectoral meetings in the upcoming biennium presented in Appendix II was pivotal to the document, he encouraged the Office to present the information in the main text of the report itself in the future. It would be useful for the rationale of each proposed meeting to be briefly described. Having been conducted in line with the proposals made during the review of SECTOR, the advisory bodies had been shorter than in previous years and at the same time allowed for substantive and open discussions.

Governments had thus actively participated in the production of Appendix II, reducing the long list to a short list of recommended meetings, some of which would directly provide input into the work of the Future of Work Initiative. In doing so, the Government group had repeatedly reminded the advisory bodies that the ultimate decision of whether to endorse those recommendations, either fully or partially, lay with the Governing Body.

91. *Speaking on behalf of GRULAC*, a Government representative of Panama said that GRULAC supported the statement made for the Government group and added that, in light of the importance of sustainable rural livelihoods for Latin America and the Caribbean, GRULAC deeply regretted that the Meeting of Experts had been unable to conclude its work; he trusted, however, that the obstacles to consensus could be overcome in the future. The experts from Brazil and Colombia who had participated in the meeting had made every effort to contribute and find a compromise. While the draft guidelines presented could have been more succinct, they embodied fundamental principles that had been generally accepted by the ILO and contained relevant public policy proposals for the agro-food sectors. Since many rural regions had decent work deficits, guidelines were urgently needed. GRULAC endorsed paragraph (e) of the draft decision, and was convinced that a second meeting of experts based on a tripartite commitment to achieving results would succeed.
92. *Speaking on behalf of the Africa group*, a Government representative of Mali urged the Office to ensure follow-up to the recommendations made at the Global Dialogue Forum on the Challenges and Opportunities of Teleworking for Workers and Employers in the ICTS and Financial Services Sectors and the Meeting of Experts to Adopt a Revised Code of Practice on Safety and Health in Ports, and supported the proposal to include in the programme of meetings for 2018–19 a Meeting of Experts to Adopt Policy Guidelines for the Promotion of Sustainable Rural Livelihoods Targeting the Agro-food Sectors, as well as the proposed meetings mentioned in Appendices I and II. He endorsed the sectoral approach and hoped that the proposed ILO activities would be relevant, results-oriented and in line with the strategic guidelines. His group recalled its proposal for 2017 regarding the holding of a tripartite sub-Saharan regional workshop on OSH in the oil and gas industry.
93. *Speaking on behalf of IMEC*, a Government representative of the Netherlands said that his group supported the Government group statement. If it was decided to hold another meeting on sustainable rural livelihoods targeting the agro-food sectors, other relevant organizations, including the Food and Agriculture Organization of the United Nations, should be invited to contribute to the development of guidelines. Such a meeting would require full tripartite commitment, yet the social partners' positions appeared to conflict; it would be useful to hear their reaction to the statements made by governments.
94. *The Employer spokesperson* said that there was a profound misunderstanding: the previous Meeting of Experts had produced no outcome that could be used as a basis for further discussion, yet some had spoken of the need to finalize, conclude or continue its work. Any future meeting must be based on a new working paper that was fundamentally different from the one provided to the experts at the previous meeting. His group was committed to tripartism and consensus and feared that a failure to lay the necessary groundwork would lead to a second unsuccessful attempt. He was also concerned by the notion that every tripartite discussion must result in consensus. His group could not undertake to send delegates to a future meeting in order to agree on a text that they had not yet seen; to claim otherwise was improper and showed a lack of respect for the roles of the parties. The Employers always entered into discussions in good faith, but some ILO meetings dealt with difficult and complex issues. The outcome of that meeting was not characteristic for sectoral meetings. It should also be borne in mind that in the advisory bodies, agreement had been reached on eight of the nine proposed topics for future meetings. The Employers attached great importance to sectoral discussions and hoped that the failure to reach agreement in one meeting would not cause problems in the future.
95. *The Worker spokesperson* expressed surprise at the Employer spokesperson's statement that his group was opposed to Convention No. 172, as he could not recall that that reservation had been

voiced before in the Governing Body. Like other ILO Conventions, it had been duly adopted and must be implemented. The policy guidelines for the agro-food sectors were of great importance, as a significant portion of the world's population lived in rural regions and it was urgent to promote sustainable rural livelihoods. While no guidelines had been adopted at the meeting, it could not be said that the five days of discussion had produced no outcome that could provide a basis for future efforts. The Employer spokesperson had also challenged the relevance of trade unions to rural workers, yet it was particularly difficult to monitor implementation of the fundamental ILO Conventions in rural areas. The rights of rural workers, including the right to organize, were often opposed and he wondered whether that opposition was at the heart of the Employers' position regarding the proposed future meeting and whether they considered that the fundamental principles of the ILO did not apply to rural work. Too much time had already been lost but without a clear understanding on that issue, there could be no basis for further discussion.

96. *A representative of the Director-General (DDG/P)* said that there appeared to be general agreement on the desirability of holding another meeting on the promotion of sustainable rural livelihoods targeting the agro-food sectors. However, in the absence of tripartite agreement on the basis for such a meeting, further groundwork by the Office was required. She suggested that consultations should be held in the hope that a decision on the issue could be taken at the 331st Session of the Governing Body.
97. *The Employer spokesperson* reiterated that the Employers were not opposed to a second attempt to reach consensus; however, the issue needed to be defined in such a way that the discussion would have a positive outcome. He therefore endorsed the approach proposed by the Office and stood ready to discuss scheduling and methodologies of a future meeting.
98. *The Worker spokesperson* said he regretted that the Employer spokesperson had not clarified his group's views regarding the nature of the work to be done at the future meeting; unless the parties agreed on the need to accelerate implementation of the fundamental Conventions, it would be difficult to achieve consensus. While it was true that rural workers faced specific issues, no occupation should, by definition, be exempt from application of the international labour standards. One of the principles of negotiation was not to prejudge the outcome thereof, but it would be hypocritical to discuss schedules and methodologies while ignoring the substantive issues that had led to the current stalemate.
99. *A representative of the Director-General (DDG/P)* suggested that paragraph (e) of the draft decision be reworded in order to reflect the Office's proposal.
100. *A Government representative of Brazil* said that his delegation had been involved in the Meeting of Experts and supported the approach proposed by the Office with a view to the holding of a second meeting. However, tripartite involvement in future consultations would be needed in order to find adequate terms of reference and a clear mandate. The issue was of paramount importance to all governments and to the world of work; decent work deficits in rural areas must be addressed and updated guidelines on the agro-food sector were needed.
101. *The Worker spokesperson* said that he was prepared to support the Office's proposal, provided that a fixed time period for the discussions was agreed and that the Governing Body, at its 331st Session, could have a clear idea of the feasibility of and methodology for a future meeting.

Decision

102. *The Governing Body:*

- (a) took note of the reports of the meetings in section I of document GB.329/POL/4;*

- (b) *authorized the Director-General to publish the Code of Practice on Safety and Health in Ports;*
- (c) *authorized the Director-General to communicate the report of the Global Dialogue Forum on the Challenges and Opportunities of Teleworking for Workers and Employers in the Information and Communications Technology Services (ICTS) and Financial Services Sectors (document GDFTWEFS/2016/9) 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;*
- (d) *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 Global Dialogue Forum on the Challenges and Opportunities of Teleworking for Workers and Employers in the Information and Communications Technology Services (ICTS) and Financial Services Sectors;*
- (e) *requested the Director-General to engage tripartite consultations with a view to identifying the conditions for the inclusion of a meeting of experts to adopt policy guidelines for the promotion of sustainable rural livelihoods targeting the agro-food sectors in the programme of meetings for 2018–19 for consideration by the Governing Body in November 2017;*
- (f) *endorsed the proposals contained in Appendix I of GB.329/POL/4 relating to the dates, duration, official title, purpose and composition of the meetings listed therein;*
- (g) *endorsed the proposed programme of global technical sectoral meetings for 2018–19 contained in Appendix II of GB.329/POL/4, subject to approval by the 106th Session of the International Labour Conference in June 2017 of the corresponding allocations in the Programme and Budget for 2018–19.*

(GB.329/POL/4, paragraph 28, as amended by the Governing Body.)

103. *The Employer spokesperson said that he could not leave the meeting without expressing his dismay at the implication that the Employers had a hidden agenda; nothing could be further from the truth. Disagreements occurred and failure to agree was not a sign of bad faith.*

Development Cooperation Segment

Fifth item on the agenda

ILO Development Cooperation Strategy 2015–17: Report on progress ([GB.329/POL/5](#))

104. *The Representative of the Director-General (Partnerships and Field Support Department), having given an audiovisual presentation on the updated ILO Development Cooperation*

Dashboard, invited members of the Governing Body to explore the application and convey their comments to the Office.

- 105.** *The Employer spokesperson* said that, in the past, her group had stressed the need to develop DWCPs through a more consultative process and ensure that they were needs-based and better resourced. The increased focus at the national level, especially with regard to UN Development Assistance Frameworks (UNDAFs) and the SDGs, was welcome. Tools and resources should be tailored to support the participation of social partners in the national SDG process. Greater resource integration and enhanced constituent involvement through national tripartite decent work committees would promote ownership. She reiterated her group's concern about the limited number of flagship programmes where certain priority needs were not addressed and expressed the hope that flagship programmes would follow the principles of the Development Cooperation Strategy 2015–17 and include capacity development components for social partners. Development cooperation should be holistic and integrate technical, organizational and institutional competence. Staff development would promote effectiveness, particularly with respect to constituents' needs and priorities in project design. The International Training Centre of the ILO in Turin should offer a training component on each of the ILO's ten outcomes. Developing constituents' capacity was a prerequisite for their adequate participation in the national policy and target-setting process. The Office should be mindful of the original roles, mandates and functions of employer organizations in representing the interests of their members. Further details should be provided on how capacity had been built under the capacity development building block of the strategy. Greater focus on resource mobilization for constituents was needed. The lack of extra-budgetary resources for the employer constituency should be addressed when evaluating the implementation of the strategy. Resource mobilization should continue to be aligned with the Addis Ababa Action Agenda to ensure more diverse funding, including public–private partnerships, domestic resource mobilization and multi-stakeholder partnerships. The Employers supported the draft decision.
- 106.** *The Worker spokesperson* said, with respect to focus, that the Organization must ensure its priorities were strategically aligned with the 2030 Agenda and highlight the key role of international labour standards. The Organization should better distribute resources among its strategic objectives and with respect to partnerships and UNDAFs. Social dialogue and international labour standards should be further promoted. The Office should improve the participation of social partners in the global flagship programmes; each programme should include a specific element on strengthening workers' and employers' capacities and bipartite and tripartite cooperation to facilitate social dialogue. Additional information on the advisory committees to be established for each programme would be welcome. The Office should continue to establish national tripartite committees on decent work to give social partners better oversight over the effectiveness of development cooperation activities. With regard to effectiveness, development cooperation projects must be managed in an integrated manner that took into account national and regional dimensions and support from headquarters and the Turin Centre. The Centre's training programmes on development cooperation should continue. With respect to capacity development, the decisions of the Governing Body should have been implemented more systematically through bipartite and tripartite plans for each constituent. Consideration could have been given to cooperation with trade union training centres in different countries and regions. The Workers' group encouraged the Office to improve the delivery rate of development cooperation financed by extra-budgetary development cooperation (XBTC). International labour standards, social dialogue and ILO values should be promoted through the Organization's partnership with the World Bank. Public–private partnerships must strengthen the work and strategic visibility of the ILO. It was crucial to retain a method for selecting private entities with the secretariats of the Workers' and Employers' groups, although the Workers' group was not convinced that that was a good method of mobilizing resources.

- 107.** With regard to development cooperation programmes in the regions, his group requested further information on the dearth of workers' organizations in Egyptian export industries. The Office should endeavour to guarantee the right to freedom of association in Bangladesh, which remained problematic. The challenges faced in the Gulf States were linked to a lack of respect for trade union rights. Paragraph 26 of the document should have referred to the development cooperation programme in the occupied Arab territories. His group underscored the importance of the rights of indigenous peoples in Colombia. Following the Asia and the Pacific Regional Meeting in Bali, greater attention should be given to cooperation on building capacity for trade unions, tripartism in the reform of labour laws and development of labour policies and labour rights, and violations in free trade zones. The inclusion of the ILO in the 2030 Agenda must boost its visibility and role within the UN system and place decent work and the future of work at the heart of the multilateral system. With regard to focus and capacity development, the Workers supported the promotion of the Decent Work Agenda through a standards-based approach and the opportunity to better target social partners through the global flagship programmes. The Office should reflect on how best to include the social partners in the 2030 Agenda. The Turin Centre's efforts to build constituents' capacities should be supported. Innovative programmes should be further promoted. With respect to resource mobilization, the Workers supported the Office's efforts to mobilize the resources needed for development cooperation and would identify specific themes for which that was needed. The allocation of resources under a strategic framework that achieved better balance between regions was crucial. The Office should use the Regular Budget Supplementary Account (RBSA) to support the strategic objectives in a more balanced manner. The Workers supported the draft decision.
- 108.** *Speaking on behalf of the Africa group*, a Government representative of the United Republic of Tanzania said that he took note of progress on the four building blocks of the strategy. With regard to the preference for central management of projects, he urged the Director-General to ensure that field offices had the technical and financial capacity to effectively serve constituents, in accordance with the plan of action for reform in the area of human resources management. With respect to resource mobilization, the Office should continue to strengthen global partnerships and collaboration with a view to assisting member States on all matters within its mandate. The Africa group accepted the proposals and reasons set forth in paragraphs 30 and 31 and approved the draft decision.
- 109.** *Speaking on behalf of GRULAC*, a Government representative of Panama said that the Office's efforts to harmonize development cooperation should continue, and reiterated the importance of training which would ensure that constituents were equipped to develop policies, gather statistics and mobilize diversified resources. Cooperation that was led by constituents' needs would be more efficient. The idea of expanding capacity development activities was welcome. It was hoped that the targets on the share of projects managed by field offices would be met in 2018. The Office and tripartite constituents should continue to work together to mobilize resources to achieve the desired results on decent work. Difficulties with respect to international public funding, such as official development assistance, faced by countries classified recently as medium- or high-income countries should be taken into account and their specific development needs addressed. GRULAC supported South-South and triangular cooperation projects as a means of promoting tailored solutions for the developing world, and drew attention to the South-South and Triangular Cooperation Academy that had taken place in Turin in July 2016. Updated information on cooperation in the regions was welcome, as was the progress made in subnational programmes to promote decent work. In particular, the programmes implemented in Colombia should be expanded. Since it would be premature to set out a new development strategy in 2017, GRULAC supported the draft decision. Nonetheless, a specific discussion on South-South and triangular cooperation should be discussed in March 2018. Such a discussion would enrich debate at the ILC and offer initial guidance on the new development cooperation strategy.

110. *Speaking on behalf of IMEC*, a Government representative of Canada said that, given the importance of being able to evaluate the Organization's performance and assess value for money, the lack of data on the effectiveness of projects gave cause for concern. In addition, the theory of change should be improved and the models and resources used should be linked with the results achieved. Preparedness and flexibility, including the time needed to start projects, should be improved to make development cooperation responsive to needs in countries facing fragility and special situations. Implementation of IRIS might boost the efficiency of processes. Country-level projects required sufficient long-term resources to ensure their sustainability, which remained a challenge. The creation of new posts in the regions would contribute to more sustainable field operations. Better coordination, cooperation and cost-effectiveness would be essential in that regard. Given the significant variation in the yearly sources and volume of contributions, IMEC recommended that the process of establishing a new development cooperation strategy should include a clear resource mobilization strategy and dialogue with donors, with a view to promoting greater efficiency, sustainability, predictability and flexibility. He supported the draft decision.
111. *Speaking on behalf of the EU and its Member States*, a Government representative of Bulgaria supported the statement by IMEC. Montenegro and Serbia as candidate countries, and Bosnia and Herzegovina as a potential candidate country under the Western Balkan Stabilisation and Association Process, aligned themselves with his statement. He welcomed the progress achieved to date on all four building blocks and commended the diversity and geographical reach of the projects implemented. With regard to focus, he noted with interest the pilot oversight function designed to improve constituents' involvement through national tripartite decent work committees. While emergency relief did not constitute part of the ILO's core mandate, development cooperation should focus on allocating funds and resources, together with other UN agencies under the One UN framework, to areas of greatest need where the consequences of not doing so were the most severe.
112. With regard to effectiveness, clearer links could be forged in the report between the resources allocated to development cooperation outcomes and the results, in order to better measure success and failure. With regard to capacity development, the EU continued to favour that based on training and effective institution building, as exemplified by the approach taken in the ready-made garment sector in Bangladesh to improve health and safety, and welcomed the multi-stakeholder approach being implemented by the ILO and others in that country and in Myanmar. Resource mobilization, while stable, showed insufficient diversity: the European Commission together with EU Member States contributed more than half of the extra-budgetary funding for projects. While the recent increase in flexible funding sources was welcome, it was to be hoped that full development of the resource mobilization strategies in the regions would result in greater diversification of funding sources, including from national contributions and from public-private partnerships in middle-income countries. The EU agreed that it would be premature to approve a new development cooperation strategy in view of the number of relevant discussions to be held over the next year and consequently supported the extension of the strategy to 2018.
113. *A Government representative of Brazil* said that her country regarded development cooperation as a key activity for implementing the SDGs and therefore welcomed the ILO's efforts in the context of UNDAFs, in which consistency of approach and consultations with national governments ensured that demands were realistic and aligned with local needs. Brazil supported the actions taken on South-South and triangular cooperation, and was pleased to see them included as a benchmark activity under the programme and budget, and mentioned specifically in the operational budget. Brazil was ready to contribute its experience to and continue strengthening those projects through international partnerships. The focus of its contributions over the previous decade had been on the fight against child labour, but it was ready to collaborate in other sectors. Brazil was actively seeking innovative ways to mobilize resources and welcomed the Office's continued strengthening of cooperation with the Community of Portuguese Language Countries (CPLC), the BRICS

countries (Brazil, Russia, India, China and South Africa), the IBSA countries (Brazil, India and South Africa) and the Southern Common Market (MERCOSUR). Since time was insufficient to prepare a new development cooperation strategy in time for discussion at the 107th Session (2018) of the ILC, she proposed holding initial tripartite discussions focused on ensuring that South–South and triangular cooperation featured in a document for discussion by the Conference that would subsequently, as GRULAC had proposed, be discussed by the Governing Body in March 2018. The results would then provide guidance for discussions on the new strategy over the period 2019–21. Brazil supported the draft decision.

- 114.** *A Government representative of the Islamic Republic of Iran* expressed his appreciation for the contribution of the ILO and the Turin Centre to the promotion of decent work and the attainment of the SDGs globally, and in the Asia and the Pacific region in particular. His country believed in tailoring development cooperation services to country needs while seeking to include all constituents, and encouraged the Office to develop additional development cooperation agreements with emerging economies and developing countries in the context of South–South and triangular cooperation. His country stood ready to assist the Office in such efforts with neighbouring countries and in other regions. He expressed support for the draft decision.
- 115.** *A Government representative of Colombia* expressed appreciation for the ILO’s efforts to enhance its development cooperation programme and to integrate resources through more ambitious projects. Colombia, having ended 50 years of internal armed conflict with the Revolutionary Armed Forces of Colombia (FARC), was seeking to move forward as one nation. In that context, the further development of ILO projects in areas such as work in rural economies, the formalization of the informal economy, social protection, industrial alliances and support for the victims of armed conflict would be especially helpful. The Memorandum of Understanding signed with the ILO in 2015 promoting decent work in rural areas had been complemented by a wider series of initiatives under the National Development Plan for 2014–18 in favour of an integrated approach to rural employment, respect for fundamental principles and rights at work and the promotion of an economic environment conducive to sustainable local businesses, inter alia, as essential factors in building peace and social stability. The involvement of local actors was key to initiatives in rural areas and the ILO’s involvement would remain vital in strengthening capacities at both the national and local level. Future projects conducted with the ILO to promote decent work in rural areas would need to focus on reversing the effects of 30 years of development strategies which had brought limited productivity, inequality and extreme poverty. Colombia supported the draft decision.
- 116.** *A Government representative of Ghana* welcomed the proposal to extend the Development Cooperation Strategy by another year and the Governing Body’s request for regular reporting, which would improve efficiency and ensure the judicious use of resources. Referring to paragraph 25, she noted that her country’s use of its domestic budget to fund ILO development cooperation focused specifically on employment, under a project intended to strengthen the employment aspect of Ghanaian policies and programmes related to international trade by improving analysis and policy-making and boosting job creation. It was further expected to help Ghana leverage the competitiveness of industries in international trade, leading to greater opportunity for achieving decent and productive work within the country. Ghana would share its experience with the ILO once the project was complete, with a view to replication in other constituencies. In order to demonstrate its commitment to the project and better analyse job creation processes, her Government was currently introducing mandatory job assessment across all public-sector projects and initiatives, whether implemented by the public or the private sector. She expressed support for the draft decision.

- 117.** *A Government representative of China* said that his country had noted the ILO's active partnership building with relevant development institutions, the importance it attached to domestic financial resources and the capacity development of member States and its exploration of new means to mobilize resources. As a long-time beneficiary and donor of ILO development cooperation, China was appreciative of the Organization's contribution to decent employment promotion, the expansion of social security coverage and the improvement of industrial relations in numerous developing countries. Within China, the tripartite constituents and other stakeholders still needed ILO technical support to achieve decent work in many areas. While it stood ready to share its experience with other developing countries, China hoped that the ILO Country Office for China and Mongolia could be further strengthened, and wished also to see flagship projects aligned more closely with China's specific needs. Its experience over many years of South-South and triangular cooperation with fellow Association of Southeast Asian Nations (ASEAN) and African countries had shown that development cooperation, combined with accurate designation of priorities in the recipient countries, was the main vehicle for the ILO to achieve widespread decent work. China looked forward to the ILO playing a key role in South-South cooperation by facilitating the sharing of successful experience and hoped to be able to step up investment in manpower and human resources in the region so as to further develop decent work. He expressed support for the draft decision.
- 118.** *A representative of the Director-General* (Officer in charge, Field Operations and Partnerships Portfolio) said in reply to questions raised that the Office would give close attention to the matter of increasing financial contributions from new, particularly middle-income, countries, in its preparations for the general discussion at the ILC in 2018. Concerning resource mobilization, the Office strategy focused on five areas, namely: (i) developing partnerships in high-income countries, from where most extra-budgetary resources came; (ii) drawing a roadmap for middle-income and emerging countries, with particular reference to South-South and triangular cooperation; (iii) fostering public-private partnerships under the five flagship ILO programmes; (iv) strengthening employers' and workers' capacities and roles in the flagship programmes and in a more general sense – both ACTRAV and ACT/EMP were actively engaged in establishing a roadmap and seeking funding for such activities; and (v) continuing and strengthening activities with the UN system. The Office was closely examining the issue of data collection in relation to obtaining value for money, especially in the difficult context of development aid. Lastly, the 2030 Agenda and the implementation of SDGs at the national level were a priority for the Office and would be discussed under item 7 on the agenda of the Institutional Section. The objective of the Office was to assist tripartite constituents at the national level to promote the Decent Work Agenda and engage as efficiently as possible in the development of national sustainable development strategies.
- 119.** *A representative of the Director-General* (Officer in Charge, Partnerships and Field Support Department) said that the Office aimed to decentralize 80 per cent of projects by the end of 2017. Certain long-standing projects that were partly centralized would change within two to three years; other projects that currently lacked human or technical means for their implementation would be provided with the resources needed. Furthermore, the Office was using new instruments – such as the Development Cooperation Dashboard, presented earlier – coming out of the Business Process Review and new methodologies for measuring results and impacts. That matter would also be a key point under the Multilateral Organization Performance Assessment Network (MOPAN) review. Concerning the diversification of funds, while it was true that multi-bilateral funds had decreased, domestic funding had increased from US\$4 million to US\$10.7 million, and public-private partnerships were set to surpass the previous year's level.
- 120.** *A representative of the Director-General* (DDG/P) said, in reply to a question raised by the Workers, that the secretariat had discussed the terms of reference for flagship programme advisory committees in order to establish a regular formal channel for consultations with the

social partners that was cost-efficient. The right structure was now in place. With reference to paragraph 30 of the report, the secretariat had taken note of the numerous requests made for capacity building to be factored into the flagship programmes.

Decision

121. *The Governing Body:*

- (a) *requested the Office to take into account its guidance in its continued implementation of the Development Cooperation Strategy 2015–17; and*
- (b) *approved the extension of the Development Cooperation Strategy 2015–17 until the end of 2018.*

(GB.329/POL/5, paragraph 33.)

Sixth item on the agenda

ILO cooperation with the tobacco industry in the pursuit of the Organization's social mandate (GB.329/POL/6)

122. *Speaking on behalf of the Government group*, a Government representative of Mexico said that the issue was complex and deserved thorough analysis and sufficient time for tripartite consultation. He noted that the Office had raised the issue as a matter of urgency and was looking for guidance from its tripartite constituents; he asked the Governing Body to defer the issue until its 331st Session and, in the interim, to conduct informal consultations and provide additional information. To that effect, the group proposed that the draft decision should be amended to read:

The Governing Body:

- (a) takes note of the report;
- (b) decides to defer the issue to its 331st Session (November 2017);
- (c) requests the Director-General to provide, in the context of the ILO mandate and constitutional obligations, additional information on:
 - (i) the impact of the existing public–private partnerships with the tobacco industry;
 - (ii) potential alternative sources of funding;
 - (iii) potential obligations under the UN model policy;
 - (iv) the ILO's cooperation with the agencies of the UN Interagency Task Force on the Prevention and Control of Non-communicable Diseases, particularly those that work on alternative livelihoods in tobacco-growing communities.

123. *The Worker spokesperson* said that his group supported the amended draft decision proposed by the Government group. It was important to hold consultations to obtain guidance on a difficult situation and discussion.

124. *The Employer spokesperson* said that the Employers supported the deferral of the issue to the Governing Body's 331st Session in November 2017. They supported subparagraphs (a) and (b) of the amended draft decision proposed by the Government group, but not subparagraph (c). The issues raised in subparagraph (c), together with any other issues that

the groups might raise, could be discussed during the consultative process to prepare a paper for submission to the November session of the Governing Body.

125. *The Director-General* said that there was a clear consensus to defer substantive considerations and decision-making on the agenda item. There was, however, a divergence of views on subparagraph (c) of the amended draft decision proposed by the Government group. Since the Employers' group was not in favour of retaining subparagraph (c) on the grounds that other issues might arise, he suggested that the Governing Body might proceed on the basis of subparagraphs (a) and (b) and request the Director-General to provide additional information to its November session, in the context of the ILO mandate and constitutional obligations. Alternatively, he could simply undertake to include all of the relevant issues in an updated document to be tabled in November, including those that Mexico had raised on behalf of the Government group.
126. *Speaking on behalf of the Government group*, a Government representative of Mexico said that he welcomed the Director-General's proposal; the more information, the better. His group had highlighted some of the most relevant issues to be considered in making an informed decision, and those elements should still be included in the consultative process to draw up a paper for the November session.
127. *The Employer spokesperson* said that she could not support the proposal. The Employers had agreed that the matter should be deferred to the November session without going into detailed discussions or specifying which elements could be included in the paper.
128. *The Worker spokesperson* supported the proposal; it was important to have those elements clearly included in the draft decision. Their inclusion did not mean that the Governing Body was going into the substance of the matter.
129. *The Employer spokesperson* said that in the Employers' view, that would be going into the substance of matters the Governing Body had decided to defer. They had no objection to factoring all the points raised into the Office's informal discussions in preparation for the November session. However, given that the proposed amendments had been submitted at a late stage, there had been no time to discuss them and decide on a position. Specifying what needed to go into the paper was in a way opening up the discussion, which her group could not support.
130. *Speaking on behalf of the Government group*, a Government representative of Mexico said that it was merely making transparent information that had to be transmitted to the constituents in any case. They were not going into the substance yet; that would come after receiving all the information. He could not understand why the Governing Body would want to hide anything from the Governments.
131. *The Employer spokesperson* said that the Employers had no wish to hide anything from the Governments; it was simply that the Governing Body had agreed to defer the matter. As a compromise, her group would be willing to support the Director-General's proposal that he undertake to provide additional information to the November session, in the context of the ILO's mandate and constitutional obligations, factoring into the consultations some of the issues raised by the Governments. However, her group could not support going into details of what should be included in the paper and confining it to the four issues raised. She requested that there be no further inputs or speakers on the item at the current stage.
132. *The Worker spokesperson* said that it was important to give some guidance and the issues raised had to be included in the draft decision. Otherwise, there would have to be a discussion on the substance at the current stage.

133. *The Director-General* read out the revised proposed amended draft decision, which was to retain subparagraphs (a) and (b) as previously drafted and for subparagraph (c) simply to request the Director-General to provide additional information to the 331st Session, taking full account of the issues raised in the Governing Body in the context of the ILO mandate and constitutional obligations. On that basis, the Governing Body might be able to agree to delete bullet points (i)–(iv) in subparagraph (c) of the previous draft.
134. *Speaking on behalf of the Government group*, a Government representative of Mexico thanked the Director-General for his proposal. Although the Governments were not very happy with the idea of withdrawing their amendment, which had received the majority support of the Governing Body and which they deemed to be reasonable and in line with the principle of transparency, they were prepared to support the Office's proposal on the understanding that the bullet points being deleted would form part of the report of the session.
135. *The Employer spokesperson* expressed appreciation for the efforts made to reach an agreement. The Employers supported the proposed amendment as a way forward.
136. *The Worker spokesperson* said that he, like the Government representative of Mexico, was confident that the issues raised in the deleted bullet points would be included in the documents to be prepared for the next meeting.

Decision

137. *The Governing Body:*

- (a) took note of the report contained in document GB.329/POL/6;*
- (b) decided to defer consideration of this issue until its 331st Session (November 2017);*
- (c) requested the Director-General to provide additional information to that session, taking full account of the issues raised in the Governing Body, in the context of the ILO mandate and constitutional obligations.*

(GB.329/POL/6, paragraph 39, as redrafted by the Governing Body.)

138. A Government representative of Colombia expressed full support for the decision that had just been adopted and the remarks made in the name of the Government group. The World Health Organization Framework Convention on Tobacco Control constituted a major achievement in protecting people from the harmful effects not only of tobacco use, but also of tobacco cultivation and production. The ILO's work to reduce and ultimately eradicate child labour was particularly laudable. However, when working towards that objective, it was important to ensure that no recourse was made, under any circumstances, to the resources of the tobacco industry. To do so would be patently contradictory, since the industry undeniably jeopardized the health and well-being of millions of young and vulnerable people, particularly in developing countries, where child labour was more prevalent than elsewhere. She urged all governments, workers and employers to remain mindful of the health issues at stake and to fully support the Convention, to which 180 States were party. It would be inconsistent for a United Nations organization such as the ILO to refuse to do so. She hoped that the discussions in November would lead to a decision which would enable the fulfilment of the ILO's mandate as well as of the obligations of all States under the 2030 Agenda.

Multinational Enterprises Segment

Seventh item on the agenda

Recommendations of the tripartite ad hoc working group concerning the review of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy text, annex and addenda and the interpretation procedure (GB.329/POL/7)

139. *Speaking in his capacity as Chairperson of the tripartite ad hoc working group*, a Government representative of Chile said that the working group had proceeded according to the mandate given to it by the Governing Body as well as by the ILC in its conclusions on decent work in global supply chains adopted at its 105th Session. The two meetings in Geneva between the Employer, Worker and Government members of the ad hoc working group had been frank, with all the constituents championing their viewpoints and interests. Moreover, the many consultations among the government groups had made the review process efficient, transparent and legitimate. The first meeting had focused on reviewing developments relevant for the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) within and outside of the ILO; on the basis of those discussions, the second meeting had reviewed the draft revised text prepared by the Office.
140. The revised text emanated from long and intense, but fruitful, discussions, and a consensual tripartite process had provided invaluable guidance for governments, social partners and multinational enterprises on subjects bearing on the legitimacy of labour practices, at a time when the international community had set historic goals related to decent work and the reduction of poverty and inequality to be achieved by 2030. The incorporation of new developments such as the *UN Guiding Principles on Business and Human Rights* and their concept of due diligence in the MNE Declaration constituted a big step forward. The revised MNE Declaration again recognized the role of multinational enterprises in economic and social development and sought ways of reducing or avoiding potential conflicts in the global production process, especially in the world of work. It offered responses based on values shared within the ILO to the questions raised by the dramatic economic, social and political changes that were taking place as the ILO approached its centenary. He thanked the members of the tripartite ad hoc working group for their extraordinary efforts and good faith during the negotiations and the Office for the support throughout the process. He submitted the report to the Governing Body for approval.
141. *The Employer spokesperson* said that he considered the review process of the MNE Declaration to be one of the most positive moments in his ILO career. He was pleased to jointly present a revised MNE Declaration to the Governing Body in time for the 40th anniversary. He expressed the Employers' strong commitment to and support of the MNE Declaration, which was an important tripartite instrument for securing decent work, human rights, corporate social responsibility and responsible business conduct, as it addressed not only enterprises but also the social partners and governments, unlike other texts in that area.
142. Although the Office had provided the working group with much support, between the two meetings it had unfortunately included a number of issues on which there had been no consensus at the first session. That had made the updating process more difficult. One example was the inclusion of a reference to the conclusions on decent work in global supply

chains, implying a significant link between the two texts, whereas the ad hoc working group had decided after in-depth discussions to remove explicit references to global supply chains from the substantive provisions of the revised MNE Declaration. Moreover, the working group had decided by consensus not to include any language on dispute mechanisms in the revised Declaration. Yet those points showed up again in the Office paper introducing the recommendations of the ad hoc working group.

143. The update of the MNE Declaration had been the most extensive one since the Declaration was negotiated in 1977. The working group had ensured that the revision had achieved the important aims of bringing the MNE Declaration in line with other internationally recognized standards and developments, deleting provisions that were no longer relevant, and rendering the text more readable. The working group had achieved consensus in a relatively short timeframe because, first, the members had recognized that the review process was not intended to trigger lengthy discussions of matters on which there was no consensus; second, the working group had agreed not to change the nature of the Declaration; third, the new MNE Declaration was consistent with the carefully constructed language of the UN *Guiding Principles on Business and Human Rights*; fourth, the inclusion of the two annexes made the document more readable; and fifth, the revised MNE Declaration reflected its voluntary, promotional and guidance-serving nature. It did not establish a new mediation and dispute resolution mechanism, as that would have created confusion and conflict with those set up under other instruments and a potential for “forum shopping”. The phrase “national focal point” in Annex II was in lower case to avoid confusion with the National Contact Points of the OECD, and to instead denote a tool to be appointed on a tripartite basis to promote the MNE Declaration at the national level. Lastly, Annex II explicitly guaranteed strict confidentiality of company–union dialogue. The Employers thanked all those involved in the review process and commended the revised MNE Declaration for the Governing Body’s approval.
144. *The Worker spokesperson* paid tribute to the constructive efforts of the working group to reach consensual positions in rethinking a document that had the potential to become a central piece of work for the ILO in its second century. Discussions had not been easy because a balance had to be sought not only among tripartite constituents but also among developed and developing countries. In the introductory part of the revised MNE Declaration, outdated language had been removed and references to new instruments and developments included, such as the Social Justice Declaration, the UN *Guiding Principles on Business and Human Rights* and the Conference conclusions on decent work in global supply chains. In paragraph 10, extensive reference to the UN Protect, Respect and Remedy Framework had been included, and the application of the *Guiding Principles* to all States and enterprises was stated, as was enterprises’ responsibility to respect human rights and undertake due diligence. For the purposes of the MNE Declaration, such due diligence should entail meaningful consultation with workers’ organizations and should take account of the central role of freedom of association and collective bargaining and of social dialogue as an ongoing process. For the Workers, it had been important to maintain a strong section on industrial relations, which was as relevant as when the original MNE Declaration had been negotiated. Other important achievements included the addition of provisions on the elimination of forced and compulsory labour, pay equity, social security and social protection floors and the informal economy. The language regarding wages had been taken from the Minimum Wage Fixing Convention, 1970 (No. 131). The subsection on grievances called on governments to ensure access to effective remedies and on multinationals to use their leverage to encourage their business partners to do likewise.
145. It was regrettable that the working group had been unable to agree on what was expected from enterprises and governments with regard to non-standard forms of employment and that it had not been possible to further strengthen employment security in the revised text. No agreement had been reached on the inclusion in Annex I of a number of important relevant labour standards, such as the Employment Relationship Recommendation, 2006

(No. 198), and the Minimum Wage Fixing Convention, 1970 (No. 131). Further, it had not been possible to amend provisions that applied only to employees or persons in a direct employment relationship; it would have been preferable to adapt the text to cover all workers, as recognized in the UN *Guiding Principles*. It had also proved impossible to include a much stronger follow-up mechanism to deal with violations of the principles of the MNE Declaration. For the Workers, this was a missed opportunity for the ILO as a tripartite organization. The Workers also considered that a clearer position should have been adopted on the responsibilities of multinational enterprises and governments in regard to supply chains.

146. Her group was, however, pleased to see the references to tripartism and the labour inspection Conventions. The updated list of ILO Conventions and Recommendations, links to further reference documents and a list of tools to give effect to the Declaration were an improvement. The tools listed in Annex II were now part of a coherent set of measures to ensure a better implementation of the principles of the Declaration. The Workers were looking forward to promoting the revised Declaration, including through the Helpdesk for Business on International Standards. It would be advisable to include multinational enterprises and global unions in the ILO Regional Meetings mentioned in Annex II and to hold a global dialogue at headquarters at the end of each cycle. It was to be hoped that active use would be made of company–union dialogue to promote respect for the principles of the Declaration and promote change, thus giving life to the section on industrial relations. The ILO should examine how technical cooperation initiatives involving companies could be used for advocacy of the revised MNE Declaration and better interaction with trade unions. The Office should prepare proposals for the national focal points and invite constituents to reflect on how to implement that promotional tool. The Workers expressed the hope that all members would embrace the revision and help make it a living document.
147. *Speaking on behalf of the Government group*, a Government representative of Mexico said that he was pleased to note that the ad hoc working group in which governments of all regions were represented had succeeded, by consensus, in revising and updating the MNE Declaration. Several policy developments within and outside the ILO had warranted the revision. The updated Declaration would enable the ILO to continue to play an important role in encouraging businesses' respect for and contribution to decent work. The translation of the notion of due diligence to the domain of the ILO was vital in that respect. The improved readability of the text would make it a useful tool for providing guidance to the tripartite constituents and businesses. It would be up to all the constituents to use the operational tools listed in Annex II to further the implementation of the principles contained in the Declaration. To that end, the Office should collaborate with other relevant organizations, including the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the OECD, in order to seek synergies and prevent duplication of effort. He stated that the tripartite character and ownership of the instrument had been reconfirmed during the negotiations and thanked the working group for having achieved a balance between the various interests and arriving at a text that was fit for purpose in the current times.
148. *Speaking on behalf of GRULAC*, a Government representative of Panama said that it was remarkable that the ad hoc working group had achieved a tripartite consensus over such sensitive issues. The fact that the text was approved in a tripartite way and drafted with the participation of Governments of countries of different sizes, from various regions and at different stages of development lent great force to the ideas embodied in the revised MNE Declaration. It was the most comprehensive revision of the instrument, leading to a more readable and up-to-date text which would facilitate its application. It was commendable that the review process took place just before the 40th anniversary and the ILO's centenary, also taking due account of the conclusions on decent work in global supply chains. The subject matter of the Declaration was interrelated with instruments developed by various UN agencies and other international organizations, stimulating a greater business respect for

human rights, including labour rights. In that connection, it was significant that the revised Declaration had incorporated the notion of due diligence from the UN *Guiding Principles on Business and Human Rights*.

149. It was also gratifying to note the references in the revised text to the 2030 Agenda, the ILO Social Justice Declaration and to development cooperation, as well as its renewed emphasis on the elimination of child labour and forced labour. The revised MNE Declaration was extremely relevant, especially in view of its scope, including dialogue and interpretation procedures. He paid special tribute to the Chairperson of the ad hoc working group. GRULAC unreservedly supported the revised text and all of the proposals contained in the draft decision.

150. *Speaking on behalf of IMEC*, a Government representative of Germany said that the updated Declaration complemented the UN *Guiding Principles* and the *OECD Guidelines for Multinational Enterprises*, while at the same time avoiding duplication, especially between the OECD National Contact Points and the national focal points mentioned in Annex II. The updated Declaration would enable the ILO to continue to play an important role in promoting business respect for and contribution to decent work. She welcomed the references to the SDGs and the Conference conclusions on decent work in global supply chains. IMEC also supported the references to living standards, lifelong learning and access to remedy, as well as an acknowledgement that multinational enterprises often operated through relationships with other enterprises and could use their leverage in pursuit of decent work. She noted that the ad hoc working group had already addressed implementation issues, and encouraged the Office to work with other relevant organizations on the implementation of the principles enshrined in the Declaration to avoid duplication. IMEC generally supported the draft decision, but to make it consistent with the provisions in Annex II, proposed an amendment to subparagraph (c)(ii), to read:

- (ii) to support the appointment and functioning of the national focal points to promote the use of the MNE Declaration and its principles, whenever appropriate and meaningful in the national context;
- (iii) to operationalize the company–union dialogue facilitation service of the Office; and
- ...

151. *Speaking on behalf of the Africa group*, a Government representative of Ethiopia restated that the group attached great importance to the Declaration as it was instrumental for realizing corporate social responsibility. Therefore, the Africa group supported the revised text, which was timely, relevant and fit for purpose. He added that the Declaration must complement, not replace, other instruments addressing problems related to multinational enterprises. Multinational enterprises should respect the sovereign rights of States, comply with national laws, consider local practices, and abide by international labour standards, including labour inspection systems, in home countries while outsourcing their activities. The ILO should continue to provide technical assistance at both the regional and national levels to promote the Declaration, ensure its effective application, follow-up and review, and share good practices within and among regions. His group encouraged the Office to increase cooperation with other relevant organizations to harmonize implementation of the Declaration and similar instruments. He expressed concern over the inclusion of company–union dialogue facilitation among the operational tools, as the establishment of such a service might conflict with existing national mechanisms and require additional resources; he sought clarification on the level of its inclusion in the Declaration. The Africa group supported the draft decision, as amended by IMEC.

152. *Speaking on behalf of ASPAG*, a Government representative of the Republic of Korea expressed appreciation for the commitment and remarkable work of the working group members in addressing many key challenges as well as the support of the Office during the review process. He said that the MNE Declaration was the ILO framework aiming to

maximize positive impacts of multinational enterprises and resolve possible negative impacts. The review of the Declaration had aligned the text with the changing global economy and incorporated references to recent developments. The outcome of the review process was a great achievement and ASPAG welcomed the consensus reached in the most comprehensive and significant review of the instrument. The text had been streamlined, key issues based on tripartite consensus taken into account, the list of relevant ILO instruments updated, and tools for the promotion and application defined. The revised Declaration underscored the importance of fundamental rights at work and the urgent need to eliminate the worst forms of child labour and forced labour, as well as the role of multinational enterprises in preventing and remedying human rights abuses in their operations through due diligence processes and their business relationships, including in global supply chains. The structure of the Declaration had been significantly improved, and the Annexes provided practical guidance for its application. ASPAG supported the draft decision as amended by IMEC, as separating the national focal points and company–union dialogue enhanced clarity.

153. *A Government representative of France*, commending the numerous proposed updates to the Declaration, said that it was essential to establish the same rules for all on a global scale to ensure that working conditions were not used to gain a competitive edge. It was regrettable that the national focal points were not given the possibility to mediate, which seemed the most legitimate and effective means of securing consistent application of the principles of the Declaration, thereby providing a level playing field. Her Government would therefore closely follow evaluations and possible adjustments.
154. *A Government representative of the Netherlands* said that the update of the Declaration had been necessary to bring it in line with discussions in other global forums on the contribution of multinational enterprises to sustainable development. The inclusion of due diligence was particularly welcomed, translating the concept into the ILO domain. The updated, user-friendly Declaration would help to further strengthen the relevance of the Organization for multinational enterprises and its cooperation with them. The text built on the outcome of the discussion on decent work in global supply chains and would contribute to the operationalization of the corresponding action plan. As the revised Declaration was an important tool to promote the positive contribution businesses could make to decent work worldwide, he fully recommended its adoption.
155. *A Government representative of Japan* emphasized the importance of strengthening governance in host countries, especially developing countries, as conducting due diligence was costly and could hinder much-needed foreign direct investment. Moreover, as multinational enterprises from developing countries had progressively expanded into other developing countries, it was essential to ensure the effective functioning of the national focal points to promote the application of the Declaration in those areas. Furthermore, small and medium-sized enterprises were increasingly operating internationally, but they often failed to perform due diligence owing to limited capacities and resources. The Office should be aware of those issues and provide support to developing countries and enterprises.
156. *A Government representative of China* welcomed the revised Declaration and stressed the need to promote the instrument in the light of the contribution of multinational enterprises to the global economy. The ILO should cooperate closely with employers to support the growing role of multinational enterprises in addressing the unemployment crisis, building workers' skills, broadening social protection and establishing harmonious industrial relations. He supported the draft decision and the proposed amendment.
157. *A Government representative of Brazil* said that the revised Declaration would contribute to addressing challenges in promoting social justice and a fair globalization. He particularly welcomed the references to due diligence and the 2030 Agenda, the emphasis on the eradication of child and forced labour and combating workplace violence, as well as the translation of the UN *Guiding Principles on Business and Human Rights* in the world of

work. The revised text had renewed the spirit of the original Declaration regarding economic fairness and would enable businesses to contribute to the promotion of decent work. He supported the draft decision.

- 158.** *A representative of the Director-General (DDG/P), responding to the request for clarification from the Africa group, said that the form of company–union dialogue proposed in the MNE Declaration would not conflict with or duplicate national frameworks. Furthermore, the Office would continue to use a range of means for social dialogue that would not result in unnecessary costs.*
- 159.** *The Employer spokesperson expressed appreciation for the Governments’ insight on the revised document and the clear consensus to approve it. He proposed amending IMEC’s proposed amendment to subparagraph (c)(iii), to add “in line with point 2 in Annex II”, for the sake of clarity.*
- 160.** *The Worker spokesperson also expressed her thanks for the constructive contributions from the Governments. However, she expressed reservations as to IMEC’s proposed amendment, as it was important to promote national focal points and company–union dialogue everywhere, not just in certain circumstances; however, in the interests of consensus, the Workers could accept it. As the subamendment proposed by the Employers brought extra clarity without establishing any hierarchy among the options, the Workers supported it.*
- 161.** *Speaking on behalf of IMEC, the Government representative of Germany endorsed the subamendment proposed by the Employers’ group, as it was in keeping with IMEC’s intention.*
- 162.** *The Employer spokesperson noted that the adoption of the revised MNE Declaration was not an ordinary decision that the Governing Body was making and suggested a standing ovation to mark that.*

Decision

163. The Governing Body:

- (a)** *took note of the report of the ad hoc working group figuring in the Appendix to document GB.329/POL/7, and approved the revised Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and its revised Introduction contained in the Annex of the report;*
- (b)** *requested the Director-General to communicate the revised MNE Declaration and its revised Introduction:*
- (i)** *to governments, requesting them to communicate them to employers’ and workers’ organizations with a view to further transmission to multinational enterprises and workers’ representatives concerned;*
- (ii)** *to the international employers’ and workers’ organizations concerned; and*
- (iii)** *to the other international organizations concerned;*

(c) requested the Director-General:

- (i) to put in place a communication strategy to give visibility to the revised MNE Declaration including a strategy for translation into the languages in which the previous editions were available;***
 - (ii) to support the appointment and functioning of the national focal points to promote the use of the MNE Declaration and its principles, whenever appropriate and meaningful in the national context;***
 - (iii) to operationalize the company–union dialogue facilitation service of the Office in line with point 2 in Annex II; and***
 - (iv) to organize and/or support appropriate tripartite event(s) for the 40th anniversary of the MNE Declaration starting in November 2017; and***
- (d) requested the Director-General to make available, to the extent possible within existing resource levels, the necessary resources to implement the actions under paragraph (c) above or to facilitate resource mobilization efforts to that effect.***

(GB.329/POL/7, paragraph 5, as amended by the Governing Body.)