



## THIRD ITEM ON THE AGENDA

**Public–private partnerships for  
technical cooperation****Preamble**

1. In June 2006, the International Labour Conference reviewed the role of the ILO in technical cooperation. In one of its conclusions, the Conference held the view that public–private partnerships had potential as a source of funding and expanded knowledge base, and asked the Governing Body to establish and monitor the implementation of clear guidelines and criteria for such partnerships.<sup>1</sup> Towards that end, a concept paper on public–private partnerships was prepared for the Officers of the Committee on Technical Cooperation and discussed in November 2006. At the request of the Officers, this report, having taken into account the comments received at that meeting, is being presented to the 298th Session of the Governing Body. New policies and procedures will be developed in the light of the guidance received at this session. Partnerships with the private sector has been an item of the United Nations reform agenda since 17 July 2000, when former Secretary-General Mr Kofi Annan issued the Guidelines on Cooperation between the United Nations and the Business Community,<sup>2</sup> followed by the launch of the United Nations Global Compact on 26 July 2000.<sup>3</sup> In 2005, the General Assembly reviewed the enhanced cooperation between all relevant partners, in particular the private sector,<sup>4</sup> based on lessons learned from existing partnerships. This was followed by the resolution “Towards Global Partnerships” adopted by the General Assembly on 29 March 2006 which called for strengthened partnerships with the private sector. Recent reports, including “Business Unusual”<sup>5</sup> have also highlighted the potential of public–private partnerships to strengthen United Nations operations and reform efforts, while underlining the need for a flexible and pragmatic approach to make these work.

<sup>1</sup> See ILC, 95th Session (Geneva, 2006). *Provisional Record* No. 19, Conclusions, para. 26.

<sup>2</sup> See <http://www.un.org/partners/business/otherpages/guide.htm>.

<sup>3</sup> See <http://www.unglobalcompact.org/>.

<sup>4</sup> General Assembly Report A/60/214.

<sup>5</sup> See <http://www.globalpublicpolicy.net/businesUNsual>.

## I. Strategy and guiding principles

2. The challenge of delivering decent work through technical cooperation calls for active involvement with ILO constituents. The delivery of technical cooperation programmes are frequently accomplished through partnerships with other multilateral and bilateral development agencies. Public–private partnerships have the potential to expand and enhance the effectiveness of technical cooperation activities of the ILO, to deal with this challenge. These partnerships enable the ILO to leverage its expertise and contributions with those of private actors, in particular enterprises, to promote full and productive employment and decent work as a foundation for sustainable development. It will be recalled that the 95th session of the International Labour Conference called for the establishment of effective partnerships with other development actors, and the mobilization of financial and human resources, including from the public and private sectors.
3. Public–private partnerships are voluntary and collaborative relationships among various actors in both public (state) and private (non-state) sectors, in which all participants agree to work together to achieve a common goal or undertake specific tasks. Partnerships may serve various purposes, including advancing a cause, to implement normative standards or codes of conduct, or to share and coordinate resources and expertise. They may consist of a specific single activity, or may evolve into a set of actions or even an enduring alliance, building consensus and ownership with each collaborating organization and its stakeholders. While they vary considerably, such partnerships are typically established as structured cooperative efforts with a sharing of responsibilities as well as expertise, resources and other benefits.<sup>6</sup>
4. Partnership functions may involve activities such as funding or donations in kind by or between actors in the partnership; joint development and implementation of projects or other operational activities; organization of meetings or events; joint campaigning or advocacy; cooperative research and publications; temporary exchange of staff; or arrangements concerning the exchange or pooling of knowledge and information. The Office will develop promotional materials for potential collaborating organizations and the general public to explain the purpose and principles of public–private partnerships for technical cooperation, basic operational modalities, applicability and advantages, and the possible areas of support within the ILO’s mandate.
5. The ILO, in its partnerships for technical cooperation, makes use not only of the expertise and contributions of private enterprises in creating decent and productive jobs, but also of the important role of trade unions in promoting decent work. Public–private partnerships have the potential to increase the visibility and advocacy functions of the ILO, and they provide an opportunity to influence public and private sector investment, policies, and practices to more effectively promote decent work. Such partnerships further provide an opportunity to leverage a variety of additional resources from a wider range of sectors and actors, and facilitate the mobilization of financial resources, in-kind donations, leveraging of private and public sector infrastructure, and access to additional skills, knowledge and experiences.
6. ILO public-private partnerships, like any other partnership, must be viewed in the proper institutional context. This involves ensuring that they are set up and implemented in full

<sup>6</sup> This definition has been derived from broadly accepted United Nations partnership definitions (see for example, *Building partnerships : cooperation between the United Nations system and the private sector*; United Nations. Dept. of Public Information). In general, in developing this paper, the Office has taken inspiration from similar strategy papers, principles and guidelines developed by other United Nations agencies, but has kept in mind the unique mandate and tripartite structure of the ILO.

conformity with ILO principles and values, as enshrined in the ILO Constitution and international labour standards. Such partnerships will focus on areas and subjects of mutual interest to the ILO and its member States, represented by their tripartite constituents, and the actors in the partnership.

7. Certain basic principles guide the ILO's development of public-private partnerships. This paper focuses on public-private partnerships in technical cooperation.
  - 6.1. *Compatibility with ILO mandate and status.* The ILO will enter into public-private partnerships consistent with and supportive of the ILO mandate and objectives. This involves taking into account the ILO's status as a public international organization and the policies agreed by its tripartite constituents, such as those reflected in the Declaration on Fundamental Principles and Rights at Work (1998) and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (2000 Rev.).
  - 6.2. *Added value in promoting the Decent Work Agenda.* The added value of a partnership in terms of its potential contribution to advancing decent work, including through the four strategic objectives of the ILO, will be explicit in the design of any partnership activity, as will be the end results foreseen for the women and men, girls and boys who are the ultimate beneficiaries of such partnerships.
  - 6.3. *Fostering tripartism, a fundamental principle of the ILO.* A unique and defining characteristic of the ILO is tripartism, the fully fledged participation in ILO decision-making and operational activities of governments, employers' organizations and trade unions. While ILO policy-making is governed solely by the system of tripartite procedures and partners defined in the ILO Constitution, the principle of tripartism and participation of the tripartite constituents will help shape the operation of public-private partnerships in which the ILO is involved, whether at a national, regional, sectoral or international level. The appropriate involvement of governments and the social partners – in both beneficiary and donating countries – should be envisaged in the main partnership phases (design, negotiation, implementation, monitoring and evaluation).
  - 6.4. *Gender equality.* The ILO is committed to mainstream and promote gender equality, and it will strive to systematically promote this objective through public-private partnerships. Specifically, this implies the involvement of both women and men in consultations and analysis; data disaggregation by sex and gender in research, surveys and analyses; the formulation of gender-sensitive strategies and objectives and gender-specific indicators, inputs, activities and outputs; striving for gender balance in representation in institutional structures set up under projects; and gender equality criteria and gender expertise in evaluations.
  - 6.5. *Accountability.* As a public international organization, the ILO is accountable for its actions to the Governing Body and its tripartite members. The ILO also assumes a responsibility to those directly concerned or involved in public-private partnerships. It is thus important that partnership activities are designed and implemented in such a way as to ensure clear and agreed responsibilities among the actors in the partnership as well as defined timelines and measurable outputs. The active involvement of ILO tripartite constituents will serve not only to strengthen national ownership but also to ensure accountability of the partnership. It is essential that any ILO public-private partnership initiatives be fully transparent. Information on partnership activities is to be made publicly available and reported to the ILO Governing Body.
  - 6.6. *Sustainability.* Partnership activities should be planned to promote sustainability (economic, environmental and social), to make optimum use of the resources of each

participant in the partnership, and to foster local and national ownership. This principle is important to the ultimate results to be achieved by the partnership, as well as the methods to be used, such as consultation with and participation of those directly concerned and the design of effective exit strategies.

- 6.7. *Impartiality.* All public-private partnership activities are implemented in accordance with applicable ILO regulations, rules and procedures, including the Financial Regulations and Rules and the Staff Regulations. While partnership activities aim to advance decent work and thus offer a means by which ILO technical cooperation and standard-setting activities are mutually supporting, the partnerships themselves and their participants operate separately from the policy and normative systems of the ILO, including its standard-setting and supervisory machinery. Thus, the fact of participation in partnerships with the ILO does not imply access to or influence on the Organization's policy-making system or structures.
- 6.8. *Non-preferential treatment and non-endorsement.* The ILO acts on a non-exclusive basis and, in order to avoid giving the impression of endorsing a single participant, reserves the right to engage in similar arrangements with others in the same industry sector. The identity of partnership participants is always made known.

## II. Criteria for engagement: Establishing guidelines

8. Effective public-private partnerships require a level of mutual trust and respect, and a shared understanding of partners' respective strengths. As noted above, the key elements in ILO public-private partnerships in the overall framework of UN reforms must include clearly defined expectations, mutual responsibilities, reciprocity of benefit, and accountability. These elements are formally expressed through a partnership agreement, and, when carried forward, over time, build an effective partnership. The development and life cycle of public-private partnerships typically follow a series of phases:
- Step 1: identification and design of partnership opportunities;
  - Step 2: technical review of partnership proposal, including assessment and choice of partnership participants;
  - Step 3: institutional approval process, including legal and financial review;
  - Step 4: conclusion of partnership agreement;
  - Step 5: implementation of partnership programme/project/activity;
  - Step 6: regular partnership monitoring and evaluation; and
  - Step 7: reporting of partnership activities.
9. The ILO will draw up a set of specific guidelines addressing the phases of the partnership life cycle in order to guide ILO personnel in developing and administering public-private partnerships for technical cooperation. These guidelines will give effect to the principles above and address the operational rules of engagement. Among the issues to be addressed are the following:
- 8.1. *Criteria for identifying partnership opportunities.* The ILO seeks to enter into alliances that maximize potential for building capacity to advance decent work. It is

thus essential for the ILO to work together with public and private sector entities that share its values, respect its mandate in their own operations, and are supportive in practice of the principles concerning the fundamental rights which are the subject of the fundamental Conventions of the ILO, namely:

- freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced or compulsory labour;
- effective abolition of child labour; and
- elimination of discrimination in respect of employment and occupation;

as well as of fundamental principles concerning human rights, environment and anti-corruption.<sup>7</sup> In turn, as a public international organization and UN agency, it is necessary for ILO to adhere to its responsibilities not to cooperate in or condone illegal or illicit activities by requirements such as those in its procurement rules reflecting applicable UN sanctions regimes.

- 8.2. *Procedures for assessing and approving proposed partnerships.* The guidelines to be drawn up will address procedures for assessing the proposals in order for the Office to make an informed decision. These will include such aspects as the objectives and outcomes targeted, the participants proposed, the design and method of collaboration and financing planned, and the risks and advantages projected.

When identifying and assessing proposed partners, it is good practice to consult concerned technical programmes, ILO external offices, and the Bureau for Workers' Activities (ACTRAV), the Bureau for Employers' Activities (ACT/EMP) who, through their global networks of national-level employers' organizations and trade unions, have access to a number of sources that can provide valuable information, especially about the added value of a proposed activity and the proposed private and public sector participants.

The final choice of partnership participants is based on the principles and criteria outlined above, and the final authority to approve public-private partnership proposals resides with the Director-General who may consult the Officers of the Governing Body, as appropriate. Thus, the approval procedures to be detailed in the Office guidelines will require all ILO officials, including directors of technical departments, external ILO offices and managers of technical programmes, to approach the Office of the Director-General for ultimate approval following the necessary technical, legal and financial clearances.

- 8.3. *Steps for developing and concluding partnership proposals and agreements.* As the Office guidelines will elaborate, all public-private partnership programmes or projects or activities are implemented in accordance with a partnership proposal, which sets out the objectives, time frame, activities, governance, budget and allocation of staff time. Any public-private partnership will be governed by a partnership agreement, which sets out the respective rights and responsibilities agreed by all participants of the partnership. The partnership proposal will form part of the agreement, and will include provisions for monitoring, evaluation, auditing and reporting in accordance with relevant ILO legal and financial, evaluation and oversight rules and regulations.

<sup>7</sup> See <http://www.unglobalcompact.org>.

**10. *The Committee on Technical Cooperation may wish to invite the Governing Body to:***

- (a) endorse the strategy, guiding principles and criteria for engagement in public–private partnerships in line with the outcomes of the Committee's discussions at this session;***
- (b) request the Office to establish and apply operational guidelines and to develop and disseminate promotional materials for public–private partnerships in accordance with the abovementioned strategy, guiding principles and criteria;***
- (c) request the Office to report regularly to this Committee in future sessions on relevant developments.***

Geneva, 8 February 2007.

*Point for decision:* Paragraph 10.