



FIRST ITEM ON THE AGENDA

Public–private partnerships**A. The issue**

1. 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.¹
2. Partnership 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.

Public–private partnerships in the context of United Nations reform

3. Within the UN system, public–private partnerships have developed from a sporadic phenomenon into a number of fully fledged arrangements today, such as the corporate partnership programmes maintained by the United Nations Children’s Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO) and the United Nations Development Programme (UNDP), the World Health Organization’s (WHO) public–private health partnerships, and the United Nations High Commissioner for Refugees’

¹ 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).

(UNHCR) Corporate Partnership Programme.² The United Nations Fund for International Partnerships, established in 1998, manages grants from the private UN Foundation and facilitates public–private partnerships, including with businesses. In view of the growing number of public–private partnerships, in 2000 the then UN Secretary-General, Mr Kofi Annan, issued the *Guidelines on Cooperation between the United Nations and the Business Community*.³ The same year, the Global Compact, which provides further guidance on corporate social responsibility in relation to the UN, was established.⁴ In 2006, the General Assembly adopted the resolution “Towards Global Partnerships”, which calls for strengthened partnerships with the private sector.⁵ Also in 2006, the report of the Secretary-General’s High-level Panel on UN System-wide Coherence noted public–private partnerships as a dynamic means of realizing sustainable development goals within the context of UN reform.⁶

Importance of public–private partnerships to the ILO

4. The challenge of delivering decent work through technical cooperation calls for active involvement with ILO constituents. The delivery is frequently accomplished through partnerships with other multilateral and bilateral development agencies. In that context, public–private partnerships have the potential to expand and enhance the effectiveness of ILO technical cooperation activities. These partnerships can 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.
5. The ILO, in its partnerships for technical cooperation, can make 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 experience.
6. In this context, it might be mentioned that the ILO Programme and Budget for 2008–09, approved by the International Labour Conference at its 96th Session (June 2007) states that: “The ILO will also build public–private partnerships combining ILO expertise with

² An early public–private partnership included the donation by John D. Rockefeller Jr of Manhattan property for the UN headquarters. A number of public–private partnerships in UN agencies are highlighted in General Assembly Report A/60/214.

³ <http://www.un.org/partners/business/otherpages/guide.htm>

⁴ At the 2007 Global Compact Leaders Summit in Geneva, attending agency heads and representatives discussed the need for the UN system to develop a common strategic framework for engagement with the private sector, including at the national level, while making sure to take into account the different approaches among agencies and to safeguard the image of the UN system.

⁵ United Nations General Assembly resolution, A/RES/60/215.

⁶ *Delivering as One*, Report of the Secretary-General’s High-level Panel, 2006, para. 74.

that of private enterprises, trade unions and governments whenever this proves useful to advance decent work objectives.”⁷

7. United Nations reform and the changing architecture of development assistance have shifted the focus of donor funding to nationally owned programmes such as the United Nations Development Assistance Frameworks (UNDAFs), the “One UN” pilot country programmes, and the ILO’s Decent Work Country Programmes (DWCPs). Moreover, there is a broad international debate on the important role of the private sector and sustainable enterprises in social and economic development, including employment creation and decent work and environmental protection.⁸ As a result, public–private partnerships could help in covering funding gaps of DWCPs and other national programmes, especially at the local level, where partnership with the private sector could be an important step towards building sustainability and local ownership of country programmes.⁹
8. The ILO has until now engaged in only a limited number of public–private partnerships on an ad hoc basis. Notable projects include the IPEC West Africa Cocoa/Agriculture Project, the ILO–IPEC Soccer Ball project in Pakistan, and the Better Factories Cambodia programme, which were all or in part funded by the private sector. In November 2007, the ILO signed a landmark agreement worth US\$34 million on a microinsurance innovation facility with the Bill and Melinda Gates Foundation. Despite this large increase in private sector funding in 2007, the overall funds mobilized by the ILO from private sources remains a fraction of the approximately US\$2 billion that the ILO has mobilized in extra-budgetary technical cooperation funding since 1996.

B. ILO policy on public–private partnerships

9. 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 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.
10. It will be recalled that, in June 2006, having reviewed the role of the ILO in technical cooperation, the International Labour Conference stated in its conclusions that public–private partnerships had potential as a source of funding and expanded knowledge base and 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. The Governing Body was to establish and monitor the implementation of clear guidelines and criteria for such partnerships.¹⁰

⁷ GB.298/PFA/13, para. 296.

⁸ ILO: *Conclusions concerning the promotion of sustainable enterprises*, para. 1, ILC 2007; UN Commission on the Private Sector and Development: *Unleashing Entrepreneurship: Making Business Work for the Poor*, 2004.

⁹ This idea has been explored in at least one “One UN” pilot country. See “Delivering as One: Operational Plan of the UN System in Mozambique” [draft of 19 June 2007].

¹⁰ International Labour Conference, 95th Session, Geneva, 2006, *Provisional Record* No. 19, para. 26.

11. In response to the call of the Conference, the Office prepared, in consultations with the Officers of the Committee on Technical Cooperation, a report¹¹ that was discussed in the March 2007 session of the Committee.
12. At that meeting, the Employers' group, while appreciating the speed at which the Office had progressed on the issue since the International Labour Conference, 2006, felt that the ILO had been lagging behind, particularly in the context of UN reforms. The group requested that the ILO should look more closely at guidelines of other UN agencies.¹² The ILO needed to develop specific guidelines on public-private partnerships that would be pragmatic and appeal to potential donors. Apart from the new sources of funding this initiative might bring, the ILO could benefit from a win-win situation where the business sector could count on a stable and favourable environment resulting from ILO initiatives, and the ILO could draw on the expertise and capacities of the business sector to achieve its goals.
13. The Workers' group felt that public-private partnerships should be viewed in the appropriate institutional context and set up and implemented in full conformity with the ILO's principles and values. In the process of aligning ILO guidelines for public-private partnerships with other United Nations agencies, the unique tripartite structure and social dialogue must not be lost.
14. The Government group expressed their willingness to support the development of public-private partnerships for the ILO. The IMEC group held the view that public-private partnership was part of the general resource mobilization strategy of the ILO and was of the opinion that the public-private partnership initiative had to take fully into account the ILO's fundamental value systems. An appropriate policy had to be determined and guidelines and control mechanisms developed in order to provide operational and legal guidance for the engagement in public-private partnerships.

Guiding principles

15. At its 95th Session (2006), the International Labour Conference reiterated certain basic principles that should guide the ILO's development of public-private partnerships.¹³ The following are based on those principles:
 - 15.1. *Conforming to ILO values.* The ILO will enter into public-private partnerships that are consistent with and supportive of the ILO mandate and objectives. It is thus essential for the ILO to work together with public and private sector entities that share its values, and respect its mandate in their own operations. This also 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)¹⁴ and the Tripartite

¹¹ GB.298/TC/3, para. 35.

¹² The Office has drawn from similar strategy papers, principles and guidelines developed by other United Nations agencies, while keeping in mind the unique mandate and tripartite structure of the ILO.

¹³ International Labour Conference, 95th Session, Geneva, 2006, *Provisional Record* No. 19.

¹⁴ 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

Declaration of Principles concerning Multinational Enterprises and Social Policy (2006, fourth edition), as well as of fundamental principles concerning human rights, environment and anti-corruption.

- 15.2. *Promoting the Decent Work Agenda.*** The value added 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.
- 15.3. *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).
- 15.4. *Gender equality.*** The ILO is committed to mainstreaming and promoting gender equality, and 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.
- 15.5. *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 and that ILO tripartite constituents are consulted. Information on partnership activities is to be made publicly available and reported to the ILO Governing Body.
- 15.6. *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.
- 15.7. *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

Elimination of discrimination in respect of employment and occupation – which are the subject of the fundamental Conventions of the ILO.

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.

- 15.8. *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.

C. Establishing guidelines: The next steps

- 16.** Operationalization of public–private partnerships will usually involve the drawing up of partnership agreements which will include clearly defined expectations, mutual responsibilities, reciprocity of benefit, and accountability as effective public–private partnerships require a level of mutual trust and respect, and a shared understanding of partners' respective strengths. The development and life cycle of public–private partnerships will typically involve the following steps:
- I. Identification and design of partnership opportunities;
 - II. Technical review of partnership proposal, including assessment and choice of partnership participants;
 - III. Approval process, including consultation with constituents, legal and financial review;
 - IV. Conclusion of partnership agreement;
 - V. Implementation of partnership programme/project/activity;
 - VI. Regular partnership monitoring and evaluation;
 - VII. Impact assessment; and
 - VIII. Reporting of partnership activities.
- 17.** The ILO will develop a set of specific operational guidelines covering all the stages in order to guide the Office in developing and administering public–private partnerships for technical cooperation and to ensure that formulation of public–private partnerships for technical cooperation and its subsequent implementation adhere to the key elements embodied in the principles described earlier.
- 18.** 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.

19. As the Office guidelines will elaborate, all public–private partnership programmes or projects or activities will be 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 will set 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.
20. *The Committee on Technical Cooperation may wish to invite the Governing Body to:*
- (i) request the Office to establish and apply, on the basis of the guiding principles, operational guidelines and to develop and disseminate promotional materials for public–private partnerships; and*
 - (ii) request the Office to regularly report on public–private partnerships in future sessions of this Committee.*

Geneva, 28 January 2008.

Point for decision: Paragraph 20.