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Institutional Section

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Follow-up to the resolution concerning decent work in global supply chains (2016): Report of the tripartite working group on options for ensuring decent work in supply chains

Purpose of the document

This document summarizes the meeting of the tripartite working group on achieving decent work in global supply chains that took place in Geneva from 27 June to 1 July 2022, which adopted building blocks for a comprehensive strategy on achieving decent work in supply chains. The Governing Body is invited to request the Office to use these building blocks to draft a comprehensive strategy for further consideration (see draft decision in paragraph 13).

Relevant strategic objective: All.

Main relevant outcome: Outcome 7: Adequate and effective protection at work for all.

Policy implications: Guiding Office action on decent work in supply chains.

Legal implications: None.

Financial implications: To be determined.

Follow-up action required: Depending on the Governing Body decision, development of a comprehensive strategy on decent work in supply chains.

Author unit: Office of the Deputy Director-General for Policy (DDG/P).

Related documents: GB.341/INS/13/2; GB.344/INS/18(Rev.1); GB.337/INS/4; GB.346/POL/5; GB.346/INS/INF/3.

▶ Introduction

1. Following discussion at its 341st Session (March 2021), the Governing Body tasked a Tripartite Working Group to develop, with the support of the Office, the building blocks for a comprehensive strategy on achieving decent work in supply chains.¹ The decision of the Governing Body followed the Technical Meeting on Achieving Decent Work in Global Supply Chains (Geneva, 25–28 February 2020), which did not adopt any conclusions on measures needed to promote decent work and/or facilitate reducing decent work deficits in global supply chains.
2. The Tripartite Working Group on Options to Ensure Decent Work in Supply Chains (the Tripartite Working Group) met in Geneva from 27 June to 1 July 2022.² It was composed of 16 titular governments, along with 8 titular members from the Employers' and Workers' groups, respectively, with an additional 32 advisors and 32 attending as observers. The meeting was chaired by an independent Chairperson, Ms Sara Luna Camacho (Government of Mexico). The Vice-Chairpersons were Ms Gabriella Herzog (Employer member, United States of America) and Ms Catelene Passchier (Worker member, Netherlands). The Government group opted to nominate a spokesperson, Mr Sipho Ndebele of South Africa.
3. The basis of the work of the Tripartite Working Group was an in-depth gap analysis by the Office, on "the current body of normative and non-normative measures, including means of implementation and other measures ... to facilitate a discussion on options to ensure decent work in supply chains, including at sectoral level, where appropriate". That document, published in November 2021,³ laid out the relevant normative and non-normative tools and measures of the ILO and examined how and whether they meet the specific and rapidly evolving decent work challenges in supply chains. It should be noted that while it provided separate analyses of the ILO's normative and non-normative work, the review emphasized that in practice, these two areas are deeply interconnected.

▶ Overview of the meeting

4. In its discussions, the Tripartite Working Group considered the following points:
 - What are the main challenges to advancing decent work in supply chains?
 - Are there any gaps in the current body of normative and non-normative measures, including means of implementation and other measures, to ensure decent work in supply chains?
 - What should be the building blocks for a comprehensive strategy on achieving decent work in supply chains?

¹ GB.341/INS/13/2 and GB.341/PV, para. 477.

² Originally scheduled to meet in a primarily virtual format in January and February 2022, the Governing Body (GB.344/INS/18(Rev.1)) agreed the Tripartite Working Group could be postponed and held in person on the dates above.

³ ILO, *Gap analysis of ILO normative and non-normative measures to ensure decent work in supply chains*, see key findings on pages 6–7.

5. Members of the Tripartite Working Group recognized that the ILO needed a comprehensive and coherent strategy to guide its work in supply chains, as this would allow it to most effectively support constituents and play its proper leadership role in the multilateral system. This had become particularly urgent in light of the COVID-19 pandemic, which had underlined both the fragility and ongoing importance of supply chains. While the ILO's existing work on supply chains had significant value, the meeting was an opportunity to take into account developments in the world of work since the 2016 International Labour Conference discussion and resolution concerning decent work in global supply chains, from technology to mandatory human rights due diligence.
6. In reaffirming the relevance of the ILO's mandate with respect to supply chains, the participants highlighted documents adopted by the International Labour Conference since the 2016 resolution, including the 2019 ILO Centenary Declaration for the Future of Work and the 2021 [Call to Action for a human-centred recovery from the COVID-19 crisis that is inclusive, sustainable and resilient](#), as well as Conclusions of meetings of experts held as part of the [Programme of action on decent work in supply chains on export processing zones and cross-border social dialogue](#). Likewise, participants frequently emphasized the importance of the 2017 revision of the [Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy](#) (MNE Declaration) as well as the United Nations Guiding Principles on Business and Human Rights.

Summary of views expressed

7. Discussion of the first point, on the main challenges to advance decent work in supply chains, was in keeping with previous debates and the 2016 resolution. Constituents continued to express differing views on the nature of the challenges of decent work in supply chains. Awareness of some challenges, such as the lack of universal social protection, occupational safety and health, and the vulnerability of certain workers, had grown as a result of the pandemic. Similarly, questions of inequality within and between countries, along with the effects of climate change, appeared more urgent than ever.
8. The question of possible gaps in ILO normative and non-normative measures with respect to supply chains was intensely debated. Some participants expressed scepticism regarding any normative gaps, citing the review's statement that "if existing international labour standards were appropriately ratified and implemented, decent work deficits in supply chains would – in principle – be significantly reduced". Others referred to the review's description of a normative "challenge" resulting from the national-level focus of international labour standards and approaches to enforcement and remedies, asserting that the fact that these did not address questions of workplace compliance in the context of cross-border sourcing of goods and services and multi-employer situations or responsible business conduct constituted a clear normative gap. They also held the view that the ILO should address gaps by adopting a "smart mix" approach including voluntary and binding measures and related to the concept of human rights due diligence. Given recent mandatory human rights due diligence initiatives, they considered ILO normative action and leadership in this area as critical to ensure a level playing field, especially regarding international labour standards.
9. Regarding gaps in the ILO's non-normative activities in supply chains, there were many areas of convergence. There was general concurrence that supply chains were a legitimate entry point for advancing decent work, though the ILO did not have a consistent approach. Participants agreed with the Office's analysis that ILO supply chain activities had not been grounded in a consolidated, systematic framework, noting for example that the absence of a unified research agenda meant development cooperation activities did not have a good

grounding in data, and identified other areas where increased internal coordination would be helpful to address missing linkages between the ILO's national and sector-level decent work interventions and supply chains. Many recognized the MNE Declaration as an important means of action in supply chains, though there was a feeling that its potential remained substantially untapped, while some comments classed it as insufficient because of its voluntary nature. Many participants also raised the need for the ILO to engage more proactively with the private sector, the Bretton Woods institutions and other development banks, the World Trade Organization and relevant UN bodies in order to drive the necessary collective action and policy coherence. Others mentioned implementation gaps including the lack of a clear link to trade and the absence of a strategy to communicate the ILO's work on supply chains.

10. Having discussed the main challenges to advancing decent work in supply chains and gaps in the ILO's normative and non-normative measures, members of the Tripartite Working Group debated what the building blocks of a comprehensive ILO supply chains strategy should be. Members had different perspectives on the appropriate balance of the building blocks, in particular whether these needed to include a normative element. Following three days of debate, the Tripartite Working Group found broad consensus around building blocks for a comprehensive strategy on achieving decent work in supply chains. The group decided the eventual strategy should reflect a "smart" mix of national and international mandatory and voluntary measures to optimize the impact of the ILO's work to ensure decent work in supply chains, building on its tripartite structure and standards system and using all available ILO means of action. The final building blocks are annexed to this document for the Governing Body to consult in further detail, and the [summary of proceedings](#) may be consulted for further details.

Office comments on the building blocks

11. The tripartite-agreed building blocks provide an opportunity to support the continued evolution of the Office's work in supply chains. They echo a logic that evolved within the Office as it implemented the programme of action ⁴ during a time of rapid change. To address current gaps, they envision action to analyse and assess the impact of the growing regulatory and non-regulatory initiatives addressing decent work deficits in supply chains and learning from those to inform the development of initiatives to complement the body of international labour standards. They call for a stronger link and exchange of information between the work of the supervisory mechanisms and the technical assistance and research work of the Office in order to truly benefit from the unique features of the ILO. This information is to be supplemented by data collected by Member States to inform evidence-based policies, to advance transparency and to guide a coordinated "One ILO" collective approach to address decent work deficits and their root causes in all tiers of supply chains. An integral part of these concerted actions is the better use and mainstreaming of the MNE Declaration, which provides an umbrella for national tripartite dialogue and action and cross-border social dialogue and cooperation. Importantly, the building blocks foresee continued efforts at policy coherence, notably with respect to the international trade regime as a means to promote and catalyse decent work in supply chains and reduce income inequalities.
12. The fourth and final section of the building blocks is concerned with the sustainability of the eventual strategy. In addition to a commitment to mobilize the necessary resources, the Tripartite Working Group emphasized the importance of regular evaluation of the strategy,

⁴ GB.346/INS/INF/3.

strategic communication on supply chain issues, and internal coordination, including between the field and headquarters. The logic and content of the building blocks are substantially aligned with and have been taken into account in the guidance provided by the Director-General-elect for the Programme and Budget 2024–25, including with respect to an action programme on decent work in supply chains, investment and trade. This action programme will be the driver of the strategy and its implementation. It will also be instrumental in placing the ILO in a leadership position, including in the multilateral system, in realizing decent work in supply chains. The action programme would be implemented by a team of dedicated staff working closely with a broader cross-functional team from relevant departments, regions, and development cooperation projects, and in close coordination with the relevant work of other outcomes. In addition to ensuring appropriate resources and holistic resource mobilization, the dedicated team would be empowered to ensure the policy coherence, management and oversight that is necessary for success – and accountability – on such a complex and cross-cutting issue.

▶ Draft decision

- 13. The Governing Body requested the Office to finalize an ILO strategy on decent work in supply chains based on the building blocks adopted by the Tripartite Working Group, and to present it for its consideration at the 347th Session (March 2023).**

▶ Appendix

Building blocks for a comprehensive strategy on achieving decent work in supply chains

Preamble

1. This document is the result of the discussions that followed the Tripartite Working Group on Options to Ensure Decent Work in Supply Chains (Tripartite Working Group). Following the decision of the Governing Body at its 341st Session, the aim of this discussion was to develop, with the assistance of the Office, the building blocks for a comprehensive strategy on achieving decent work in supply chains.
2. The Tripartite Working Group took into account in its discussions the Office's "Gap analysis of ILO normative and non-normative measures to ensure decent work in supply chains".
3. The following building blocks consist of four parts: the first reaffirms the ILO mandate, the second deals with the ILO's commitments to action, the third sets out the means of action to ensure decent work in supply chains, and the fourth part ensures the sustainability of the strategy.

Part 1. Reaffirming mandate

1. Reaffirming the International Labour Conference 2016 resolution and Conclusions concerning decent work in global supply chains, the Conclusions of the meetings of experts on cross-border social dialogue and on export processing zones and on the lessons learned from the programme of action adopted by the Governing Body.
2. Responding to the evolution of the world of work, the International Labour Conference has adopted the Centenary Declaration and a number of important conclusions with relevance to ensuring decent work in supply chains and Member States and social partners have taken further initiatives at national, regional and international levels.
3. Recognizing the unique role of the ILO with its tripartite structure, and its normative mandate, accompanied by other functions, such as its programmes and policies, to promote decent work, which equips the Organization to guide a globally relevant approach to enable its constituents to pursue decent work in supply chains, taking into account national context.

Part 2. Commitment to action

A shared commitment, taking into account the different and complementary roles and responsibilities of constituents, to:

1. equip the ILO to take a leading role in ensuring decent work in supply chains by providing guidance and support to Member States and tripartite constituents;
2. use all available ILO means of action to ensure decent work in supply chains, recognizing the imperative of concerted ILO action in this regard; and
3. actively pursue social dialogue and promote, respect and realize the fundamental principles and rights at work, including full respect for freedom of association and effective recognition of the right to collective bargaining in supply chains.

Part 3. Means of action to ensure decent work in supply chains

A fully coordinated, ambitious, holistic, comprehensive ILO strategy that reflects a smart mix of national and international mandatory and voluntary measures to optimize the impact of the ILO's work to ensure decent work in supply chains, building on its tripartite structure and standards system and using all available ILO means of action.

A. International labour standards

1. Targeted promotion of the ratification and effective implementation in national law and practice of international labour standards relevant to decent work in supply chains with special attention to those underpinning fundamental principles and rights at work and the governance Conventions.
2. Where appropriate, take into account decent work in supply chains within the Organization's efforts to keep a clear, robust and up-to-date body of international labour standards, fit for purpose and responsive to new challenges in the world of work, both in the Standards Review Mechanism Tripartite Working Group and in future standard-setting exercises, combined with an authoritative and effective supervisory system.
3. Information from the work of the supervisory mechanisms with relevance to supply chains is taken into account in ILO technical and research work, and in turn their outcomes are brought to the attention of the supervisory mechanisms.
4. Mapping and analysis of regulatory and non-regulatory initiatives addressing decent work deficits in supply chains, subsequently facilitating meetings to exchange and assess best practices and make use of bilateral and multilateral cooperation.
5. Assess the impact and effectiveness of global, regional, and national regulatory initiatives and trends to protect human rights, in particular labour rights in supply chains to inform the development of the ILO approach regarding normative measures focused on addressing any gaps in international labour standards.
6. Assess new normative and non-normative measures and their possible impact to strengthen the state obligation to protect and the corporate responsibility to respect human rights, in particular labour rights in all levels of supply chains.
7. Further develop options for initiatives that complement the body of international labour standards to take into account the changing world of work, the challenges of cross-border supply chains, implementation gaps, and national circumstances, whether through new normative measures, the revisions of existing measures, or supplementary guidelines and tools.

B. Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)

Make better use of the MNE Declaration including by:

1. facilitating national dialogues to address challenges at national level, to support employers' and workers' organizations to promote the principles of the Declaration and responsible business conduct through a variety of means, and to help companies understand how they can contribute to the realization of the principles in their operations;
2. facilitating dialogues and cooperation between home and host countries of multinational enterprises to assist developing countries in implementing international labour standards to ensure decent work in supply chains in line with the MNE Declaration;

3. supporting company–union dialogue and dialogue between home and host country governments;
4. supporting governments and multinational as well as national enterprises to take appropriate steps to ensure access to effective remedy; and
5. awareness-raising and capacity-building of tripartite constituents and enterprises with technical support at country level.

C. Enabling rights

Promote the respect and realization of the fundamental principles and rights at work, as well as the principles embodied in the UN Guiding Principles and the MNE Declaration, recognizing that freedom of association and collective bargaining are enabling rights and recognizing that social dialogue is at the heart of the ILO's mandate and that cross-border social dialogue is an essential aspect of it, and supporting social partners to engage in industrial relations and a broader social dialogue to reduce fundamental rights and decent work challenges and deficits, including in export processing zones.

D. Research, knowledge, and practical tools

1. Develop a coordinated research agenda on supply chains, including:
 - (a) analysis of challenges, best practices, as well as root causes and drivers of decent work deficits at all levels and tiers in developing and developed countries;
 - (b) research on global, regional and bilateral trade and its impact on the realization of decent work in supply chains;
 - (c) research on access to remedy and effective grievance mechanisms in supply chains; and
 - (d) partnerships with international and multilateral organizations.
2. Support states in collecting and analysing data to inform evidence-based policies to advance decent work in supply chains, for example, by addressing informality.
3. Sharing of best practices, including through peer learning and South–South and triangular cooperation.
4. Strengthen the ILO Helpdesk to assist companies as well as workers' and employers' organizations with regard to human rights due diligence processes, in line with the UN Guiding Principles and the MNE Declaration, and to provide information on the findings of the ILO supervisory system and country data and information on decent work in supply chains.
5. Develop practical tools to strengthen the means of labour inspection in supply chains.

E. Development cooperation

Strengthen ILO coordination for development cooperation, including the “One ILO” approach, using supply chains as an entry point to address constituents' needs in Decent Work Country Programmes (DWCPs), including with respect to priority sectors, and focusing on:

1. root causes of decent work deficits, including supporting good governance and the transition to formality;
2. all tiers of supply chains, including small and medium-sized enterprises, and relationships between buyers and suppliers;
3. the added value of a sectoral approach to address decent work deficits in specific sectors;

4. opportunities to expand South–South and triangular development cooperation;
5. collective action, and the state duty to protect and the corporate responsibility to respect human rights as outlined in the United Nations Guiding Principles on Business and Human Rights and the MNE Declaration;
 - strengthening the governance capacity of public institutions
 - building the capacity of the social partners
 - supporting enterprise and constituent engagement to promote decent work in supply chains;
6. coherent resource mobilization in support of ILO coordination for development cooperation, including the “One ILO” approach, with the full involvement of the social partners and in line with the constituents’ needs and priorities and DWCPs.

F. Policy coherence

1. Actively engage with and achieve a leading role among multilateral, international financial, and other relevant organizations on decent work in supply chains, including those within the international trade architecture.
2. Recognize the importance of the principle of transparency in human rights due diligence processes and offer training for social auditors on ILO standards and policies, including fundamental principles and rights at work.
3. Support ILO Members regarding labour provisions in trade agreements.
4. Promote fair and rules-based international trade that respects labour rights, promotes fair wages and working conditions, and value addition along global supply chains can be a catalyst for economic growth and development and contribute to reducing income inequality between countries.

Part 4. Ensuring sustainability of the strategy

1. Tripartite commitment to mobilize the necessary resources to ensure that the ILO is equipped to provide Member States and employers’ and workers’ organizations with the necessary support and assistance.
2. Regular evaluation and impact assessment of the strategy.
3. Enhanced efforts to better communicate the ILO’s engagement on decent work in supply chains.
4. Strengthen coordination in the ILO’s work and research on supply chains – in the field as well as at headquarters.