

**FOR INFORMATION**

SECOND ITEM ON THE AGENDA

Updates on corporate social responsibility (CSR)-related activities**(b) Within other organizations****United Nations Human Rights Council**

1. In September 2006, Mr John Ruggie, the Special Representative of the Secretary-General on the issue of human rights and transnational corporations (TNCs) and other business enterprises, presented his interim report during the Second Session of the Human Rights Council.¹ Mr Ruggie did not address all the points raised in his report but stressed that his mandate touches on foundational questions in the evolution of modern international law and governance. The Special Representative drew attention to his methods and plan of work. In doing so he highlighted several regional multi-stakeholder consultations, site visits he conducted, legal workshops in cooperation with civil society, and ongoing research. In concluding his presentation he asked for an extension for his final report and provided a preview of what to expect in that report. The report will include a thorough analysis of state responsibility in connection to TNCs, a mapping of emerging legal standards for direct and indirect corporate liability for “grave breaches” of international human rights law as well as a framework to clarify standards in other areas. Mr Ruggie also plans to provide a better understanding of what rights companies themselves recognize.

Organisation for Economic Co-operation and Development (OECD)

2. In December 2006, the New Partnership for Africa’s Development (NEPAD)–OECD Roundtable was held in Brazzaville, Congo. This roundtable focused on African countries where progress has been made in reforming the investment environment in line with regional development goals. How to make the most of peer learning methods within the context of the African Peer Review Mechanisms (APRM) process was the main thrust of

¹ A copy of the speech is available in the room.

this roundtable and is one of the central elements of the joint action plan by NEPAD and OECD for implementing the Africa Investment Initiative.

3. On 8 June 2006, the OECD Council adopted the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones. The tool aims to help companies that face risks and ethical dilemmas in weak governance zones where governments are unwilling or unable to assume their responsibilities.

Global Compact

4. In September 2006, the fourth Local Networks Forum took place in Barcelona and was attended by around 180 delegates representing over 60 emerging and existing Global Compact networks around the world. The next Global Compact Leaders Summit was officially announced and will take place in Geneva on 5–6 July 2007.
5. In October 2006, the Global Compact Policy Dialogue on Combating Discrimination and Promoting Equality for Decent Work took place in London. A joint effort of the ILO and the United Nations Global Compact Office, the Policy Dialogue attracted the attention of several multinational enterprises as well as influential policy-makers. The United Kingdom Prime Minister, Tony Blair, sent a special message. Representatives of the International Organisation of Employers (IOE) and the International Confederation of Free Trade Unions (ICFTU) addressed a plenary session entitled “Discrimination is everybody’s business: A reality check in the world of work”. As a follow-up to the event, a review group, which includes the IOE and ITUC, is working together on a publication called “Valuing diversity”, a directory of good practice examples in the area of discrimination and equal opportunities at the workplace.
6. In his address to the New York business community at the January 2007 event hosted by the UNA–USA Business Council for the United Nations and the Association for a Better New York, the new UN Secretary-General Ban Ki-moon confirmed the United Nations’ commitment to engage with non-state actors in order to bring about a “prosperous, more secure and peaceful world and deemed the Global Compact as central to the UN’s engagement with the private sector”.

International Organization of Standardization (ISO)

7. The fourth meeting of the ISO Working Group on Social Responsibility met from 29 January to 2 February 2007 in Sydney, Australia. The focus of the meeting was how to take forward work on the draft standard on social responsibility in the form of a guidance document. Although elements of a second working draft had been assembled following the Lisbon meeting in April 2006, there was consensus that the draft was weak and the process needed to change if the Working Group hoped to produce an adequate text.
8. It was acknowledged that the second draft suffered from a lack of consensus within the Working Group on a number of key issues that needed to be addressed before further drafting took place. The Sydney meeting began with a focus on those key issues, many of which were resolved but a few of which were not.
9. The outcomes of the discussions in Sydney will be used in developing the third working draft, which will continue to be developed by three separate task groups. The bulk of the drafting will need to take place in the task group on core social responsibility issues, which include: human rights, labour practices, governance, fair business practices, consumer

issues, community and environment. In a change from the previous draft, it was agreed that the text on these core issues should also contain guidance on issue-specific principles and implementation to augment the general sections on principles and implementation being written by the other two task groups.

10. Another key change was the development of a clear drafting plan for the third working draft, which will allow participants, particularly from developing countries and under-represented stakeholder groups, to plan in advance for when their mirror committee (country level) meetings will take place. This will hopefully enable more participants to submit comments. Although this is a multi-stakeholder process, the representatives of the stakeholder categories only have an advisory role. It has been suggested that this might be changed to give the representatives a more formal role in the process.
11. The next meeting will be held in Vienna, Austria, on 4–8 November 2007. Normally the Working Group meets every six months, but it was decided to push back the next meeting to allow more time for non-English speaking participants to review and comment on the translated versions of the draft. The overall timetable for the project was also revised and the new target completion date set as December 2009. This plan will be reviewed at the Vienna meeting to assess whether further working drafts are needed and thus whether additional time will be required. There are currently translation task forces for Chinese, French, Spanish, Russian and Arabic.

European Commission

12. In December 2006, the European Commission held a review meeting of the European Multi-stakeholder Forum on Corporate Social Responsibility. The purpose of the gathering was to review the implementation of the recommendations made in the European Commission's Forum report in 2004 and to look into possible joint initiatives in the future. The meeting was attended by ILO representatives and also included individuals from employers' organizations, business networks, trade unions, academic institutions, international organizations and European Member State governments.

World Bank ²

13. As earlier reported, the World Bank group's private sector lending arm, the International Finance Corporation (IFC), has had a requirement since May 2006 that its loans will require respect for performance standards based on ILO core human rights standards and others, such as safety and health. On 12 December 2006, World Bank President Paul Wolfowitz met with representatives of the International Trade Union Confederation (ITUC) and other unions to discuss the extent to which the World Bank's own operations should follow similar requirements. This is a subject of renewed discussions with the Office, but no firm rules are yet in view. On the other hand, it has been announced that requirements for direct procurement of goods and services by the World Bank are to be amended in the next few months to require respect for all the ILO's core standards, going beyond present requirements which refer only to discrimination and child labour. The Committee will be kept informed of developments.

² This is a significant development for contracting enterprises in relation to certain provisions of the MNE Declaration.

European Bank for Reconstruction and Development

14. The European Bank for Reconstruction and Development (EBRD) is revising its Environmental Policy to upgrade the social components in line with good international practice. In December 2006 the ILO hosted a meeting in which EBRD consulted with ILO staff from various departments, as well as representatives of the Bureau for Employers' Activities, the Bureau for Workers' Activities, the IOE, the Building and Wood Workers International, and the ITUC.

Geneva, 16 February 2007.

Submitted for information.