

## RESPONSIBLE SUPPLY CHAINS IN ASIA

### ACTION FACT SHEET

#### Project Overview

International investment and trade contribute to global supply chains, with various stages of production spread widely across the world.

"Responsible Supply Chains in Asia" is a project developed by the European Union together with the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD). The project will **promote corporate social responsibility (CSR) / responsible business conduct (RBC)** with regard to the **environment, decent work** and the **respect of human rights**.

This initiative is a part of the EU's **long-standing commitment** to promote human rights, decent work and sustainable development, a pledge underpinned by the EU Treaties and reinforced in the European Commission's trade policy strategy of 2015 "*Trade for All*". It falls in particular under the Commission's commitment to *identify opportunities for responsible supply chain partnerships* and the *EU's strategic approach to responsible business conduct*, which is based on internationally agreed principles and guidelines. It will also contribute to the EU strategic approach to CSR/RBC as put forward in the Commission 2011 Communication "A renewed EU strategy 2011-14 for Corporate Social Responsibility."<sup>1</sup>

#### Institutional Framework

The project is being developed by the EU, in collaboration with the ILO and OECD. This is the first time these three organisations join forces to promote responsible supply chains on such a large scale. The EU will indirectly manage the project to forge bilateral and multilateral partnerships and to promote EU and the international principles and approach to responsible business conduct. The ILO and OECD will be the main actors for the implementation of the activities devised under the project. Each organisation will contribute to the project with its mandate, instruments, and expertise.

#### ILO

The ILO is the specialised agency of the United Nations whose work involves adopting international labour standards and providing policy guidance, capacity building and technical assistance to governments, employers and workers in its 187 member States on employment

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<sup>1</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52011DC0681>

and labour issues. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) is the only ILO instrument that directly addresses enterprises as well as governments and social partners, and forms the basis for ILO's work on CSR. The ILO has an extensive portfolio of technical cooperation projects on decent work in global supply chains, especially in the Asia region, bringing together enterprises, government and social partners for implementing sustained change, along with enhanced social dialogue and industrial relations at the enterprise, sectoral, and country levels.

This project will draw on this extensive experience and also contribute to the ILO's programme on decent work and global supply chains. Furthermore, it will foster synergies with ongoing ILO-supported assistance in the countries as part of the Decent Work Country Programmes in areas such as labour administration/labour inspection, occupational safety and health, labour law, fundamental principles and rights at work, working conditions and industrial relations.

### OECD

The OECD mission is to promote policies that will improve the economic and social well-being of people around the world. The OECD's current work focuses on restoring confidence in markets and the institutions that make them function; re-establishing healthy public finances as a basis for future sustainable economic growth; fostering new sources of growth through innovation, environmentally friendly 'green growth' strategies and the development of emerging economies; and ensuring that people of all ages can develop the skills to work productively and satisfyingly in the jobs of tomorrow.

This project builds on the OECD's extensive work on promoting and enabling responsible business conduct. The OECD's contribution will focus on key areas of corporate responsibility covered by the OECD Guidelines for Multinational Enterprises, including human rights, environment, and labour. The project will also draw on the OECD Policy Framework for Investment and the OECD guidances on due diligence in various sectors, including minerals, extractives, agriculture, garment and footwear, and financial sectors.

### **Geographical Focus**

The project will be implemented in partnership with six Asian countries, namely **China, Japan, Myanmar, the Philippines, Thailand** and **Vietnam**. These countries are key **trading partners of the EU**. Many imported goods and services in the EU originate from these countries and businesses in the EU and Asia have increasing strong linkages

These countries have also expressed their interest in initiating or continuing cooperation with the ILO, the OECD and the EU on responsible supply chains, for instance in their bilateral trade and investment talks with Europe. This project offers a practical framework for such cooperation to foster tangible progress on inclusive growth and sustainable development.

## **Implementation**

To ensure high impact and appropriate focus, the project will focus on **2-3 key target sectors per country**. The Action will be implemented in cooperation with relevant local and international stakeholders.

The overarching objective is to promote smart, sustainable and inclusive growth by ensuring that investors and businesses have a better understanding and practical examples of responsible behaviour. It is also to create policy environments conducive to promoting responsible conduct and increased opportunities for dialogue. To achieve these objectives, the proposed activities will raise awareness and build capacity on international standards and approaches in relation to CSR/RBC. It will conduct research and disseminate best practices among public authorities, European and Asian business, trade unions and other relevant stakeholders, including NGOs. The project will also foster multi-stakeholder partnerships and ensure coordination with existing policy initiatives and activities in the countries and the region for maximum effectiveness.

## **Timeframe**

The Action will be executed over a period of **36 months**, including an inception phase. It will be launched in 2018.

## **Financing**

The total budget is €9.5 million, out of which €9 million is committed from the EU Partnership Instrument under Objective 2: "Promoting the external dimension of Europe 2020<sup>2</sup>."

*For more information, please refer to the "Action Fiche", available [here](#).*<sup>3</sup>

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<sup>2</sup> The Europe 2020 strategy is about delivering growth that is: smart, through more effective investments in education, research and innovation; sustainable, thanks to a decisive move towards a low-carbon economy; and inclusive, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate/energy. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

<sup>3</sup>[http://ec.europa.eu/dgs/fpi/documents/2016-aap/20160527\\_1\\_a7\\_-\\_c\\_2016\\_2989\\_f1\\_annex\\_en\\_v1\\_p1\\_850179\\_en.pdf](http://ec.europa.eu/dgs/fpi/documents/2016-aap/20160527_1_a7_-_c_2016_2989_f1_annex_en_v1_p1_850179_en.pdf)