



## FOR INFORMATION

### THIRD ITEM ON THE AGENDA

## **Key events to promote the MNE Declaration and update on relevant CSR-related activities within the Office and in other international organizations and initiatives**

### **Introduction**

1. This paper contains an update on events and activities to promote the MNE Declaration and CSR-related activities within the ILO, including those undertaken by the International Training Centre of the ILO (Turin Centre), and within other organizations and initiatives.

### **ILO activities**

2. Work on corporate social responsibility (CSR) is guided by the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). In the period since the last Governing Body sessions it included the following activities:
  - Collaboration with the United Nations Global Compact, especially at the country level. The Global Compact labour working group *Guide for business*<sup>1</sup> is being translated into multiple languages and widely disseminated. The Office will continue to ensure that a consistent approach is followed in the realization of the labour principles of the Global Compact.
  - Partnerships with other international organizations such as the Organisation for Economic Co-operation and Development (OECD) and the Association of Southeast Asian Nations (ASEAN) were enhanced. The Office will continue to work closely with other intergovernmental organizations and institutions to increase awareness of the MNE Declaration, promote a shared understanding of its principles, learn from their experiences and extend the ILO's reach.
  - Engagement in CSR-related activities continued to be most substantial in countries where the ILO has large-scale technical cooperation programmes, especially those

<sup>1</sup> ILO: *The labour principles of the United Nations Global Compact: A guide for business*, Geneva, 2008.

that interact with the private sector, including multinational enterprises and their suppliers.

- Requests increased for information and tools in dealing with issues that stem from the crisis. For instance, in Asia the crisis and the role that social dialogue can play in mitigating its effects currently drive the work relating to the MNE Declaration. In the context of the Global Jobs Pact, the Office will make available its technical expertise in socially responsible economic restructuring.

## Employment

3. The Global Jobs Pact highlights the MNE Declaration as an important and useful tool for responding to the crisis in a socially responsible manner.<sup>2</sup> In this context, the ILO is supporting national seminars, funded by the European Commission, in all 27 European Union Member States on anticipating and managing restructuring at the national, regional, and local levels, and across specific economic sectors. These seminars disseminate lessons learned from existing and new measures to limit and avoid job losses and support enterprises in retaining their workforce through social dialogue and collective bargaining.
4. As part of the programme on “Productive and decent work for youth in Mano River Union countries,” the ILO and United Nations Industrial Development Organization (UNIDO) are undertaking an action-oriented study in Liberia, Guinea, Sierra Leone and Cote d’Ivoire. It aims to contribute towards maximizing local job creation for youth in multinational enterprises and in the leading economic sectors. The MNE Declaration is promoted as part of the country-level activities.
5. In Serbia, the Office is working with the social partners to increase their capacity to participate in awareness-raising and advocacy work on CSR initiatives concerning employment of persons with disabilities. This involves the dissemination of good practices.

## Conditions of work and life

6. In Mozambique and the United Republic of Tanzania, the “Work Improvements in Small Enterprises” (WISE) programme has been adapted to small and medium-sized enterprises (SMEs) in the hotel and restaurant sector.
7. The Office is promoting the *Guidelines on occupational safety and health management systems* in Brazil, the European Union, Japan, Kazakhstan, Mongolia, Philippines, Russian Federation, Singapore, Sweden, Tajikistan, Thailand and Uzbekistan. It also helps build capacity of enterprises, workers and governments on chemical handling safety and hazard classification and communication.
8. The Office also conducted training on occupational safety and health management for enterprises, including multinational enterprises, in 11 countries of the Commonwealth of Independent States. Training sessions included risk assessment and emphasized the benefits of good working conditions and social dialogue. Training of trainers sessions for constituents were organized in Armenia, Kazakhstan, Kyrgyzstan, Russian Federation, Ukraine and Uzbekistan and more are planned for the Russia Federation (Siberia and Far East), Republic of Moldova and Tajikistan.

<sup>2</sup> ILO: *Recovering from the crisis: A Global Jobs Pact*, Geneva, 2009, paragraph 14(3).

9. The information contained in two recent ILO publications can help companies integrate the principles of the MNE Declaration in their operations. *Workplace solutions for childcare* provides an overview of diverse workplace initiatives, and examines policies and facilities for childcare and the implications for working parents; and the *Update of the Global Wage Report, 2009* provides wage indicators and a policy review.
10. The Office conducted, with the Global Compact and the UN Global Initiative to Fight Human Trafficking, the joint survey *Human trafficking: Everybody's business*. The handbook for employers on forced labour was translated into Chinese and Spanish, and a Japanese version of the executive summary is forthcoming. A workshop was organized in China on the role of business in the fight against forced labour.
11. In Bangladesh, the Office supported the launch of the "Smart Business Initiative Alliance" of the national employers' federation to demonstrate sustainable replicable models for eliminating child labour and promoting hazard-free working conditions. In South Africa, the ILO and the International Federation of Association Football (FIFA) organized a forum to share good practices and lessons learned from the football stitching industry in Pakistan. In Indonesia, the Office developed a tool on rapid assessment of CSR policies and their application towards eliminating child labour. In Latin America, it is supporting the Argentinian Network of Enterprises against Child Labour, comprised of major multinational enterprises. In Argentina, Chile, Paraguay and Uruguay, the ILO, national employers' organizations and enterprises are engaged in action programmes to combat child labour in the context of CSR. The Office also promoted the MNE Declaration in events on the role of business in addressing child labour in the Philippines, United Kingdom, United Republic of Tanzania and United States.

## Industrial relations

12. A research project is assessing the effectiveness of international framework agreements for promoting sound industrial relations and good working conditions at enterprise and national levels. The project focuses mainly on the construction, food, services, energy, and automotive sectors. It includes a one-day workshop with academic experts and practitioners.
13. Another research project aims at identifying good practices regarding the contribution of CSR initiatives to promoting workers' socio-economic rights in export processing zones in South Africa and Indonesia. It analyses in particular whether CSR practices fill in possible gaps in regulation.
14. The Better Work and Better Factories Cambodia programmes developed a training package on planning and implementing transitions in line with internationally accepted good practices. The package is currently used to address the negative impact of the crisis on the Cambodian garment industry. Better Work activities Cambodia are fully operational in Jordan, Haiti, Viet Nam, while implementation in Indonesia, Lesotho, Nicaragua and Morocco should start in 2010. As part of its diversification strategy Better Work is investigating the possibility to extend to other sectors including electronics, tourism and ship-breaking.
15. The Office, through the Bureau for Workers' Activities, is increasingly focusing on global supply chains in its activities. The Asia and Pacific Conference on Right to Form Unions and Right to Collective Bargaining: A Campaign for Ratification and Implementation of ILO Conventions 87 and 98 (May 2009) included a discussion on supply chains. It addressed the absence of freedom of association and the need for legislation based on Conventions Nos 87 and 98, and for implementation of the Employment Relationship

Recommendation, 2006 (No. 198), as well as other international labour standards and instruments enshrined in the MNE Declaration. A training course on the international economic crisis included a panel on “Instruments for trade union action in relation to MNEs”, where the MNE Declaration was used to develop further strategies. The Bureau will also produce new training and information material on the MNE Declaration and its links with the Social Justice Declaration and the Global Jobs Pact.

16. The Bureau for Workers’ Activities further took part in the meeting of the Trade Union Advisory Committee to discuss the OECD Guidelines review process starting in 2010, particularly how to improve the performance of national contact points and using the review to strengthen and make content and procedures more uniform. Participants welcomed the renewed ILO and OECD commitments to collaborate, in particular ILO support to build the capacity of the contact points to deal with labour issues.
17. In Africa, the ILO and FTF Denmark co-sponsored an ITUC meeting on CSR for South African trade unions.
18. The Office, through the Bureau for Employers’ Activities, carried out training sessions on collective bargaining in Cambodia, China, Mongolia, and Viet Nam.
19. In the Arab States, the ILO collaborates with UNDP and the Global Compact in Syria on inclusive growth through enhancing civic engagement, drawing on the MNE Declaration as a foundation for good CSR policy and practice.

### **General promotion of the MNE Declaration**

20. In Africa, the Office through the Bureau for Employers’ Activities, provided technical assistance in relation to the development of a code of conduct to promote corporate governance amongst Zambian employers, using the principles in the MNE Declaration. Similarly, the Office has been providing technical assistance in relation to the “Proposed Code of Conduct for South African Companies Operating in Zimbabwe”.
21. The Office, in dialogue with the Norwegian embassy in Lusaka, is preparing a document, based on principles of the MNE Declaration, to be circulated among prospective investors and Norwegian companies interested in doing business in Zambia.
22. In Latin America, the ILO organized MultiForum Cono Sur 2009.<sup>3</sup> In Argentina, the Office contributed information to *CSR and decent work in Argentina: Context, challenges, and opportunities*, published by the Ministry of Labour, Employment and Social Security. It also contributed resource persons to Global Compact/UNDP workshops in the region.
23. In Asia, a workshop for labour inspectors in China highlighted the MNE Declaration. A seminar in Japan examined how labour standards could contribute to enterprise improvement. In Indonesia, the ILO partners with ASEAN on promoting CSR in small and medium-sized enterprises.
24. In Viet Nam, ILO, UNIDO and the United Nations Development Programme (UNDP) are jointly presenting a “One UN” approach to CSR, which promotes the MNE Declaration as the main guiding document for addressing labour issues in businesses.

<sup>3</sup> See GB.306/MNE/1.

25. The ILO is also organizing an Asian regional CSR conference with the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) and OECD to promote better understanding of relevant international instruments, particularly the MNE Declaration. The Office supported Global Compact events in Indonesia, Japan and Pakistan to build capacity of the social partners and raise awareness of core ILO Conventions.
26. In the Arab States, the ILO and UNDP established a Global Compact network in Jordan and the Office presented a study on labour rights and principles at a national workshop to member companies. In the United Arab Emirates, a seminar on labour and human rights introduced the MNE Declaration as a tool for CSR. Similar events are planned for Oman and Bahrain.

## Training

27. The Turin Centre developed and delivered a course for ILO staff on supporting constituents and addressing companies in making the principles of the MNE Declaration operational. It was also an opportunity to introduce the Help Desk. Resource persons included representatives of the social partners. Feedback was positive, and requests have been received to offer the course in other languages and provide more technical guidance on interpretation and implementation of the provisions of the MNE Declaration.
28. In line with previous requests by the Subcommittee, in October 2009 the Turin Centre, in consultation with the relevant headquarters' units, will offer the course "Implementing core labour principles in global supply chains – A training course for social auditors" to enhance the capacity of third-party and in-house auditors to use international labour standards and the MNE Declaration in assessing compliance with labour principles.
29. The Turin Centre is exploring new opportunities in the area of CSR, including seeking funding to stabilize the project's financial resources.

## Activities of other international organizations and initiatives

30. At the request of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, in July 2009 the United Nations Conference on Trade and Development (UNCTAD) hosted a meeting on the financial crisis and its implications for the international financial reporting architecture and financial stability. The meeting focused on the implications of the crisis for corporate financial reporting.
31. In June 2009, the European Commission hosted the Conference on Corporate Social Responsibility in Times of Crisis to exchange experiences among representatives of business, public authorities, non-governmental organizations, and trade unions from the Balkan States, as well as from other regions.
32. The United Nations Research Institute for Social Development (UNRISD) will host a conference on 12–13 November 2009 in Geneva to better understand the social and political dimensions of the current crisis as well as subsequent policy and institutional reforms and their implications for developing countries.
33. The Global Compact launched GCLead, a leadership and peer-to-peer learning platform for signatories, and co-organized two web-based seminars – Responsible practices in the downturn (May 2009) and Responsible restructuring and preparing for future recovery

(June 2009). It also co-sponsored the Global Forum 2009 Business as an Agent of World Benefit (June 2009) to explore ways that sustainability and design can create business value and enhance management education.

34. In April 2009, the International Finance Corporation (IFC) convened a workshop to preview the *Planning and Financial Valuation Model for Sustainability Investments* in the oil, gas and mining sector, in line with efforts to preserve the growing global expectation that large-scale investments by the extractive industries will bring broad-based benefits to local communities through sustainable development and community relations initiatives.
35. The ASEAN Foundation and League of Corporate Foundations, Philippines organized the ASEAN-EUROPE CSR Exchange, a one-day roundtable conference in July 2009 that gathered CSR practitioners and advocates from both regions to share best practices and discuss the establishment of a regional network.
36. During the conference Reset Economy. Reset World (October 2009), Business for Social Responsibility examined current trends and developments confronting companies; the sharp worldwide recession, accelerating climate change, and a collapse of trust in business. The Office presented its decent work responses and an update on the Global Jobs Pact.

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*Submitted for information.*