



FOR INFORMATION

SECOND ITEM ON THE AGENDA

**Update on corporate social responsibility
(CSR)-related activities**

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

(a) Within the ILO

Knowledge development

2. The Office aims to develop the ILO knowledge base on CSR, to support dialogue among ILO constituents, and to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) as the foundation for good CSR policy and practice. This involves undertaking research, collecting good practices, and analysing the relationship between voluntary private initiatives and public labour regulation. Office activities in this area which have not been previously reported include the following:
 - The Cairo Subregional Office, the Country Employment Policies Unit and the Sectoral Activities Branch, in close collaboration with the Bureaux for Employers' and Workers' Activities are implementing a project in Morocco, entitled "Tra De Maroc". The project aims to improve competitiveness of the textile and clothing sector through decent work. It focuses on developing a sustainable dialogue at sectoral and factory levels. The approach will be extended to other sectors as part of the Decent Work Country Programme for Morocco.
 - The Skills and Employability Department has assisted the China Enterprise Confederation (CEC) in compiling case studies on good practices in employment of people with disabilities. It also assisted the Korea Employment Promotion Agency for the Disabled in preparing an international edition of *True Company: Large Korean Enterprises and the Employment Promotion Agreement for Persons with Disabilities* (published in May 2008).
 - The International Programme for the Elimination of Child Labour (IPEC) is implementing the "On the Right Lane" programme, which aims to combat

commercial sexual exploitation on Brazilian highways. Education materials have been developed for transport companies to train truck drivers, and a data bank is being established for monitoring, evaluation and collection of good practices.

- The Sectoral Activities Branch will be publishing a book entitled: “Corporate Social Responsibility and Urban Development – Lessons from the South” in December 2008. It seeks to raise awareness amongst academics and practitioners about the value of CSR, focusing on the relations between private companies and low-income communities.

Tripartite and expert meetings

3. The Office organizes tripartite and expert meetings to facilitate dialogue, clarify issues and share views on what constitutes good CSR practice. New activities in this area include:
 - IPEC and the Bureau for Employers’ Activities together with the International Organisation of Employers, organized a subregional workshop under the title “Business against child labour: Tools for action” in Argentina (October 2008). Key objectives included strengthening the capacities of employers’ organizations and promoting a subregional exchange of information on good business practices against child labour, including in the supply chain.
 - IPEC also organized a tripartite workshop in Argentina to develop a municipal plan of action to combat child labour in dump yards. Participants included employers’ organizations, Fundación Telefónica and the Industrial Union of Avellaneda (July 2008). For the Third World Congress against Sexual Exploitation of Children and Adolescents, IPEC also participated in the thematic preparatory meeting on CSR and the Role of the Private Sector in combating Commercial Sexual Exploitation (September 2008).
 - The ILO Office in Jakarta participated in an international CSR conference entitled “Where Responsibility meets Bottom Line” in Malaysia (July 2008), which served to raise awareness among participants of ILO instruments in the area of CSR, in particular the MNE Declaration; and to provide technical support for a CSR programme in Indonesia.
 - The ILO, the Secretariat of the Association of Southeast Asian Nations (ASEAN) and the Government of Singapore co-sponsored a workshop on core labour standards in Singapore (September 2008). One of the topics was “Corporate social responsibility initiatives based on ILO core labour standards”.

Promotional activities and technical advisory services

4. The Office seeks to advance the ILO’s leadership in the area of CSR by promoting the principles laid down in the MNE Declaration as the foundation for good CSR policy and practice through the following types of activities: training, provision of technical advisory services and dialogue with other organizations and initiatives. New activities in this area include :
 - Participation in the “MFA Forum Strategy and Planning Meeting” and the Executive Committee Meeting in New York (September 2008). Representatives of trade unions, NGOs, multi-stakeholder initiatives and companies, as well as the Governments of Lesotho and the United States, also participated. The ILO’s role is based on the

guidance given by the Governing Body in March 2006.¹ The Forum's working groups discussed activities in Lesotho, the Americas, Bangladesh and Morocco, and the cross-cutting themes of purchasing practices and responsible transitions. An ILO presentation addressed the Forum's framework for competitiveness in terms of ILO instruments and social dialogue.

- IPEC provided extensive technical support to the Second International Coordination Meeting for the Prevention and Eradication of Child Labour (September 2008). Over 600 participants from the private sector, international organizations and NGOs gathered to exchange experiences and strengthen coordination in combating child labour in Latin America. It also participated in the World Export Development Forum sponsored by the International Trade Centre and engaged private enterprises globally to contribute to World Day Against Child Labour activities.
- The Skills and Employability Department provided technical advice to raise funds for and increase the capacity of the Employers' Forum on Disability in Sri Lanka, established by the Employers' Federation of Ceylon.
- The Social Dialogue, Labour Law and Labour Administration Branch continued to implement the Better Factories Cambodia (BFC) project and the global Better Work programme. The BFC is bringing industry partners together around common industry promotion. A BFC travelling exhibition kit has been developed for international buyers and other interested partners to showcase the common efforts on responsible production and to provide a glimpse of different aspects of the garment industry in Cambodia. The project's sustainability strategy is being revised in view of the project extension until the end of 2010. The project plans to upgrade the current information management system in partnership with the IFC, through the Better Work programme. This way the BFC project will be able to align itself technically and institutionally with the Better Work programme in order to secure access to best available industry information, practices and tools on improvement of industry labour standards.
- The Better Work programme has launched projects in the apparel sectors in Jordan and in Viet Nam. Preparatory work for the development of the projects started in Haiti and East Africa. A modular training programme, a knowledge management platform and good practice sheets were completed. The development of other tools is expected to be completed in early 2009. These include STAR (Supply chain Tracking of Assessment and Remediation); enterprise assessment tools; global monitoring and evaluation framework; and other materials that support country projects and contribute to improving labour standards in supply chains more broadly. A development team has been established as part of the programme in Viet Nam that will develop supervisor training, training of trainers for partners and training for enterprise advisers. The programme is also assessing the possibilities of a project in Indonesia.
- The Subregional Office in New Delhi provides technical advisory services and holds meetings with companies and initiatives, including the Brands Ethics Working Group – India. The Office also collaborates with UNIDO in a project that aims to improve competitiveness of micro-, small and medium enterprises in a socially responsible way. A survey on social responsibility is under way. In Bangladesh, the Office participated in a round table meeting organized by USAID to discuss the situation in the shrimp farming and processing sector. Follow-up will focus on child labour.

¹ GB.295/STM/3/1 and GB.295/13(Rev.).

International Training Centre of the ILO

5. Between March and September 2008, activities implemented within the framework of the Centre's Training Initiative on CSR included courses on "Sustainable Business Development and CSR" (China, April 2008), and the "ILO Enterprise Academy on Sustainable Enterprise Development" (Turin, September 2008). In both cases, the training package "The Labour Dimension of CSR: From principles to practice" developed by the project "Sustainable Development through the Global Compact" was used as the main resource.
6. In close consultation with the Multinational Enterprises Programme, the Bureaux for Employers' and Workers' Activities and the social partners, the Turin Centre has also been developing two curricula and related materials for courses planned for the last quarter of 2008 using its broad database of reference documents and case studies. One course targets ILO staff under the title "Multinational Enterprises and Decent Work: Promoting the MNE Declaration". The other course on "Business and Decent Work: The Labour Dimension of CSR" is intended for ILO tripartite constituents and enterprise staff.
7. The objectives and content of the courses are in line with the requests formulated by the Subcommittee, which identified and endorsed the need to provide training to ILO staff and constituents and their members on how to give practical effect to the principles of the MNE Declaration to build their capacity to promote this instrument.
8. The Subcommittee also identified the need to train social auditors to ensure that the interpretation of the MNE Declaration is consistent with ILO principles. The Turin Centre is interested in hosting a brainstorming session that would bring together the social partners and other actors (public and private sector representatives) to debate social monitoring and auditing issues and determine what kind of training would be appropriate for the Centre to undertake. The Centre has discussed the idea with the Office units concerned, and a draft outline for the brainstorming session is available. The session would take place at the beginning of 2009.
9. The Centre further finalized a stocktaking exercise on existing research and practices in the CSR area, including information on the demand and offer of training services. The exercise served to assess and define further target groups and training subjects for the coming years. Subjects include the interaction between public policy and CSR practices and improving governance through multi-stakeholder arrangements.

(b) Within other organizations

United Nations Research Institute for Social Development (UNRISD)

10. The UNRISD published a paper entitled "Achieving Development through Corporate Social Responsibility? The Problem of Policy Incoherence". The paper examines why many are viewing CSR as a new approach to development and governance that balances social, environmental and economic objectives. The paper suggests that the development impact of many CSR efforts is limited since private actors do not deal with "macro" issues.²

² <http://www.unrisd.org>.

United Nations Conference on Trade and Development (UNCTAD)

11. The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), established by the UN Economic and Social Council,³ will hold its 25th anniversary session in November 2008. Activities will include a high-level roundtable and a panel discussion to discuss practical implementation issues of International Financial Reporting Standards (IFRS), review country case studies and share good practices.

United Nations

12. In June 2008, the Human Rights Council adopted a resolution extending the mandate of the Special Representative of the Secretary-General (SRSG) on business and human rights, for three years. The SRSG will identify, exchange and promote best practices and lessons learned on the issue of transnational corporations and other business enterprises, in coordination with the efforts of the human rights working group of the Global Compact.
13. The Global Compact and the Institute of Management of Humboldt University hosted the third International CSR Conference (Berlin, October 2008). The conference focus was on “Corporate Responsibility and Governance” – the mechanisms, institutions and regulations with which different actors discuss and decide on global issues.

International Organization for Standardization (ISO)

14. The update concerning the development of ISO 26000 on Social Responsibility can be found in GB.303/MNE/1.

European Commission (EC)

15. A High-Level Group of National Representatives on CSR met in March 2008 in Brussels to discuss current issues and initiatives dealing with CSR. Topics included transparency and public initiatives; sustainable development, consumption and production; how to best manage CSR supply chains; and socially responsible investment in EU member states.⁴

Organization of American States (OAS)

16. The OAS held its first Regional Seminar on CSR in the Caribbean in September 2007 in Port of Spain. This event was co-sponsored by The Young Americas Business Trust (YABT) and the Executive Secretariat for Integral Development (SEDI). The seminar focused on small- and medium-sized enterprises.⁵

³ ECOSOC res. 1982/67, ISAR reports to UNCTAD’s Commission on Investment, Technology and Related Financial Issues.

⁴ http://ec.europa.eu/employment_social/soc-dial/csr/hlg_meetings.htm.

⁵ http://www.c-cao.org/pdf/OAS_07CorpSocRespConf.pdf.

Association of Southeast Asian Nations (ASEAN)

17. The seventh annual conference on CSR hosted by the ASEAN Foundation and the League of Corporate Foundations was held in July 2008 in Manila. It examined patterns of CSR practices among developed economies versus developing economies.⁶

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Submitted for information.

⁶ www.aseanfoundation.org/documents/ed/CSR_in_ASEAN_presentation.ppt.