

**FOR DEBATE AND GUIDANCE**

FIRST ITEM ON THE AGENDA

Update on strategic priorities for 2008–09**Introduction**

1. As requested by the Officers of the Subcommittee, this paper provides updated information on work undertaken by the Office with regard to the strategic priorities for 2008–09¹ endorsed by the Governing Body.² It also includes consideration of how the strategic priorities could be reshaped in light of the current global economic and financial crisis and of the ILO Declaration on Social Justice for a Fair Globalization (the Social Justice Declaration).

Update on strategic priorities**Establish and operationalize a helpdesk to provide expert advice on the realization of international labour standards and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy**

2. The helpdesk³ has developed a set of materials concerning international labour standards and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the MNE Declaration). They are based on background research, technical inputs from the expert team supporting the helpdesk as well as extensive input from employers' and workers' representatives. The materials are designed to reduce the time pressure put on members of the expert team and reflect the importance of a consensus approach. At the same time they will enable the helpdesk to reply quickly to particular questions and cope with greater demand for its services when fully operational. The materials will serve as a key source when preparing tailored replies. Preparing replies to more complex questions however will continue to take time.

¹ GB.301/MNE/1.

² GB.301/12(Rev.), paras 16–22.

³ GB.301/MNE/2.

3. The Office is developing materials to create awareness of and promote the helpdesk. It is also in the final stages of developing a communications strategy concerning the MNE Declaration, which will include materials to introduce the instrument and explain how it can potentially help management and workers in companies, as well as employers' and workers' organizations. These materials are written in simple language and designed to appeal to the target users. The Office is exploring the use of press releases to financial, business and industry media, and will report to the Governing Body on the effectiveness of this approach. The Office has also integrated information about the helpdesk in training packages (particularly those conducted by the International Training Centre of the ILO in Turin (the Turin Centre)) and in presentations on the MNE Declaration.
4. During the pilot phase the helpdesk was able to respond in a timely manner, preparing responses with active involvement of the expert team. Feedback to date has been highly positive and the helpdesk has not encountered any problems. Based on the success of the pilot phase the helpdesk is expected to become fully operational in March 2009.

Undertake field testing of an alternative modality to evaluate the effect given to the MNE Declaration

5. This item is addressed in GB.304/MNE/2.

Provide training on the implementation of the MNE Declaration, in close collaboration with the Turin Centre

6. As requested by the Subcommittee, the Office is providing technical inputs to the training activities of the Turin Centre. A three-day course entitled "The labour dimension of CSR: From principles to practice" was delivered in December 2008. The target audience was representatives of management and workers in companies, as well as of employers' and workers' organizations. Participants included representatives of companies and employers' organizations, of the International Trade Union Confederation (ITUC) and the International Organisation of Employers (IOE), as well as of some trade unions operating in specific sectors at the global level.
7. At the course, the MNE Declaration was presented as the main point of reference and foundation for good corporate social responsibility (CSR) policies and practices. The training drew on the training package developed by the Italian-funded technical cooperation project "Sustainable Development through the Global Compact". Office experts on the different topics contributed their expertise. Evaluation results were positive and contained constructive suggestions to improve the course. Another training course, targeting Office staff, will be piloted in February 2009. For more information see GB.304/MNE/3. Further courses are planned as part of the Turin Centre programme.

Work closely with other intergovernmental organizations that may help raise awareness of the MNE Declaration

8. The Office continues to work closely with the Organisation for Economic Co-operation and Development (OECD), the International Organization for Standardization (ISO) and the UN Global Compact.

9. As a follow-up to the joint high-level conference on “Employment and Industrial Relations: Promoting Responsible Business Conduct in a Globalizing Economy” held in June 2008,⁴ the ILO and the OECD are discussing possible areas for further collaboration.
10. ISO is developing a guidance document on social responsibility (ISO 26000). The Working Group secretariat for ISO 26000 has sent a draft text to the national-level standards bodies for discussion by their multi-stakeholder mirror committees. The ILO retains the right to continue to submit comments on the draft. The draft text strongly endorses the MNE Declaration and international labour standards concerning employment promotion, respect for workers’ rights and many broader issues of economic and social development identified in the 2007 International Labour Conference (ILC) conclusions concerning the promotion of sustainable enterprises. The Working Group will meet in May 2009 in Quebec, Canada, to discuss how to deal with the comments received. Responsibility for integrating any changes will remain with the integrated drafting task force. The ILO, the IOE and the ITUC will continue to be active in the task force.
11. The UN Global Compact Labour Working Group, co-chaired by representatives of the IOE and the ITUC and supported by the Office, launched *The Labour Principles of the United Nations Global Compact: A Guide for Business* during its second meeting held in New York in December 2008. The publication aims to help companies understand and put the four labour principles of the UN Global Compact into practice. The Guide contains a brief description of each principle, an inventory of key ILO resources and indicates what companies could do to respect, promote and realize the principles. A special seminar will be organized on the occasion of the Global Compact Annual Local Networks Forum (Istanbul, June 2009) to promote the use of the Guide. The experiences in preparing this Guide could be applied to developing a guide on the MNE Declaration.
12. The 2007 ILC conclusions concerning the promotion of sustainable enterprises called on the Office to work with multilateral financial institutions involved in the promotion of sustainable enterprise development. A joint initiative by the Southern African Development Community (SADC) and the Nordic countries (Denmark, Finland, Norway and Sweden) has requested Office assistance to promote socially responsible investment in Zambia. The initiative promotes the development of the private sector in participating SADC countries through direct or indirect financing of small and medium-sized enterprises so that they can start or expand activities. The pilot project in Zambia will train financial institutions on the provisions of the MNE Declaration and how they can be integrated into investment decisions. It will also provide support to potential clients, using the Start and Improve Your Business and Expand Your Business programmes and the training package on the provisions of the MNE Declaration.

Promote the MNE Declaration at the country and regional levels

13. Promotion of the MNE Declaration is a key aspect of the work being undertaken in Ghana and Argentina, as part of the exercise to field test an alternative modality for evaluation of the effect given to the MNE Declaration. In addition, the Office is exploring a partnership with the Association of Southeast Asian Nations (ASEAN) secretariat and the OECD to organize a meeting to improve the understanding of international instruments in the area of CSR, including the MNE Declaration and the OECD *Guidelines on Multinational Enterprises*. The meeting would provide a forum to share information and views on the

⁴ GB.303/MNE/1, paras 9–10.

opportunities and challenges associated with CSR in small and medium-sized enterprises and how multinational enterprises can assist them in this regard.

Other ongoing activities

14. The Office continues to build its knowledge base by collecting good practices and undertaking research. Several working papers are being published in electronic form on the ILO web site. They cover such subjects as: voluntary social initiatives in fresh fruit and vegetable value chains; global agri-food chains: employment and social issues in fresh fruit and vegetables; the use of international labour standards in equity markets; the promotion of respect for workers' rights in the banking sector: current practice and future prospects; the impact of codes and standards on investment flows to developing countries; and international framework agreements and global social dialogue: lessons from the Daimler case.

Implications of the global financial crisis for the strategic priorities

15. The global financial crisis has prompted the Office to re-evaluate its priorities to ensure that it is supporting its constituents as effectively as possible.⁵ The crisis has put many businesses at greater risk of downsizing or closing; and many workers at greater risk of job insecurity and vulnerability.
16. The MNE Declaration provides guidance to enterprises considering changes in operations (including those resulting from mergers, takeovers, restructuring or transfers of production) which have major employment effects. The basis for such guidance is dialogue between multinational enterprises, appropriate government authorities, and workers' representatives and their organizations, as well as national employers' and workers' organizations, wherever appropriate.
17. The Office should articulate more clearly how the provisions of the MNE Declaration can serve as guidance and a starting point for tripartite-plus dialogue on how to address the consequences of the crisis. In this regard, the following steps could be taken:
 - integrate relevant issues concerning the financial and economic crisis into the upcoming training for ILO staff on the MNE Declaration being prepared jointly with the Turin Centre;
 - strengthen the Office capacity to respond to queries and requests specifically related to the impacts of the financial and economic crisis. This would include preparing internal frequently asked questions for the helpdesk focused on enterprise responses; and
 - develop a practical guide for governments, employers' and workers' organizations, and multinational enterprises to promote, in this time of financial and economic crisis, the "application of responsible and sustainable workplace practices at national, sectoral and enterprise levels ... [and] ... along their supply chains, including through

⁵ GB.304/ESP/2.

the use of the MNE Declaration”.⁶ Such a guide would be developed in consultation with the Bureaux for Employers’ and Workers’ Activities.

Implications of the Social Justice Declaration

18. It is also important to examine the implications of the Social Justice Declaration. It expresses the contemporary vision of the ILO’s mandate in the era of globalization, and in that context reaffirms in its preamble the particular relevance of the MNE Declaration. It includes a blueprint for follow-up “to address the means by which the Organization will assist the efforts of its Members to give effect to their commitment to pursue the four strategic objectives important to implementing the constitutional mandate ...”. It also calls for developing new partnerships with non-state entities and economic actors, such as multinational enterprises and trade unions operating at the global sectoral level, in order to enhance the effectiveness of ILO operational programmes and activities.
19. The MNE Declaration provides guidance to governments, workers’ and employers’ organizations, and multinational enterprises across the four strategic objectives and is thus highly relevant for implementing the Social Justice Declaration.
20. The Social Justice Declaration calls on the Organization to “review and adapt its institutional practices to enhance governance and capacity building” and “adjust priorities and programmes of action accordingly”. The Governing Body may wish to request the Office to prepare a detailed paper on this issue for discussion at a future sitting.

Geneva, 11 February 2009.

Submitted for debate and guidance.

⁶ ILO: *Conclusions concerning the promotion of sustainable enterprises*, ILC, 96th Session, Geneva, 2007, para. 24(4).