

**FOR DEBATE AND GUIDANCE**

## FIRST ITEM ON THE AGENDA

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

1. This paper provides updated information on work undertaken by the Office with regard to the strategic priorities for 2008–09 endorsed by the Governing Body <sup>1</sup> and in response to the global economic crisis.

**Help Desk to provide expert advice on the realization of international labour standards and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)**

2. As of 15 August 2009 the Help Desk had answered a total of 63 questions since its launch in March 2009. About 45 per cent of the answers were prepared after consulting the expert team and the rest on the basis of existing materials.
3. As shown in the table below, although two-thirds of users were based in Western Europe, the Help Desk received queries from each region.

**Users by region (in percentages)**

Region		Region	
Western Europe	67	Latin America	5
Eastern Europe	2	Middle East	4
Africa	5	North America	5
Asia	4	Unknown	8

<sup>1</sup> GB.301/MNE/1.

4. Among companies using the Help Desk, most management users were multinational brands managing supply chains; four were domestic producers; one was a supplier to a brand; and two multinationals were business-to-business operators.
5. Seventy-two per cent of questions concerned multinational enterprises; 14 per cent, small and medium-sized enterprises (SMEs); and 14 per cent were unspecified. Most queries were of a general or global nature as reflected in the table below.

#### Regions addressed (in percentages)

Region		Region	
Asia	10	Latin America	5
Africa	5	Middle East	4
Eastern Europe	4	Global or unspecified	72

6. There was a wide range of users, but most were companies.

#### Categories of users (in percentages)

Companies	69
Workers	5
Employers' organizations	4
Intergovernmental organizations	4
Governments (development agencies, national contact points for the OECD Guidelines, development banks)	8
Municipalities	2
Researchers	5
Multi-stakeholder or industry initiatives	7

7. Questions received related to the following sectors: agriculture; oil and gas; telecommunications; manufacturing; chemicals; retail; textiles; shipping; maritime; construction; and mining.
8. The questions covered a range of specific issues, including: child labour; forced labour; dismissals and collective bargaining; restructuring in response to the economic crisis; wages and collective bargaining; codes of conduct; decent work; non-discrimination; gender equality; workers' rights and conditions of work in plantations; freedom of association; workers' housing; employment and economic development; monitoring conditions in the supply chain; occupational safety and health; migrant workers; prison labour; and maternity protection. Some were more general and concerned, for instance, where international labour standards come from, how ILO defines exploitation and the difference between corporate social responsibility (CSR) and regulation.
9. On numerous occasions the initial reply was followed by other questions, leading to a dialogue with the user. Three users required the service more than once. In addition, the Help Desk is providing guidance on a regular basis to a company which is reviewing its whole CSR policy and to a government-sponsored multi-stakeholder initiative that is developing its policy.
10. Most questions were received in writing; 12 per cent were received by phone; and 5 per cent were in-person consultations (half-day or full-day). However, the demand for phone

and in-person consultations is growing, often as a follow-up to an initial email communication.

11. When appropriate, replies have been turned into information sheets for broader distribution. Topics include: the ILO approach to CSR; introduction to the MNE Declaration; responding to the economic crisis; elements of a sound industrial relations system; workers' housing; workers' rights and conditions of work on plantations; and non-discrimination. In some cases, these information sheets have stimulated companies' thinking and generated follow-up questions to the Help Desk.
12. In addition to answering questions, the Help Desk has undertaken a range of promotional activities. As suggested within the Subcommittee, the Office sent letters to the permanent missions of member States prior to the International Labour Conference, announcing the new service and inviting them to discuss with the social partners how best to promote it locally. A booth devoted to the Help Desk handed out information kits during the Conference. A CD-ROM with a presentation on the Help Desk was produced in 13 languages to be used by constituents to raise awareness of the service.
13. The Office also started direct outreach to companies. It contacted several multi-stakeholder and industry initiatives, asking them to announce the new service to their members; and published announcements in CSR networks' newsletters. The Help Desk manager gave presentations to groups of companies and other potential users, while ILO technical specialists from a number of departments are promoting the Help Desk at events they attend, as do communication and public information officers in the field.

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

14. This item is addressed in GB.306/MNE/2.

### **Provide training on the implementation of the MNE Declaration, in close collaboration with the International Training Centre, Turin (Turin Centre)**

15. This item is addressed in GB.306/MNE/3.

### **Promote the MNE Declaration at the country and regional levels**

16. As part of the events to commemorate the 90th anniversary of the ILO, the Office organized the "MultiForum Cono Sur" in Buenos Aires, Argentina, to promote socially responsible labour practices in line with the MNE Declaration. Some 400 representatives, including tripartite constituents and multinational enterprises from Argentina, Brazil, Chile, Paraguay and Uruguay discussed how multinational enterprises can promote a fair globalization and social justice in the context of the crisis, and the role of public policies in creating an enabling environment for sustainable enterprises. They exchanged experiences on key challenges faced in implementing the principles of the MNE Declaration in daily operations, including in their relations with suppliers and distributors.

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

17. The Office continues to work closely with relevant international organizations to improve its outreach and impact.
18. The Organisation for Economic Co-operation and Development (OECD) and the UN Economic and Social Commission for Asia and the Pacific (ESCAP), in close cooperation with the ILO, the UN Global Compact and the Global Reporting Initiative (GRI), are organizing a conference in Bangkok, Thailand, in November 2009. Participants will discuss the respective roles of governments, companies and other stakeholders in promoting responsible business conduct and how the “business case” can be reinforced, with a special focus on climate change and financial issues. They will also discuss updating the OECD Guidelines for Multinational Enterprises in 2010.
19. The OECD will also participate in the joint ILO–ASEAN Technical Workshop on CSR and SMEs in ASEAN countries, to take place in Bali, Indonesia, in November 2009.
20. The International Organization for Standardization (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 draft text highlights, among other international instruments, the MNE Declaration, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Declaration on Social Justice for a Fair Globalization, and international labour standards concerning employment promotion and respect for workers’ rights, as well as many broader economic and social development issues identified in the 2007 Conference conclusions concerning the promotion of sustainable enterprises. The next meeting of the Working Group is expected to be held in May 2010 in Copenhagen, Denmark, after which the process would enter its final drafting stage.
21. As part of the activities of the UN Global Compact labour working group, the ILO organized a special session on the labour principles on the occasion of the seventh Annual UN Global Compact Local Networks Forum, held in Istanbul, in June 2009. Approximately 50 company representatives and Global Compact local network focal points attended the session. Senior representatives of the International Organisation of Employers (IOE) and the International Trade Union Confederation (ITUC) acted as resource persons. The session promoted the MNE Declaration as a detailed guidance instrument on labour issues and was based on the training materials developed under an Italian-funded project and the working group’s “Guide for Business”<sup>2</sup> published in 2008. The ILO also arranged a meeting with the World Bank and the Japanese Global Compact local network to discuss practical ways to implement the fundamental principles and rights at work which are part of the Global Compact.
22. The Office conducted, in partnership with the United Nations Industrial Development Organization (UNIDO) and national stakeholders, an action-oriented study in Côte d’Ivoire, Guinea, Liberia, and Sierra Leone. The study is part of the multi-stakeholder programme “Productive and Decent Work for Youth in Mano River Union countries” aimed at maximizing local job creation for young people in multinational enterprises and

<sup>2</sup> ILO: The labour principles of the United Nations Global Compact: A guide for business, Geneva, 2008.

in the leading economic sectors, taking into account the current crisis and using the guidance provided in the MNE Declaration.

23. In September 2009, the Office gave a presentation on workers' rights, decent work and the MNE Declaration for the European Commission Conference on CSR and Decent Work in Vienna, Austria. The meeting was a consultation with tool developers on a guide, to be published in 2010, to help companies choose the most suitable CSR tool according to their size, sector of activity and particular interests.

## Strategic priorities for 2010–11

24. In line with the objectives set out in the Strategic Policy Framework 2010–15, the Programme and Budget for 2010–11, and the Global Jobs Pact<sup>3</sup> the Office will help constituents and multinational enterprises to apply the principles of the MNE Declaration.

25. Work will focus on:

- promoting public policies that enhance the positive social and employment effects of the operations of multinational enterprises;
- promoting sustainable enterprise management practices consistent with the principles of the MNE Declaration among multinational enterprises and their supply chains; and
- strengthening the labour dimensions of CSR initiatives.

26. For all three focus areas, the key means of action will be:

- research, undertaken primarily through the periodic global MNE Declaration follow-up exercise;
- knowledge sharing and advocacy;
- collaboration with the Turin Centre in providing training and capacity building;
- guidance, provided mainly through the Help Desk; and
- technical assistance, depending on capacity and available resources.

27. The Office will continue to collaborate with intergovernmental and other organizations to leverage its resources and extend its outreach. Its work will be guided by the Governing Body and carried out in consultation with constituents.

Geneva, 5 October 2009.

*Submitted for debate and guidance.*

<sup>3</sup> Paragraph 14 of the Global Jobs Pact states: “International labour standards create a basis for and support rights at work and contribute to building a culture of social dialogue particularly useful in times of crisis. In order to prevent a downward spiral in labour conditions and build the recovery, it is especially important to recognize that: ... (3) The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy is an important and useful tool for all enterprises, including those in supply chains, for responding to the crisis in a socially responsible manner.”.