



FOR INFORMATION

SECOND ITEM ON THE AGENDA

Updates on corporate social responsibility (CSR)-related activities

(a) Within the ILO, including the InFocus Initiative on Corporate Social Responsibility and the International Training Centre

1. This paper, requested by the Subcommittee on Multinational Enterprises, summarizes new information on CSR-related activities of the ILO including the International Training Centre. It updates the information provided to the Subcommittee in 2006.¹

Coordination of the InFocus Initiative on CSR

2. Membership of the Coordination Group of the InFocus Initiative on CSR has grown constantly since the last report. With a number of International Labour Organization offices in Africa, Asia and Western Europe nominating their focal persons, current membership stands at 79, equally representing headquarters and the field.
3. The Group continues to meet on a bimonthly basis in Geneva, and the summary notes of the meeting are circulated to all Group members for their information. Each meeting begins with an update by members on their CSR-related activities. Special briefings on topical CSR-related issues and presentations on selected ILO projects are also made to stimulate the discussion. Additionally, seminars with outside speakers were organized to present good CSR practices. The Group plans to continue introducing case studies for addressing practical issues related to CSR.
4. During the November 2006 Governing Body session, an InFocus forum on social auditing, monitoring and certification was organized. The objective was to provide a substantive overview of issues to enable the MNE Subcommittee members to discuss the roles and

¹ GB.295/MNE/3/1, GB.297/MNE/2/1.

contribution that the ILO could make. The forum was well-received and has provided a basis for dialogue and development of a new work programme.²

5. An informal discussion with interested field directors was held in October 2006 to exchange views about field needs and how headquarters units could provide support. One of the priority needs identified was training to increase the capacity of social partners as well as of ILO field staff to engage in CSR activities. The Group will work more closely with field colleagues so that they are aware of available tools and ongoing CSR activities. Lastly, a plan to upload information to the ILO web site regarding the CSR-related activities is in hand.

Updates on CSR-related activities of the Office

6. Newly reported activities from headquarters include the following:
 - A dialogue between the representatives of the Better Cotton Initiative (BCI) and the ILO took place in January 2007. ACT/EMP, ED/NORM, MULTI, and SECTOR attended from the ILO. The multi-stakeholder BCI aims to improve cotton production practices around the globe through capacity building of cotton growers. It is currently designing a global framework for better cotton through a process of national and global stakeholder engagement, and its representatives visited the ILO headquarters to seek inputs and advice in addressing labour-related concerns.
 - A collaborative programme among DIALOGUE, EMP/ENTERPRISE and TRAVAIL called “Better Work” aims at improving labour standards and enterprise performance in global supply chains in developing countries. An agreement between the ILO and the International Finance Corporation (IFC) in August 2006 led to the development of this global programme. The project would: (a) promote compliance with core international labour standards and national law in global supply chains, as a basis for building socially responsible export strategies; and (b) enhance enterprise-level economic and social performance. Focus will be on long-term sustainable solutions which build cooperation between governments, employers’ and workers’ organizations, enterprises and international buyers in the countries concerned. Various tools including good practice sheets, model policies, and Web-based tools to support self-assessment and improved action would be developed.
 - In October 2006, an ILO/Global Compact Policy Dialogue on Combating Discrimination and Promoting Equality for Decent Work was held in London, with a special message from the Prime Minister of the United Kingdom. It was a successful event organized by MULTI with the participation and collaboration of many staff from throughout the Office. The event attracted the attention of a number of multinational enterprises and influential policy-makers. Representatives of the International Organisation of Employers (IOE) and International Trade Union Confederation (ITUC) also made an address in the plenary session. A directory of good practice examples in the area of discrimination and equal opportunities entitled “Valuing Diversity” will be published to serve as a tool for companies to implement the principles of non-discrimination in the workplace.
 - As a follow up to the June 2006 International Labour Conference Committee on Technical Cooperation that highlighted the importance of mobilization of financial

² GB.298/MNE/4.

and human resources including from the public and private sectors, the Office elaborated a paper concerning criteria and guidelines for public–private partnerships (PPP).³ Furthermore, the Office commissioned a report on PPP for youth employment. This was accompanied by some funding for the development of youth employment partnership programmes.

7. Newly reported activities from the field include the following:

- The Subregional Office for Southern Africa is implementing a project to enhance the capacity of enterprises in the clothing and textile and tourism sectors in areas such as quality, competitiveness, productivity and good labour relations through training and backup consultancy support. In addition, two projects are at the design stage: “Southern African Development Community (SADC): Harnessing Corporate Social Responsibility and Social Dialogue to realize decent work objectives project” and the “Better Work Lesotho” project. Furthermore, the Office has a regional programme that assists small and medium-sized enterprises (SMEs) to grow their business in a competitive and sustainable manner through balancing financial, social and environmental goals in their long-term business strategy.
- As part of its subregional project on combating poverty and social exclusion in Central and Eastern Europe, the Subregional Office for Central and Eastern Europe is implementing a component on “Combating Social Exclusion at the Workplace: CSR in Hungary.” A training package has been developed for promoting inclusive and diverse workplaces targeted towards business managers who are responsible for carrying out enterprise social management functions. Testing is completed, thus training sessions would now be conducted in a large number of companies. Linking to the European Year of Equal Opportunities for All-Towards a Just Society, awareness raising activities and promotional events are also organized on the issue of diversity management. Furthermore, active participation in initiatives undertaken by the Global Compact Networks and social partners has given visibility to the ILO in the area of CSR, and has helped contribute to promoting the ILO approach to CSR. In 2007, several training activities on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) are planned for social partners in selected countries.
- The Regional Office for Asia and the Pacific implements a research oriented project called the “Networking of National Institutes for Labour Studies Project” which aims at enhancing the research and policy advisory capacity of the member research institutes. Three sectors will be studied including: garment and textiles; food and agribusiness; and business process outsourcing. The completion of these studies will provide a better understanding of the interrelationships between economic and social upgrading within Global Production Systems. CSR is one of the key issues that will be examined in the studies. Three workshops have been held to date, and additional workshops are scheduled for 2007-08.
- The Subregional Office for South Asia is engaged in a range of activities including the Brands Ethical Working Group in India and the Social Compliance Forum in Bangladesh. Technical advisory services were provided to the Ethical Trading Initiative Guidelines on Homework and a project that addresses compliance in India’s information technology sector. Several publications on CSR in India have also been released. Moreover, the Office was involved in various Global Compact activities including training, networking and technical advisory services. As part of an ILO

³ GB.298/TC/3.

project in Hyderabad that on the elimination of child labour in cotton seed production in India, advisory services were provided on the development of the Supplier Guide.

- The ILO Office in Jakarta plans to develop a set of materials to promote CSR including a training package on the labour principles of the Global Compact. It also plans to host a CSR forum together with the United Nations Development Programme (UNDP) which would serve as an outreach event for members of APINDO (the Indonesian Employers' Association). The ILO Office in Jakarta is discussing with MULTI the possibility of linking the forum with the 30th anniversary of the MNE Declaration.
- The ILO Office in Tokyo will organize a CSR symposium for the general public jointly with the United Nations University in Tokyo. The latest version of the MNE Declaration will also be translated in Japanese and disseminated.

Updates on CSR-related activities of the International Training Centre of the ILO (ITC-ILO)

8. In its session of November 2006, the Centre's Board approved the Development Plan for the period 2007–11, which includes a focal initiative on CSR.⁴ By also approving the Centre's Investment Programme for the same period, it made available US\$300,000 for a CSR component. Its purpose is to "further develop the Centre's capacity to offer relevant services and products on CSR, to update and expand existing training materials (modules) and design new, innovative materials and curricula for specific target groups ...".⁵ This Investment Programme's funding serves as a lever to generate the necessary extra-budgetary resources. Currently, the Centre, in close consultation and coordination with headquarters and the ILO Governing Body Subcommittee on Multinational Enterprises, is formulating the precise contours and framework for expanding and deepening its involvement in the area of CSR in the forthcoming period.
9. In the period 2005–06, the Centre organized six training activities related to CSR with a total of 109 participants. Two main target groups were reached: (a) policy-makers and managers concerned about socially responsible restructuring of (state-owned) enterprises in Central Europe, the Russian Federation and China; and (b) South-East Asian and Japanese trade unions. At the same time, new training materials were developed, especially on: (a) socially responsible enterprise restructuring; and (b) CSR for employers' organizations.
10. For 2007, it is foreseen that the number of CSR-related activities will increase. The demand from (large) firms to strengthen their own capacity for dealing with the rapidly changing CSR environment (governmental and intergovernmental guidelines, lending market guidelines, international framework agreements and public policy incentives) is growing. The Centre is also being solicited to provide training related to social auditing. Social responsible practices, including adherence to international labour standards, are being incorporated in the curricula related to the development of SMEs. Development finance institutions wishing to boost their own CSR efforts have approached the Centre to develop training programmes that should enable their staff to better adhere to and

⁴ Board document CC 68/6/b – "International Training Centre of the ILO: 2007-2011 Development Plan" (Turin, 2–3 Nov. 2006), pp. 31–32

⁵ *idem*, p. 5.

incorporate international labour and environmental Conventions in their internal procedures and in placing external demands on their partners and customers. Finally, in 2007 a new postgraduate training programme on socially and environmentally sustainable public procurement will be launched. The challenge for all these programmes is to be as practical as possible, providing the participants and their organizations with concrete instruments and methods that will assist them in meeting their own CSR objectives. Material development on all the topics mentioned above is being pursued.

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Submitted for information.