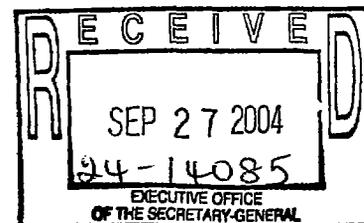


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INTERNATIONAL LABOUR OFFICE
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THE DIRECTOR-GENERAL

27 SEP. 2004

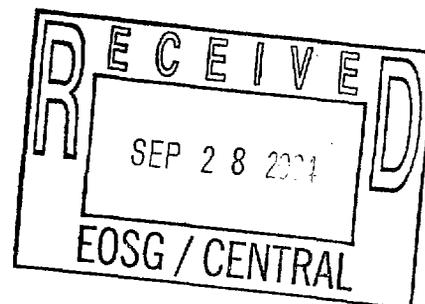
Dear Secretary-General,

Thank you for your letter of 21 July 2004 concerning the Global Compact Leaders Summit and its follow-up. It was indeed a great pleasure for me to participate in the Summit. I found the discussions most interesting and was particularly impressed with the design and format of the event.

As you know, the ILO has actively supported the Global Compact since its inception because we felt that it could contribute significantly to achieving a more inclusive globalization, where closer integration of markets and larger economies of scale would help create greater opportunities for decent working and living conditions for the world's population at large. Your observation that globalization would only be as sustainable as the social pillars on which it rested, together with your appeal to the business community to embed globalization in shared values and responsible practices, are as valid today as they were five years ago. As you know, the report of the World Commission on the Social Dimension of Globalization recognized the contribution that the Global Compact can make to a fairer globalization and has asked the ILO to help increase its effectiveness. The ILO is therefore ready to continue its support to the Compact in the future.

In particular, and taking into account the intention to decentralize many of the Global Compact activities to country-level networks, the ILO is willing to mobilize its field structure and its constituents (governments, employers and workers) to support Global Compact networks in developing countries. It can only do so, however, if representative Employers' and Workers' organizations take part in such networks in each and every case. In other words, it is essential that country-level networks replicate the approach taken at the international level where the Global Compact has duly recognized the key role of global trade union organizations and the International Organization of Employers.

Mr. Kofi Annan
Secretary-General
United Nations
NEW YORK



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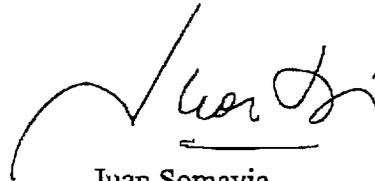
Another area where the ILO could contribute to strengthening the impact and coverage of the Compact is that of sectoral activities. As you know, the ILO has an important and long-standing programme of sectoral activities, including regular sectoral meetings and action programmes. In order to make more efficient use of the limited resources available, we would be glad to share our knowledge and experience in this area with the Global Compact and its participants.

Over the last few years, a number of questions have been raised concerning the credibility of the commitment of some of the participating companies to the Compact's principles. While it is clear that neither the Global Compact nor the ILO can or should pass judgment in such cases, we are ready to engage in dialogue to help find solutions to concrete workplace problems that are brought to the attention of the Global Compact Office.

Finally, as far as the future governance of the Global Compact is concerned, I consider that, in addition to a possible larger multi-stakeholder board, it would be most useful to set up a formal inter-agency steering committee that would help guide the operations of the Global Compact Office by reviewing work plans and discussing possible new initiatives before they are implemented. An inter-agency steering committee would help ensure that the Global Compact maintains its unique focus on promoting the principles as a set of ground rules for a fairer globalization.

We look forward to discussing these matters further in due course, and we are confident that the Global Compact can be developed into a key tool for the promotion of more inclusive globalization that is fair to all individuals and nations.

Yours sincerely,



Juan Somavia