



FIRST ITEM ON THE AGENDA

**Promotion of the Tripartite Declaration
of Principles concerning Multinational
Enterprises and Social Policy:
Activities report for 2004**

1. This paper gives a brief account of the activities carried out by the Office in 2004 to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). The work was carried out on the basis of the guidance provided by the Subcommittee on Multinational Enterprises in November 2003 during its discussion of the action plan and priorities for 2004-05.¹

Advocacy

2. During 2004, the Office participated in a wide range of country-level and international meetings on corporate social responsibility issues organized by other bodies. The appendix to this paper contains a list of the meetings addressed by staff of the Multinational Enterprises Programme. These provided an opportunity to familiarize different audiences with the provisions of the MNE Declaration. The growing interest in the MNE Declaration is reflected by the fact that increasingly participation by the Office in outside meetings is fully or partially funded by the organizers. The Vice-Chairpersons of the Subcommittee also attended the European Conference on Corporate Social Responsibility under the Dutch EU Presidency in Maastricht, which included a special parallel session on the MNE Declaration.

Cooperation with other organizations

3. The Office had regular consultations with a number of multilateral organizations, particularly the UN Global Compact, the European Union (EU), the World Bank and the OECD, with a view to coordinating activities in the area of corporate social responsibility and ensuring that the respective activities complemented, rather than duplicated, each other. In the case of the EU, these efforts were particularly successful since they led not only to the MNE Declaration being referenced as the first multilateral initiative in the

¹ See GB.288/11.

report of the EU Multi-Stakeholder Forum on Corporate Social Responsibility, but also to the issue of corporate social responsibility being included in the strategic partnership agreement between the ILO and the EU signed by the two organizations in 2004. This agreement will guide future cooperation between the two organizations in developing countries.

4. Cooperation with the UN Global Compact further intensified. This included both support for country-level Global Compact networks (in Argentina, Botswana, Indonesia, Italy, Mexico, Peru and Tunisia) and active participation in both international events and the Global Compact inter-agency team. The Director-General represented the Office at the Global Compact Leaders' Summit in June, where a tenth principle (on corruption) was added to the Compact. In the context of the discussion concerning the governance structure of the Global Compact, the Office reached an understanding with the Global Compact Office that both local networks and any global governance body yet to be established should include representatives of employers' and workers' organizations.
5. In 2004, the Office participated in two meetings of the International Organization for Standardization (ISO) Advisory Group on Social Responsibility. The Group adopted a recommendation that the ISO should become involved in this area only if certain conditions were met, including the signature of a memorandum of understanding between the ILO and the ISO. Since it felt that subsequent action by the ISO was not fully in line with this recommendation, the Governing Body asked the Director-General to communicate its concerns to the ISO.²
6. The Office also participated in the consultations on business and human rights organized by the Office of the United Nations High Commissioner for Human Rights (OHCHR). These consultations served as input for a report that will review existing initiatives related to business and human rights and identify any outstanding issues. Participants in the consultation included representatives of employers' and workers' organizations, NGOs, academics and individual companies.

Technical cooperation

7. Implementation was accelerated of the technical cooperation project funded by the Government of Italy to promote awareness of the MNE Declaration, the Global Compact and the OECD Guidelines for Multinational Enterprises, among enterprises in Italy and in developing countries with substantial Italian technical cooperation and investment. There were promotional activities and the establishment of tripartite steering committees in Italy, Morocco and Tunisia, the launching of project web sites and the development of training materials for use in 2005 and beyond. In Italy, the project closely coordinated its activities with those of the Ministry of Social Welfare and of the OECD National Contact Point.
8. In the context of the ongoing project funded by the Government of the United Kingdom, a seminar was organized in Azerbaijan, in cooperation with the InFocus Programme on Social Dialogue and the ILO Subregional Office in Moscow. The seminar raised awareness of the MNE Declaration and the benefits of social dialogue. It was attended by some 50 representatives of the Azeri tripartite constituents and of multinational enterprises in the oil sector. A new project was approved by the European Commission to undertake research on the extent of auditing and certification programmes in global production systems in Bulgaria, Hungary, Romania and Turkey and to analyse the costs and benefits of such programmes.

² See GB.291/10, para. 35.

9. Advisory services were provided to Costa Rica, through a feasibility study, for a project on social auditing and certification, and to Sri Lanka, through backstopping and technical inputs, to a working group on social auditing and certification.

Research and publications

10. In 2004, the Multinational Enterprises Programme published two working papers. One analysed the conditions regarding labour and employment issues that some public institutions impose when supporting foreign direct investment, while the second was a case study of the implementation and effects of the framework agreement signed between Chiquita, a major multinational in the banana sector, and the IUF-COLSIBA (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations-Latin American Coordination of Banana Workers Unions). Due to resource constraints it was not possible to publish the planned sequel to the book *Multinationals and employment* (1993). Some of the chapters prepared for the sequel will be published as working papers in 2005. A start was made with research in Germany, Italy and Japan on the particular difficulties faced by smaller multinational enterprises.
11. The web site providing information on the MNE Declaration (www.ilo.org/multi) was regularly updated as was the Business and Social Initiatives database (www.ilo.org/basi). At the end of 2004, the latter included information on some 800 corporate social responsibility initiatives and received an average of 1,000 monthly visits.

Mainstreaming the MNE Declaration in the work of the Office

12. Cooperation continued with a range of other units in the Office, both at headquarters, in the field and with the Turin Centre. A particularly successful example of interdepartmental cooperation was the development of a set of generic multidisciplinary training materials for decent work programmes. The MNE Declaration continued to be an important point of reference in sectoral meetings organized by the Office and was referred to in the background papers and conclusions of most of these meetings. Special efforts were made to work more closely with the field structure, both in terms of briefing staff in field offices on the relevance of the MNE Declaration to their work (e.g. Buenos Aires, Colombo, Dakar, Harare, Jakarta and Mexico) and in terms of undertaking joint activities (e.g. Costa Rica, the Philippines and Sri Lanka).
13. The Subcommittee may wish to express its views on the activities undertaken by the Office in 2004 to promote the MNE Declaration.

Geneva, 20 January 2005.

Submitted for discussion.

Appendix

Meetings in 2004 at which the MNE Declaration was promoted

Place	Host	Type of meeting
Annecy	ESIA (University)	Academic conference
Athens	Greek personnel management association	International HR managers conference
Bratislava	UNDP	Regional meeting of UNDP staff
Brussels	EU	EU Multi-Stakeholder CSR forum
Dakar	UNIDO and others	Subregional NEPAD conference
Lucca	University of Lucca/Turin Centre	Master course on CSR
Maastricht	Netherlands Government	EU CSR conference
Mexico	Inter-American Development Bank	Latin American CSR conference
New York	City University of New York	Academic conference
Paris	AFD (French Development Agency)	Consultations with AFD staff
	ORSE (CSR Observatory)	Full day on ILO with ORSE members
	MEDEF (French employers' org.)	CSR meeting for members
Rio de Janeiro	COGE (Brazilian energy foundation)	International CSR conference
Santo Domingo	WCL (World Confederation of Labour)	International trade union seminar
Stockholm	Swedish Government	CSR and development conference
Tokyo	ILO	Forum on CSR and decent work
Warsaw	EU, ILO, Government of Poland	Subregional tripartite conference
Washington, DC	Inter-American Development Bank	CSR briefing for the Board and upper management of the IDB