



SECOND ITEM ON THE AGENDA

Promotion of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Plan of action for 2005-07

1. As requested by the Governing Body,¹ this paper outlines a possible plan of work to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) during the period 2005-07, including possible activities that may be approved by the Governing Body to follow-up on the recommendations made by the World Commission on the Social Dimension of Globalization in the area of corporate social responsibility. To facilitate discussion of the paper, the appendix contains a tabular summary listing the major proposed activities, their planned timing, as well as indicators of success.
2. During 2005-07, the Office will further intensify its activities to position the MNE Declaration as a key point of reference for labour and employment issues in the context of corporate social responsibility. Activities will not only aim at enhanced awareness of the MNE Declaration, but will increasingly also involve engaging directly with organizations and private voluntary initiatives (particularly those in which employers' and workers' organizations participate) that can help ensure greater observance of its provisions. To achieve these objectives the Multinational Enterprises Programme will work closely with other ILO programmes and units as well as with other international organizations. It will also try to mobilize extra-budgetary funding for operational activities in host countries.
3. The Director-General's 2006-07 Programme and Budget proposals include an InFocus initiative on corporate social responsibility.² If retained, the Multinational Enterprise Programme will lead this Office-wide initiative, which will ensure that the MNE Declaration will be used as the framework for ILO action in the area of global production systems and the ways in which voluntary initiatives can contribute to creating decent work.

¹ See GB.291/10, para. 34.

² See GB.292/PFA/8.

4. In 2007, the MNE Declaration will be 30 years old. This would seem a good occasion for the Office to organize an international conference to commemorate the adoption of the instrument and draw attention to the fact that it is perhaps even more relevant today, in the context of the ongoing global debate on corporate social responsibility. A decision to hold such a conference would also be in line with the recommendation of the World Commission on the Social Dimension of Globalization to the ILO to “convene a forum to develop a practical agenda around the contribution of business to the social dimension of globalization”.

Advocacy

5. The Office will try to capitalize on the increasing interest in the MNE Declaration and the ILO’s work in the area of corporate social responsibility more generally in a number of ways. Since only limited resources are available for this type of activity under the Regular Budget, special efforts will be made to mobilize extra-budgetary resources, particularly for promotional activities in developing countries that can lead to concrete follow-up.
6. The Multinational Enterprises Programme will develop new promotional materials in the form of brochures, an improved web site and a CD-ROM containing information on the MNE Declaration and other relevant activities of the Office, as well as good practice examples that demonstrate the practical application of the MNE Declaration. As requested by the Subcommittee, the first area for which examples will be collected in cooperation with employers’ and workers’ organizations will be youth employment. The materials will also include a text that uses simple, everyday language to explain the provisions of the MNE Declaration.
7. Efforts will continue to promote the MNE Declaration in selected, mainly high-level meetings organized by other bodies and thus familiarize business audiences and others with its provisions and practical relevance. The web sites and country-level events of Global Compact networks will also be used to disseminate information about the MNE Declaration.
8. In 2005, the Office is organizing three symposia on the MNE Declaration that will help make the MNE Declaration better known in the ASEAN, MERCOSUR and SADC regions and help identify possible operational follow-up activities. In addition, sectoral meetings as well as events organized by the ILO field structure will be used to give greater visibility to the MNE Declaration.

Cooperation with other organizations

9. The cooperation and coordination with other multilateral organizations, in particular the UN Global Compact, the EU, the World Bank Group and the OECD, that started in 2003, will continue and be further deepened through possible joint activities, including research, staff training, country-level activities and cross-references in promotional and information materials. The Office will also continue to play a leading role in international and national Global Compact activities as well as in the Global Compact inter-agency team, to ensure greater coherence between the activities of the UN agencies supporting the Global Compact, particularly in terms of joint promotional and training activities.
10. Depending on the outcome of the negotiations under way to agree on a mutually acceptable text for a memorandum of understanding between the ILO and the International Organization for Standardization (ISO) concerning a possible ISO guidance document on social responsibility, the Office may or may not participate in the activities of the

ISO Working Group on Social Responsibility that is expected to complete its work in 2007. Eventual ILO participation in the Working Group will in any case aim at ensuring that the ISO and the Working Group recognize that the ILO is the only international organization mandated to elaborate and adopt international labour standards and that any document that the ISO may develop in the area of social responsibility should serve to achieve better understanding and greater observance of ILO standards and instruments, including the MNE Declaration.

11. The Office will continue to follow closely future developments in the UN Commission on Human Rights and will participate in any further consultations the Office of the High Commissioner for Human Rights may organize on the subject of business and human rights to ensure that any interpretation or complaint mechanism that the Commission may adopt on this subject complements (rather than duplicates) established ILO supervisory mechanisms to monitor the application of ILO Conventions and Recommendations.

Technical cooperation

12. Implementation of the ongoing technical cooperation projects funded by the EU and Italy³ will be completed in 2005 and 2006, respectively. It is expected that the symposia on the MNE Declaration for the ASEAN, MERCOSUR and SADC regions, that will take place during the first half of 2005, will help identify needs that would justify mobilizing extra-budgetary resources for operational activities in at least some of the participating countries. The Multinational Enterprises Programme will use its limited regular budget for technical cooperation resources to provide country-level advisory services, as and when requested by constituents.
13. The Office will continue its efforts to mobilize resources for a comprehensive research project that will analyse the scope, contents and coverage of the numerous private monitoring, auditing and certification programmes being undertaken in the context of global production systems and supply chains with the participation and support of multinational enterprises. In a second phase, such a project could undertake pilot activities in a limited number of countries to try to achieve greater complementarity and synergies between private schemes and public labour inspection services, including possible joint training of private auditors and public inspectors. The project would be guided by a steering committee that would include representatives of the Bureaux of Employers' and Workers' Activities and other units in the Office concerned, such as SAFEWORK, DIALOGUE and DECLARATION.
14. In the recent past, the Office has received requests from a number of multinational enterprises to provide training on the MNE Declaration and the role of international labour standards in general directly to the staff of the enterprises concerned. These enterprises are obviously willing to pay for such training and the Multinational Enterprises Programme is currently working with the Turin Centre to develop an appropriate curriculum that could be offered to meet this type of demand through open courses.

Research and publications

15. In 2005, working papers will be published on employment in multinational enterprises and on the particular difficulties faced by smaller multinational enterprises in Germany, Italy and Japan. In 2006-07, working papers will focus on case studies and good practice

³ See GB.292/MNE/1, paras. 7 and 8.

examples in the different areas covered by the MNE Declaration. Possible research areas for the period 2005-07 include: the labour and employment aspects of legislation and other measures regulating foreign direct investment in developing countries and national reporting and disclosure requirements concerning labour and employment issues in the context of enterprise governance regulation. Given the limited staff and non-staff resources available for this type of work, however, the depth and breadth of research to be undertaken will to a great extent depend on the availability of interns in the coming years.

16. The Office will maintain and update both the web site for the MNE Declaration (www.ilo.org/multi) and the Business and Social Initiatives (BASI) database (www.ilo.org/basi). Subject to availability of resources, the latter will be expanded to include a full text, online search mechanism. Translations will be undertaken of the fourth edition of the MNE Declaration to be adopted at the current session of the Governing Body.⁴

Mainstreaming

17. Approval of the InFocus initiative mentioned in paragraph 3 above would not only facilitate the mainstreaming of the MNE Declaration throughout the Office but, more importantly, make it possible for the ILO to develop a coherent Office-wide strategy and an approach to corporate social responsibility based on the framework provided by the MNE Declaration. This approach would guarantee greater coordination and cooperation among the wide range of units at headquarters and in the field that deal with the different aspects involved in corporate social responsibility. The InFocus initiative could also act as a focal or entry point for those (multinational and other) enterprises and voluntary initiatives that are interested in working with the ILO in the area of corporate social responsibility.

Other issues

18. In 2005, the Subcommittee on Multinational Enterprises will review the results of the eighth survey on the effect given to the MNE Declaration. When the Subcommittee discussed the follow-up mechanism for the MNE Declaration in November 2002 and March 2003, there was broad agreement not only that the survey mechanism was rather cumbersome, both in terms of the workload for member States and in terms of the analysis undertaken by the Office and the Subcommittee, but also that the results obtained were not necessarily satisfactory in terms of the relevance and quality of information gathered. Since the Subcommittee felt that it did not have enough time to discuss alternatives in depth, it was decided to go ahead with the eighth survey in a simplified format. It was agreed, however, that alternatives should be explored in future that would result in more and better information becoming available in a more cost-effective way. The Office therefore intends to submit a paper to the Subcommittee for discussion in 2006 outlining a range of alternatives. This paper would take into account the experience with previous surveys, in particular the findings of the eighth survey, and would be based on prior consultations with the Officers of the Subcommittee.

⁴ See GB.292/MNE/3.

19. The Subcommittee may wish to express its views on the proposed plan of action for 2005-07 and provide guidance to the Office for its implementation.

Geneva, 20 January 2005.

Submitted for discussion.

Appendix

Description	Timing	Indicator of success	Target
New brochure, CD-ROM and web site	2005	Increased demand for brochure, CD-ROM and increased web site hits	To be determined
MNE-CSR Forum	2007	Well attended and publicized meeting	500 participants
Participation in major CSR events	Continuous	Invitation paid by organizers	10 invitations
Subregional symposia	First half of 2005	Well attended meetings	75 per cent participation
Cooperation with multilateral organizations	Continuous	Joint research, operational activities and publications	To be determined
Participation in ISO Working Group on SR	Continuous	Recognition of ILO role and instruments in ISO guidance document	Not applicable
Technical cooperation	Continuous	New projects approved and timely implementation of approved ones	2 positive evaluations and 3 new approvals
Working papers	Continuous	Number of copies requested and downloads from the Internet	250 per working paper
Web site maintenance	Continuous	Increased number of hits	10 per cent yearly increase
BASI	Continuous	Increased number of searches	20 per cent yearly increase
Translations	Continuous	Number of translations of the fourth edition of the MNE Declaration	12
Eighth Survey	2005	Number of replies	100