



SECOND ITEM ON THE AGENDA

Selected developments in other organizations

1. This paper, submitted in accordance with a request by the Officers of the Subcommittee on Multinational Enterprises, addresses developments in, and the activities of, certain international and regional intergovernmental organizations which have codes, guidelines or some form of instrument relating directly or indirectly to multinational enterprises (MNEs) and their activities. It updates the information submitted to the Subcommittee at the Governing Body's 279th Session (November 2000).¹ This document was prepared based on information published or generally made available by the organizations concerned. As in the past, when sufficient response time permits, the Office will continue to make requests to organizations to submit information on relevant activities.

The Andean Community

2. As reported previously,² the presidents of the Andean Community have advanced an Andean social agenda in the context of subregional integration. In this regard, the presidents noted with satisfaction the increasing commitment of the Andean business and labour sectors to the integration process, a development evidenced in several recent declarations last year.

¹ GB.279/MNE/2. Earlier papers were submitted in November 1982, 1983, 1984, 1985, 1986, 1987, 1989, 1990, 1991, 1992, 1993, 1994, 1997, 1999 and 2000. See GB.221/MNE/3/3, GB.224/MNE/3/3, GB.228/MNE/3/1, GB.231/MNE/3/3, GB.234/MNE/3/6, GB.238/MNE/5/5, GB.244/MNE/3/5, GB.248/MNE/3/4, GB.251/MNE/3/2, GB.254/MNE/3/5, GB.258/MNE/3/4, GB.261/MNE/3/5, GB.268/MNE/2, GB.274/MNE/2 and GB.277/MNE/2.

² See GB.282/WP/SDG/3 and the Internet: <http://www.comunidadandina.org/ingles/agenda.htm> (visited on 25 January 2002).

**Declaration of Caracas: Third Joint Meeting of the
Andean Business and Labour Advisory Councils**
(Caracas, 18-19 June 2001)

3. In the Declaration of Caracas, the Andean business and labour sectors expressed deep satisfaction at the Protocol of Substitution of the Simón Rodríguez Convention³ emphasizing tripartite harmonization of their countries' economic and social interests under conditions of equality and urged the prompt approval and ratification of this important Protocol for Andean dialogue and concerted social action. They also expressed their "greatest interest that the social actors of integration be consulted with regard to the Andean Social Charter considered by the Andean Parliament so that it may serve as a basic reference instrument in the development of the Andean social agenda".⁴

Declaration of the Andean Business Advisory Council
(Santa Cruz de la Sierra, 27 January 2002)

4. In the Declaration of the Andean Business Advisory Council, the business representatives of the Andean Community member countries ratified their decision to contribute to the advancement of the Andean Subregional Integration Agreement, under the principle of free enterprise, with the profound conviction that the development of the production sectors will offer solutions to the employment problem by increasing trade flows that will produce collective social benefits. Among other actions, the Council decided to submit its proposed recommendations on promoting and expanding private investment and the creation of new jobs on the subject to the next meeting of the Andean Presidential Council.⁵

**United Nations Economic Commission
for Africa (ECA)**

The New Partnership for African Development (NEPAD)

5. The United Nations Economic Commission for Africa (ECA) has contributed to the New Partnership for African Development (NEPAD), a framework designed to facilitate Africa's effective integration into the global economy. At the Lusaka Summit of the Organization of African Unity (OAU) in July 2001, reported previously,⁶ African leaders adopted the New African Initiative (NAI), now officially called the New Partnership for African Development. The partnership constitutes an agenda for the renewal of the continent and identifies a number of sectoral policy priorities for investment, including

³ The Simón Rodríguez Convention is the forum for debate, participation and coordination regarding social and labour issues in the Andean Community, and forms part of the Andean system of integration. The Protocol of Substitution to this Convention, signed in Valencia (Venezuela) on 24 June 2001, has not yet entered into force.

⁴ Declaration of Caracas: Third Joint Meeting of the Andean Business and Labour Advisory Councils, Caracas, 18-19 June 2001.

⁵ <http://www.comunidadandina.org/cumbreSC/agreem1.htm> (visited on 28 January 2002).

⁶ GB.282/WP/SDG/3, paras. 48-51.

human resources development, infrastructure, information and communication technologies, agriculture and the environment.

United Nations Economic Commission for Latin America and the Caribbean (ECLAC)

Seminar on Foreign Direct Investment Policies in Latin America (Santiago, 7-9 January 2002)

6. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) organized with the United Nations Conference on Trade and Development (UNCTAD) (also see UNCTAD section) a Seminar on Foreign Direct Investment Policies in Latin America, in Santiago, Chile. Distinguished experts from Latin America, Europe and Asia attended the meeting, where they considered new policy options for foreign direct investment (FDI), examining issues such as the relationship between FDI, exports and international competitiveness. They looked closely at the experience in this area of some Latin American countries and paid special attention to developing countries in Asia and their successful experience in improving their international competitiveness, with or without FDI, and several European countries' results, based on active, sophisticated FDI policies.⁷
7. According to the experts, recent FDI policies in the region have focused almost exclusively on attracting FDI, with no concern for selecting or channelling it according to national developmental priorities. In other words, FDI policy tended to reflect short-term macroeconomic policies much more than the requirements for productive development. According to ECLAC, the countries that have been most successful in attracting significant amounts of FDI are those that have most clearly defined their general priorities, have been most able to measure their results, and "seem to understand better that FDI represents a means for achieving goals and not a goal in itself". ECLAC stressed that the most important FDI policies were designed to coincide with the main entrepreneurial strategies of the transnational companies active in the region (seeking efficiency, natural resources, market access, and so on).

Interregional Conference on Financing for Development (Mexico City, 14-15 January 2001)

8. With the cooperation of the Government of Mexico, ECLAC organized the Interregional Conference on Financing for Development in Mexico City, 14-15 January 2001. Among other conclusions, the conference recommended the establishment of programmes to encourage vertical linkages between MNCs (multinational corporations) and local firms that can help to improve the economic performance of the host economy if the MNCs transfer technology, knowledge and skills to local suppliers and induce them to upgrade their products. Key objectives of such programmes were identified as including the creation of databases for resident firms, the selection of the industries and enterprises with the greatest potential for linkage formation, and upgrading the capability and capacity of local enterprises to meet the needs of MNEs. The conference noted that experiences with

⁷ ECLAC press releases of 8, 9 and 11 January 2002, available at <http://www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados> (visited on 25 January 2002).

the promotion of linkages and linkage programmes might be a particularly fruitful area for an exchange of information between the regional commissions.⁸

United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)

High-level Regional Meeting for the World Summit for Sustainable Development (WSSD) (Phnom Penh, 27-29 November 2001)

9. Following ministerial deliberations, the High-level Regional Meeting for the World Summit for Sustainable Development (WSSD), facilitated by ESCAP, adopted the “Phnom Penh Regional Platform on Sustainable Development for Asia and the Pacific”. Participants reaffirmed priority sustainable development issues in the region, including financing for sustainable development and technology transfer. It was pointed out that investments should not be seen simply as a financing mechanism but an opportunity for concrete interventions toward sustainability. However, participants voiced concern over the concentration of wealth in and inordinate power of multinational companies, while affirming that a critical element for attaining sustainable development involved active and meaningful participation of stakeholders, including civil society organizations and the business sector.⁹

United Nations Food and Agriculture Organization (FAO)

Prior informed consent (PIC) (with the United Nations Environmental Programme (UNEP))

10. As reported previously,¹⁰ the “Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade” was adopted in 1998 under the auspices of the United Nations Environment Programme (UNEP) and the United Nations Food and Agriculture Organization (FAO). The Convention contributes to the reduction of the risks associated with the use of chemicals, particularly in developing countries, and limits the introduction of hazardous chemicals and pesticides into countries that cannot safely manage them. Some 70,000 different chemicals are available on the market and 1,500 new ones are introduced every year. This poses a major challenge to many governments who must attempt to monitor and manage these potentially dangerous substances. Many pesticides that have been banned or whose

⁸ Interregional Conference on Financing for Development organized by the Regional Commissions of the United Nations, Mexico, 14-15 January 2002, “Summary of conclusions”, available at <http://www.eclac.cl/noticias/noticias/1/9151/conclusmexi.pdf>, (visited on 25 January 2002).

⁹ Chairman’s Summary Report for the High-level Regional Meeting for the World Summit on Sustainable Development (27-29 November 2001), available at http://www.unescap.org/enrd/environ/hrm_wssd.htm#HRM (visited on 25 January 2002).

¹⁰ GB.277/MNE/2, paras. 13-21.

use has been severely restricted in industrialized countries are still marketed and used in developing countries.

11. Pending the entry into force of the Convention,¹¹ governments have agreed to apply the PIC procedure on a voluntary basis. The procedure helps governments decide whether to accept or refuse the imports of certain hazardous chemicals. Under the terms of the Convention, countries that export such chemicals have to respect the decisions of importing parties. The eighth session of the Intergovernmental Negotiating Committee concerning prior informed consent (INC/PIC), with officials from over 100 governments, was held in Rome last October (8-12 October 2001) to oversee the implementation of the voluntary interim PIC procedure. The processes developed are operational, with three additional chemicals and two severely hazardous pesticide formulations identified as candidates for inclusion in the interim PIC procedure. The two pesticide formulations were nominated by Senegal under article 6 of the Convention based on problems under conditions of use in the country. These are the first such formulations to be nominated during the interim PIC procedure.
12. The Rotterdam Convention is considered to be a crucial complement to the FAO international code of conduct on the distribution and use of pesticides and to programmes on health and occupational impacts, such as those carried out by the World Health Organization (WHO) and the ILO.¹² Implemented cooperatively, these conventions and programmes can provide a comprehensive and systematic approach to managing chemical hazards. FAO has underscored that “global agreements such as the Rotterdam Convention serve to provide a level of control and can help to mitigate the negative effects of globalization” and urged countries to work towards its ratification in time for the World Summit on Sustainable Development in September 2002.¹³

MERCOSUR

13. As reported previously,¹⁴ one of the major achievements of the Common Market Group’s (CMG) Labour Sub-Group 10 (LSG 10), is the Social and Labour Declaration adopted by member States in 1998. Under the terms of this instrument, the Social and Labour Commission receives and analyses the parties’ reports on the implementation of the Declaration. Among the recent outcomes of this reporting procedure, the Social and Labour Commission, at its session in November 2001, analysed the reports on the application by member States of article 6 of the Declaration on skills training. On the basis of this analysis, the CMG, at its fifty-fourth session, held in Montevideo, 4-5 December 2001, adopted a resolution skills training, which invites the parties to develop policies and

¹¹ At present, the Convention has 18 ratifications (76 signatories) and is to enter into force 90 days after the 50th ratification.

¹² Statement of the Deputy Executive Director of UNEP, press release 01/67 joint UNEP/FAO: “Progress made towards reducing risks of pesticides and industrial chemicals in developing countries”, Oct. 2001.

¹³ Statement of the Deputy Director-General of FAO, press release 01/67 joint UNEP/FAO.

¹⁴ GB.279/MNE/2, paras. 3-10.

practices oriented by a systemic vision of skills training, with the participation of workers and employers.¹⁵

Organisation for Economic Co-operation and Development (OECD)

First Annual Meeting of the National Contact Points and Roundtable on Global Instruments for Corporate Responsibility (Paris, 18-19 June 2001)

14. As previously reported,¹⁶ the implementation system for the OECD Guidelines for Multinational Enterprises was recently revised. As provided for in the implementation procedures of the guidelines, the national contact points (NCPs) held their first annual meeting since the 2000 review. This was an occasion for NCPs to submit their annual reports and discuss among themselves activities associated with the guidelines at a national level. The NCPs also held a special session with BIAC (Business and Advisory Committee to the OECD), TUAC (Trade Union Advisory Committee to the OECD) and NGOs.
15. One year after adopting the revised OECD Guidelines for Multinational Enterprises, the NCPs also held a Roundtable on Global Instruments for Corporate Responsibility. The round-table discussion focused on the relationship between the guidelines and other global instruments for corporate responsibility, and on how the different instruments could be made to complement one another, and are perceived and applied by the business community and other organizations. Although the basic aims and ideals of the global instruments were considered to be largely the same, important differences were said to lie in their implementation mechanisms. Representatives of global instruments expressed an interest in cooperating, through knowledge-sharing and joint promotion, with the NCPs and other guidelines institutions in furthering shared objectives.
16. The round-table discussions were reflected in the *OECD Guidelines for Multinational Enterprises: Annual Report 2001*, the first in a series, which describes what governments have done over the past year to promote and implement the guidelines. It contains a special focus on global instruments for corporate responsibility and provides a comparative analysis and comments by the business, labour and NGO communities.¹⁷

OECD Global Forum for International Investment (Mexico City, 26-27 November 2001)

17. The OECD Global Forum for International Investment (GFII) “New Approaches and Policy Challenges for Foreign Direct Investment in the 21st Century” attracted more than 300 experts and representatives from OECD member countries, non-members, multilateral organizations and civil society. Among other deliberations, the forum: (1) affirmed the importance of sustained FDI flows as a powerful engine for achieving the international community’s reinvigorated development goals, particularly reducing poverty;

¹⁵ MERCOSUR/GMC/RES.No. 59/01.

¹⁶ GB.279/MNE/2, paras. 11-14.

¹⁷ Internet: www.oecd.org/oecd

(2) concluded that FDI should be strongly linked to local enterprise development and not be confined to small enclaves, and emphasized the needs of the less developed countries, particularly in parts of Africa and Asia, for benefits from FDI inflows; (3) stressed the importance of ensuring that governments pay more attention to the broad set of regulatory and institutional frameworks conducive to an enabling environment both for foreign investment and domestic entrepreneurship; and (4) noted the need for strong and new partnerships to contribute to the domestic capacity-building efforts in FDI host countries, involving host and home countries, multinational enterprises, international organizations and civil society groups. The results of the forum serve as an input into the preparatory process of the United Nations Conference on Financing for Development, to be held in Mexico in March 2002.

United Nations Conference on Trade and Development (UNCTAD)

International arrangements for transfer of technology

18. In its report submitted to the Sixth Session of the Commission on Investment, Technology and Related Issues of the Trade and Development Board, held in Geneva, 21-25 January 2002, the Expert Meeting on International Arrangements for Transfer of Technology held in Geneva, 27-29 June 2001, noted that most technology-related provisions are of a “best-efforts” nature. Among best practices that can contribute to generating favourable conditions and opportunities for transfer of technology and capacity building was the provision by host countries of an enabling environment for transfer of technology, taking into account a certain number of considerations, including vocational training and recruitment of technical staff, encouraging capacity building for assessing, adopting, managing, and applying technologies through, *inter alia*, human resources development, strengthening institutional capacities for research and development and programme implementation, assessments of technology needs, and long-term technological partnerships between holders of technologies and potential local users.¹⁸
19. The “Compendium on international arrangements on transfer of technology”¹⁹ excerpts provisions on the transfer of technology and capacity building from nearly 80 multilateral, interregional, regional, bilateral and other international instruments. All the provisions are aimed at promoting access to technologies and, in some cases, developing local capabilities in developing countries. Their adoption reflects the recognition by States of the need for international cooperation to reduce the technological disparity between developed and developing countries. Nonetheless, according to UNCTAD, “a considerable gap exists between the intentions expressed in the agreed provisions and their effective implementation”, and the compendium is intended “as a reminder of the considerable scope for further policy action”.²⁰

¹⁸ Report of the Expert Meeting on International Arrangements for Transfer of Technology, Outcome of the Expert Meeting, TD/B/COM.2/33, TD/B/COM.2/EM.9/3, 7 Aug. 2001, paras. 1-5.

¹⁹ UNCTAD: “Compendium of International arrangements on transfer of technology: Selected instruments”, UNCTAD/ITE/IPC/Misc.5. Sales No.: E.01.II.D.28, 2001.

²⁰ *idem*, preface.

Updated analysis of FDI flows

20. As reported previously,²¹ UNCTAD had projected a 40 per cent drop in world FDI inflows for last year, down to \$760 billion from over \$1.3 trillion in 2000, attributing the decline mainly to a slowdown of world economic growth (1.3 per cent, as compared with 4 per cent in 2000) and to a decrease in cross-border mergers and acquisitions (M&As). The value of cross-border M&As in 2001 stood at barely \$600 billion for less than 6,000 deals, against \$1.1 trillion for some 7,900 deals in 2000.
21. According to recently released data,²² despite the estimated downturn in 2001, the cross-border investment plans of TNCs (transnational corporations) for the coming three years have not substantially changed since 11 September 2001. Major TNCs plan to continue their international expansion, according to a survey of 129 firms undertaken between May and November 2001. The preferred mode of expansion continues to be cross-border M&As in developed countries and greenfield investment in developing countries.
22. FDI flows to developed countries are estimated to have declined by nearly half in 2001 from the previous record high – from over \$1 trillion to \$0.5 trillion. Virtually all of the major developed countries experienced a downturn in 2001 except Japan. FDI outflows from developed countries also declined and are expected to remain at a low level in 2002. However, the drop in cross-border M&As from the European Union is less marked. Inflows of FDI declined in all developing regions except Africa, where flows increased from \$9 billion in 2000 to \$11 billion in 2001.

International investment agreements

23. In a paper entitled *Social responsibility* in the UNCTAD series on issues in international investment agreements (IIAs),²³ UNCTAD presents a series of policy options in relation to corporate social responsibility and IIAs. The paper notes that a number of CSR issues, including employment issues, development and socio-political obligations have received attention within the context of some IIAs, and that other issues such as corporate governance, ethical business standards and human rights seem to be emerging issues. According to the paper, the challenge is to balance the promotion and protection of liberalized market conditions for investors with the need to pursue development policies. While social responsibility obligations are one way to move towards such a balance, such provisions must be applied with sensitivity to the realities of local conditions in developing countries and should not be misused for protectionist purposes.

²¹ GB.282/WP/SDG/3, para. 10.

²² Released at the meeting of UNCTAD's Commission on Investment, Technology and Related Financial Issues, Geneva, 21-25 January, and at the Seventh Annual Conference of the World Association of Investment Promotion Agencies, 22-25 January. See also TAD/INF/PR36, 21 Jan. 2002.

²³ <http://www.unctad.org/en/docs/psiteiitd22.en.pdf>

United Nations Environment Programme (UNEP)

24. UNEP works to achieve sustainable development in areas of activity including voluntary initiatives, corporate reporting, environmental management systems and the United Nations Global Compact.²⁴ The following developments involve sectoral voluntary initiatives created by UNEP and industry, whereby MNEs and other companies agree to develop environmentally sound practices, have addressed FDI patterns, codes of practices, and other issues relating to MNE operations.
25. With respect to the financial institutions initiative and the insurance industry initiative, a Latin America Regional Roundtable with ECLAC, was held in Santiago, Chile, 26-27 November 2001, as part of outreach preparations for the WSSD. The event featured two round tables: the “Business Case for Sustainability Performance in the Finance Sector”, and “Creating a Sustainability Dynamic for Foreign Direct Investment”. Another regional round table, coordinated with the Development Bank of Southern Africa, was held at Midrand, South Africa, 28-29 January 2002, and a global round table is scheduled for Rio de Janeiro, Brazil, 13-15 March 2002.
26. Under the auspices of the gold industry voluntary code initiative, UNEP, working in partnership with the International Council on Metals and the Environment (ICME), convened an international meeting of leading multinational enterprises and other stakeholders in the gold industry, which agreed to pursue the development of a global code for cyanide management in the industry. It is intended that the code be implemented by small and large companies alike, and that it will include provisions and targets, which are at the leading edge of best practice. UNEP and ICME have been requested to continue to work with the industry to support and sponsor the development of the voluntary code.

United Nations Industrial Development Organization (UNIDO)²⁵

27. As reported previously,²⁶ the UNIDO Partnership Programme, launched in 1998, aims at developing multi-party partnerships to raise the capabilities of SMEs. The programme, piloted initially in manufacturing automotive components in the western region of India, is now extended to the southern region together with a number of corporate partners. Similar partnership projects have also been launched to promote electronic supply chain management in the MERCOSUR countries, develop a three-wheeler industry in Nigeria, and increase eco-efficiency, most probably in China.
28. In November 2000, a UNIDO-Ericsson cooperation agreement opened up the world of electronic and mobile business (EMB) for SMEs in developing and transition economies.

²⁴ <http://www.uneptie.org/outreach/vi/initiatives.htm> (visited on 25 January 2002). Excerpts from: “Overview of multilateral agencies’ CSR initiatives”, by Tom Fox, International Institute for Environmental Development, prepared for the Donor Roundtable on CSR, Jan. 2002, London, England.

²⁵ Excerpts from: “Overview of multilateral agencies’ CSR initiatives”, by Tom Fox, International Institute for Environmental Development, prepared for the Donor Roundtable on CSR, Jan. 2002, London, England.

²⁶ GB.279/MNE/2, para. 15.

Based on workshops held in Cairo, Colombo and Kampala, a study recommended that the private sector invest in upgrading local telecommunications infrastructure and services and work with governments on human resource policies. UNIDO and Ericsson intend to further pool their industrial and technological expertise to support SMEs' participation in electronic and mobile business and enter the global electronic marketplace.²⁷

World Health Organization (WHO)

29. As reported previously,²⁸ the World Health Assembly adopted the International Code of Marketing of Breast-milk Substitutes in 1981 to contribute to the provision of safe and adequate nutrition for infants. In May 2001, the Fifty-fourth World Health Assembly approved a resolution underscoring the fact that "2001 marks the twentieth anniversary of the adoption of the International Code of Marketing of Breast-milk Substitutes", and that the adoption of the resolution "provides an opportunity to reinforce the international code's fundamental role in protecting, promoting and supporting breastfeeding".²⁹ In developing a global strategy for infant and young child feeding, the Assembly sought to build on past achievements, including among others the International Code of Marketing of Breast-milk Substitutes. A draft of the strategy will be circulated to Member States and to interested parties for information and feedback before a finalized text is submitted to the Executive Board and the Health Assembly in 2002.³⁰
30. Article 11.7 of the breast-milk code provides for reporting, in even years, on the status of its implementation. The Director-General of WHO presented the results of the last report to the 109th session of the Executive Board in January 2002, to which 162 of WHO's 191 Member States (85 per cent) have reported on their actions to give effect to the code's principles and aim. This includes adoption of new, or revision of existing, legislation, regulations, codes, guidelines, agreements, and monitoring and reporting mechanisms. Since the last report to the Executive Board at its 105th session in 2000,³¹ nine countries (Angola, Cambodia, France, Ghana, Greece, Kazakhstan, Nigeria, South Africa and the United Republic of Tanzania) have provided information on new or revised actions. Meanwhile, WHO has responded to requests for technical support from Australia, Cambodia, New Zealand, Oman and Pakistan. It also provided input to the revised code-monitoring protocol of the Interagency Group on Breastfeeding Monitoring, a coalition of non-governmental organizations, churches and academic institutions.

²⁷ Annual Report of UNIDO 2000, IDB24/2-PBC.17/2, Vienna, 2001, pp. 16-17.

²⁸ GB.279/MNE/2, paras. 16-19.

²⁹ Resolution WHA54.2, 18 May 2001.

³⁰ WHO, report by the secretariat, A54/7, 9 Apr. 2001.

³¹ GB.279/MNE/2, para. 17.

World Bank ³²

Global Corporate Governance Forum

31. As reported previously, ³³ the World Bank and OECD convened the Global Corporate Governance Forum to provide assistance to developing and transition economies. In 2001, round tables on corporate governance were organized in the following regions: Latin America (28-30 March 2001), Asia (4-6 April 2001), Eurasia (7-8 June 2001), the Russian Federation (20-21 June 2001) and South East Europe (20-21 September 2001). The round tables on corporate governance aimed to assist decision-makers from the private and public sectors by providing a forum for continuing dialogue in the regions. The main outputs of the round tables include: white papers targeting the most urgent areas for improvement, publications/communications to disseminate the background documents of the discussions through a dedicated web site, and annual policy meetings for a network of senior policy-makers, regulators, companies and market participants to discuss their contributions to improving governance. Another five round tables are scheduled for 2002, starting in March in the Russian Federation.

Business partners for development ³⁴

32. Under the auspices of its business partners for development (BPD) programme, the World Bank convened a range of global firms and civil society organizations to work alongside governments and local community development organizations to test the hypotheses that such partnerships could: provide win-win benefits to all three parties; be more widely used throughout the world; and be scaled up to national and regional levels. Partners decided to spend three years working intensively with 29 “focus projects” (i.e. pilots) in 20 countries and grouped into “clusters”: natural resources, water and sanitation, global partnership for youth development, global road safety partnership. The Knowledge Resource Group sought to connect and collect lessons learned on tri-sector partnerships from all clusters. ³⁵
33. BPD was implemented in three phases. Phase one was conducted from 1998 to 1999 and focused on building the partner network and clusters, and identifying and initiating the focus projects. Phase two ended in December 2001 and focused on implementing the cluster workplans. The current third phase focuses on systematizing and communicating the learning gained across BPD to encourage its effective application in the further development of partnership approaches.

³² For recent developments in the ILO’s role in the Poverty Reduction Strategy Paper (PRSP) process initiated by the Bretton Woods institutions, see GB.283/ESP/3.

³³ GB.277/MNE/2, paras. 40-42.

³⁴ Excerpts from “Overview of multilateral agencies’ CSR initiatives”, by Tom Fox, International Institute for Environmental Development, prepared for the Donor Roundtable on CSR, Jan. 2002, London, England.

³⁵ <http://www.bpdweb.org> (visited on 25 January 2002).

34. A preview report on the activities of BPD, “Endearing myths, enduring truths: enabling partnerships between business, civil society and government”, was issued in May 2001.³⁶ In the preview, the Bank described BPD’s partnership approach as creating possibilities for institutional innovation in addressing both individual and common organizational goals, rather than seeking to impose a “one-size-fits-all” model across extraordinarily diverse situations and challenges. According to the Bank, many of the initiatives developed or supported by BPD would not have been cost-effective or even feasible if they had not been built as partnerships. However, it noted that not all such partnerships had involved government, business, and civil society. For example, the Global Alliance for Workers and Communities had little more than nominal public sector involvement, and indeed scant engagement with the labour movement. While almost all of the water and sanitation partnerships involved the government, business and civil society, the main corporate partners were also experimenting with other approaches to contract compliance rooted in legal, technological and pricing innovations, rather than partnership-related ones. An evaluation of the effectiveness of BPD in addressing its mission is expected in June 2002.

Other developments

35. With respect to other developments reported previously,³⁷ the ILO submitted a statement of principles and, subject to that statement, a set of technical comments to the United Nations Sub-Commission on the Promotion and Protection of Human Rights during its 53rd session (Geneva, August 2001) upon its review of the universal human rights guidelines for companies (draft guidelines). The Sub-Commission plans to further review the draft guidelines at its 54th session (Geneva, August 2002).
36. As reported previously,³⁸ the United Nations Global Compact held a high-level meeting on 26 July 2000 at UN headquarters in New York. As a means of further implementing the compact and, in order to encourage learning, dialogue, compact initiatives and country outreach, the following initiatives are under way: (1) the Global Compact Learning Forum – working to identify and disseminate lessons learned in the effort to translate general principles into concrete management practices and real internal change; (2) policy dialogues – providing a platform for diverse stakeholders to engage in substantive dialogue and develop practical action plans in response to the key challenges of globalization; (3) compact initiatives – promoting specific company and partnership initiatives to advance the nine core principles of the Global Compact; and (4) country outreach – extending the scope and breadth of the Global Compact internationally, and engaging new actors and stakeholders throughout the world.³⁹ Among other activities, the Global Compact is engaging in an active programme of awareness raising through regional and subregional meetings organized by the Executive Office of the Secretary-General, and is expanding its scope of participation among business and other actors.

³⁶ Business partners for development: “Endearing myths, enduring truths. enabling partnerships between business, civil society and the public sector”, May 2001, available at http://www.bpdweb.org/krg/myth_prev.htm (visited on 25 January 2002).

³⁷ GB.282/WP/SDG/3, paras. 18-20; GB.279/MNE/2, para. 21.

³⁸ GB.279/WP/SDG/1, paras. 46-47.

³⁹ Internet: www.unglobalcompact.org

37. The Subcommittee may wish to discuss the broad trends and issues arising from the developments of various organizations reported with a view to understanding the possibilities for the effective application of the MNE Declaration.

Geneva, 7 February 2002.

Point for decision: Paragraph 37.