



## FIRST ITEM ON THE AGENDA

**Promotion of the Tripartite Declaration  
of Principles concerning Multinational  
Enterprises and Social Policy: Priorities  
for action in 2004-05**

1. This paper, as requested by the Subcommittee, provides further details on the activities that the Office plans to undertake during the period 2004-05 to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration). Prepared in consultation with the Bureaux for Employers' and Workers' Activities, it follows the framework provided by the Subcommittee in March 2001<sup>1</sup> and takes into account the discussion on this subject by the Subcommittee in March 2003.<sup>2</sup> To facilitate discussion of the paper, the appendix contains a tabular summary, listing proposed activities in order of priority and showing their timing, evaluation criteria, approximate technical staff time involved, and the different funding sources.
2. During 2004-05, the Office will intensify its activities to position the MNE Declaration as a significant benchmark in the ongoing debate on corporate social responsibility issues. Given its limited regular budget resources, the Multinational Enterprises Programme will need to mobilize extra-budgetary funding and work closely with other ILO programmes and units as well as with other international organizations to achieve the objectives that the Subcommittee has set: enhanced awareness of the MNE Declaration; effective application of the MNE Declaration; mainstreaming the MNE Declaration within existing ILO programmes; and advocating the aims of the MNE Declaration with other international organizations.

<sup>1</sup> GB280/13, para. 186.

<sup>2</sup> GB 286/14, paras. 2-22.

## Awareness raising

### Meetings

3. The main activity under this heading will be the organization of a series of three subregional tripartite seminars. In addition to providing an opportunity to promote the MNE Declaration these seminars will help identify issues that might be tackled through subsequent technical cooperation activities. As indicated in GB.288/PFA/9, the Office has included these seminars on the list of meetings from which a selection will be made for funding under the Technical Meetings Reserve. The seminars will cover the ASEAN, SADC and MERCOSUR subregions. It is intended to organize one meeting in 2004 and two in 2005. The success of the meetings may be measured by the number of requests for follow-up activities and the extra-budgetary resources mobilized for such follow-up activities.
4. Throughout the biennium the Office will continue to participate in meetings and activities of other organizations. This constitutes a cost-effective way to promote the MNE Declaration and intensify cooperation with these organizations. Priority will be given to participation in high-level Global Compact meetings and meetings organized by other international organizations, particularly in developing countries that benefit from significant foreign direct investment. The success of this participation may be measured by increased reference to and application of the provisions of the MNE Declaration. On the basis of current experience it is expected that participation in about half the meetings of this kind will be funded by the organizations hosting the respective meeting.

### Research and publications

5. The main activity in this area will be the Eighth Survey on the effect given to the MNE Declaration (see GB.288/MNE/2 for more details). The measures of success of this activity, to be funded entirely from regular budget resources, will be the response rate and the depth and scope of the replies received. To ensure a high response rate to the survey questionnaire and help improve the quality of replies, ILO subregional offices will be asked to assist member States in preparing their responses.
6. In all probability, another revision of the MNE Declaration will become necessary in 2005 to ensure that all of its provisions remain relevant and take account of new developments. The research necessary to prepare the revision requires only limited staff time.
7. Another priority will be to maintain the business and social initiatives database, particularly to keep up-to-date information on new initiatives and on framework agreements between MNEs and global union federations. The success of this database can be measured by an increase in the number of online searches and references in corporate social responsibility (CSR) literature. The Office will continue to facilitate the translation of the latest edition of the MNE Declaration in additional languages if and when requested by member States. Funding for such translations will mainly come from the ILO subregional offices concerned. In 2005, the Office will further undertake research to analyse the implications of the fact that many MNEs are small and medium-sized enterprises.
8. Subject to extra-budgetary funding becoming available, the Office will in 2004 start an 18-month research project on private labour inspection and monitoring in the context of voluntary initiatives involving MNEs. The project will be guided by a steering committee

involving the Bureaux of Employers' and Workers' Activities and other units in the Office concerned. Evaluation criteria will be set by the donor.

## Technical cooperation

9. In 2004, the Office will conclude the implementation of the project on piloting CSR activities based on the MNE Declaration, funded by the Government of the United Kingdom. Earlier activities in Brazil, Costa Rica, Kenya and Uganda will be followed up, while initial seminars and subsequent follow-up are foreseen for Argentina and Azerbaijan in the first half of 2004. The success of the project may be measured by the follow-up activities to which the respective initial seminars will have given rise.
10. In cooperation with the Bureaux for Employers' and Workers' Activities, training of trainers seminars will be organized to promote the use of the Global Compact training materials developed in 2002-03. To reflect the importance of existing relevant national legislation and regulations, adaptations of the materials for use at country level will be developed jointly with the ILO offices concerned. The Office will further implement a project funded by the Government of Italy to promote the Global Compact in Italy and in a number of developing countries with substantial Italian technical cooperation and investment. While focusing on the integration of the Global Compact principles in business operations, the project's outreach and training activities will also highlight the relevance of the provisions of the MNE Declaration and the OECD Guidelines for Multinational Enterprises in this context.
11. The Office will continue to provide country-level advisory services on the application of the provisions of the MNE Declaration, including through a workshop in the Philippines in the first half of 2004 to help the parties implement the Memorandum of Social Understanding under the MNE Declaration that was signed in 1997. The workshop will examine investment policies and foreign direct investment in the Philippines and how they affect MNEs and their workers.

## Mainstreaming the MNE Declaration in ILO activities

12. The Office will pay priority attention to ensuring greater awareness of the MNE Declaration among ILO field staff. It will do so by putting the MNE Declaration on the agenda of ILO field structure meetings and by organizing briefing sessions for technical specialists. The Multinational Enterprises Programme will work more closely with the Sectoral Activities Programme to ensure that the MNE Declaration is taken into account not only in the preparation of background papers for tripartite sectoral meetings but also in at least two of its action programmes. The Programme will also work closely with the InFocus Programme on Social Dialogue to highlight the relevance of the MNE Declaration in the context of social dialogue and will continue to participate in meetings and activities organized by other programmes and units in the Office as and when they have a bearing on the MNE Declaration. It will provide inputs into major ILO publications such as the *World Employment Report* as and when requested. The success of these efforts can be measured by increased reference to the MNE Declaration in the work and publications of other programmes and the mobilization of extra-budgetary resources for joint activities.

## Relations with other organizations

13. The Office will continue to cooperate with UNDP, UNEP and OHCHR in the context of the Global Compact. Cooperation with UNEP will also be strengthened to ensure that the provisions of the MNE Declaration are reflected in the documentation for its industry association meetings and other sectoral initiatives. In addition, the Office will strengthen its cooperation with the European Commission, OECD and the World Bank group to ensure closer coordination of each organization's respective efforts in the CSR area and to mobilize the support of these organizations to promote and apply the MNE Declaration as an instrument that, given its universal character and social dialogue approach, can well complement and strengthen the efforts of these organizations in respect of CSR.
  
14. *The Subcommittee may wish to express its views on the Action Plan 2004-05 outlined in this paper.*

Geneva, 22 September 2003.

*Point for decision:* Paragraph 14.

## Appendix

Description	Timing	Evaluation criteria	Staff time	Non-staff costs
Eighth Survey on the effect given to the MNE Declaration	2004	Number and quality of replies received	12 months	MULTI <sup>1</sup>
Subregional seminars	One in 2004 Two in 2005	Follow-up requests for technical cooperation	12 months	Technical Meetings Reserve
Cooperation with other organizations (including Global Compact)	Continuous	Increased attention by other organizations to the MNE Declaration	24 months	MULTI and other units
Business and social initiatives database	Continuous	Number of online searches and references in CSR literature	3 months	MULTI
Country-level advisory services	Continuous	Number of countries applying advice	12 months	MULTI, field and RBTC <sup>2</sup>
Drafting and negotiating proposals for new technical cooperation projects	Continuous	Amount of extra-budgetary resources mobilized	3 months	MULTI
Implementation of extra-budgetary technical cooperation projects	Continuous	According to respective project documents	15 months	MULTI and other units
Mainstreaming MNE Declaration	Continuous	Increased attention in ILO publications and activities to the MNE Declaration	12 months	MULTI and other units
Revision of the MNE Declaration	Continuous	Revision adopted	2 months	MULTI and JUR
Translations of the MNE Declaration	2005	Number of translations	3 months	MULTI and field
Research on smaller multinational enterprises	Continuous	Positive feedback on working paper	2 months	MULTI

<sup>1</sup> MULTI: Regular Budget Multinational Enterprises Programme. <sup>2</sup> RTBC: regular budget technical cooperation.