



FOURTH ITEM ON THE AGENDA

Report on the modalities of a programme to give an orientation on international labour standards, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and other related matters**1. Background**

1. Interest in and referencing of international labour standards (ILS) and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) by enterprises are growing at a substantial rate. However, there is currently no authoritative guidance available for enterprises; and the vacuum is being filled by a growing private industry which often does not have a correct understanding of the implications of international labour standards for enterprises. The confusion has led to increased costs and uncertainty for enterprises and little improvement in conditions of employment for workers.
2. At the November 2006 meeting of the Subcommittee, a proposal was put forward by the employers and workers, and endorsed by the Governing Body, to develop a concrete programme to facilitate the realization by enterprises of principles relating to international labour standards and the MNE Declaration.¹ The Governing Body specified at that time that such a programme might include, among others:
 - research on the impact and value of private monitoring and assessment methods;
 - tools to help countries to strengthen local inspection in respect of labour issues;
 - identification of opportunities for public/private partnerships for inspection and enforcement;
 - collaboration with the International Training Centre of the ILO to develop training materials for auditors and companies on international labour standards;

¹ GB.297/13.

- advice and guidance on assessment methods that refer to ILO instruments; and
 - identification of other possible services in this regard.
3. Discussions in both the Subcommittee and the plenary of the Governing Body stressed that consensus should be the guiding principle in developing these modalities.
 4. The Office was requested to prepare a paper outlining the modalities of such a programme and to report on the resource implications of creating such a programme, as it would clearly require donor support and might require an adjustment of the strategic priorities that have been identified for the current biennium. This paper is intended as a basis for discussion to provide guidance. It was prepared following consultation with the social partners and the International Training Centre of the ILO.

2. Strategic orientations of the proposed programme

5. The objective of this programme could be to provide tools and information to enterprises to promote a better understanding and application of the fundamental principles and rights at work and the principles contained in the MNE Declaration. The programme would support firms in their voluntary choices. Furthermore, it could promote “partnering” between enterprises and the government, employers’ and workers’ organizations both at the national level and in the supply chain. The programme also could highlight the important role of national law and practice. It would be managed by the Multinational Enterprises Programme within the Job Creation and Enterprise Development Department, with the active involvement of the Bureau for Employers’ Activities and the Bureau for Workers’ Activities, and in coordination with existing activities of the Office on the subject.²
6. The broad framework for the programme could be structured around the following components:
 - **Promotion and information.** This component would enhance enterprises’ understanding of the implications of applying the principles contained in international labour standards at the company level, through providing basic information and short illustrative examples. The main mechanisms for promotion and delivering information would be a leaflet informing people of the MNE Declaration and an upgraded version of the Multinational Enterprises Programme web site.
 - **Information services.** This component would provide a help desk or one-stop shop within the Office to answer questions and provide more detailed information to enterprises concerning the application of fundamental principles and rights at work and the principles contained in the MNE Declaration in their operations, including in their supply chains. While the ILO is not responsible for advising enterprises in the same manner as constituents, the aim of these services would be focused on providing information useful to the particular situations of enterprises in achieving decent work.
 - The services provided through this component would build on and facilitate enterprises’ access to the wide range of expertise and resources across the Office.

² See GB.297/MNE/2/1.

- ILO work with enterprises in this regard would respect the Organization's commitment to social dialogue and would take care not to constitute endorsement or other opinion of the Organization on specific companies or their claims.
 - **Capacity building.** This component would be developed and implemented in partnership with various organizations and, in particular, the International Training Centre of the ILO. Programmes would be designed to enhance the capacity of enterprises and those with relevant services in areas such as:
 - (a) how to incorporate principles relating to ILS in company or industry codes and policies;
 - (b) how to implement principles relating to ILS through codes or other company policies;
 - (c) how to verify implementation of principles relating to ILS through codes or other company policies: providing basic guidance on good practices;
 - (d) how to contribute to strengthening public capacity to conduct local inspection in respect of labour issues, through public–private partnerships.
7. The training materials would be designed as a series of modules so that they could be flexibly adapted, with the primary focus being enterprises, social auditors and ILO field staff. The training materials will draw on the existing relevant materials.
8. Monitoring and quality control mechanisms will be integrated into the programme.

3. Process of developing the programme

9. While regular reporting of progress would be provided to the Governing Body, a small advisory group could be formed to hold regular consultations on the structure of the programme and products being produced, to ensure the consensus approach is respected. The advisory group could include the Officers of the Subcommittee, representatives of the Bureau for Workers' Activities and the Bureau for Employers' Activities, as well as representatives of key ILO departments and field offices involved in the programme. There would be no budget for meetings of the advisory group.
10. The programme would be developed in three phases as follows:
- Development phase: This phase would involve the preparation of programme resources such as training packages and an upgraded web site. Furthermore, the Office would build its internal capacities and systems to handle requests for specific information. Initially, a few topics would be selected so that programme resources could be developed to a commonly agreed working approach, content and format.
 - Pilot phase: This phase would validate and test the materials and systems. In addition, the potential demand for the programme and mechanisms for meeting this demand would be assessed.
 - Implementation phase: This phase would roll-out and institutionalize the programme.
11. The development and pilot phases of the programme will be resource intensive and are clearly interconnected. Extra-budgetary resources would need to be sought for these purposes. Based on the piloting of the programme, the resources implications for the implementation phase could be determined.

12. The appendix contains a table giving a brief overview of the programme, target dates for delivery, and an indicative estimate of the resources needed for the development and pilot phases, which will be refined as the programme evolves.
13. The programme could be linked to, and build on, the current InFocus Initiative on CSR and other ongoing activities of the Office. The various departments and field offices currently contributing to the InFocus Initiative could also contribute to developing tools and delivering training; and they could use the tools developed by consensus in their own work.

4. Next steps

14. The next steps proposed could be:
 - establish a steering committee;
 - based on guidance from the steering committee, begin collecting and reviewing existing materials for the pilot topics selected;
 - commence preparing guidance and training for pilot topics; and
 - identify possible sources of funding for developing the full programme.
15. *The Subcommittee may wish to recommend to the Governing Body to approve the development of an Office programme to facilitate the realization by enterprises of principles relating to international labour standards and the MNE Declaration, subject to extra-budgetary financing being received and on the basis of the document presented and the views expressed in its discussion.*

Geneva, 16 February 2007.

Point for decision: Paragraph 15.

Appendix

Summary of proposed programme

Component	Elements	Target group(s)	Expected output(s)	Target start and delivery dates	Estimated budget for development and pilot phases
Promotion and information	Enhancing enterprises' understanding of the implications of applying the principles contained in international labour standards at the company level	Primary: MNEs and suppliers Secondary: industry group and multi-stakeholder initiatives	<ul style="list-style-type: none"> - Promotional materials - Upgraded web site 	Start: March 2007 Pilot drafts: autumn 2007	Brochure: \$10,000 Web site: \$50,000
Advisory services	<ul style="list-style-type: none"> - One-stop shop - Management system - Staff development 	Enterprises	<ul style="list-style-type: none"> - Responses to requests for information - Database of responses to queries 	Start: autumn 2007 Will be ongoing	One full-time person Development of management and referral system: \$50,000 Recurrent costs: \$50,000 per year
Capacity building	Modular training programme	<ul style="list-style-type: none"> - MNEs and other enterprises - Social auditors - ILO field staff - Employers' and workers' organizations 	Complete training packages and supplementary resources	Start: April 2007 Complete drafts: June 2008 Pilot: July 2008	Package development: \$150,000 Pilot: \$70,000
	Other activities as identified by the steering committee				One half-time person
Monitoring and quality control	<ul style="list-style-type: none"> - Get feedback on the usefulness of the tools and training, and the results they achieve - Ensure programme guidelines and training tools are being appropriately applied 	Not applicable	Not applicable	To be integrated in the programme development phase	