

**FOR INFORMATION**

FIRST ITEM ON THE AGENDA

**Update on strategic priorities
for 2008–09****Introduction**

1. During its 301st Session, the Governing Body identified the strategic priorities on which the ILO should focus to increase awareness of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) as a useful tool for companies and constituents, promote a shared understanding of the principles it contains and provide more systematic assistance on how to implement them.¹ As requested by the Governing Body, this paper provides updated information on work undertaken by the Office with regard to these strategic priorities.

**Establish and operationalize a helpdesk to
provide expert advice on the realization of
international labour standards and the
MNE Declaration**

2. In March 2008, the Governing Body requested the Office to start implementation of a helpdesk to give expert advice on the realization of international labour standards and the MNE Declaration.² In readiness for the launch of the helpdesk in November 2008, the Office has undertaken the following actions:
 - (a) Securing funds for the recruitment of a full-time senior specialist to be responsible for the establishment and management of the helpdesk. A job description has been prepared, the position advertised and interviews conducted. The specialist is expected to be in post shortly.
 - (b) Establishing a team of experts that will provide technical inputs for the helpdesk. The team is composed of focal points for each of the relevant technical departments as well as representatives from the Bureaux for Workers' and Employers' Activities.

¹ GB.301/MNE/1.

² See GB.301/12(Rev.), para. 7.

The Office has convened meetings of the team to agree on a system for coordinating inputs and obtaining consensus on replies to queries. The team is now preparing responses to a limited number of queries in order to test and refine the consultation and collaboration process.

- (c) Preparing frequently asked questions (FAQs). Since the team of experts decided that FAQs should be based on real questions received rather than anticipated questions to ensure that replies accurately reflect the needs of potential users, only a few FAQs have been prepared in the pre-launch phase. A substantial number of FAQs is expected to be developed during the first six months following the launch of the helpdesk.
- (d) Developing a knowledge-management system to store information about queries. This includes data about the entity requesting the information (e.g. sector of operation, country and region concerned, whether the request comes from management, workers or ILO constituents); date of reception and target reply date; issues raised in the queries, and which departments are involved in formulating the reply as well as the specific inputs received from them.
- (e) Establishing an advisory group responsible for providing orientation on the helpdesk. It is composed of the Officers of the Subcommittee, representatives from the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC), and the Executive Director of the Employment Sector, who acts as Chairperson. The Office will convene a meeting of the Advisory Group in November to discuss progress made to date in preparing the launch of the helpdesk.
- (f) Concerning the quality of services provided, the Office has set a target time frame of two weeks for replying to queries. However, more complex or controversial questions may require a longer response time; and the work flow may also require greater flexibility. The Office has also developed a feedback form which will allow the helpdesk to assess the usefulness of the service provided and to make improvements.
- (g) Preparing a concise guidance note for field staff explaining the helpdesk. Field staff will also be asked to ensure that all ILO officials channel information requests related to companies through the helpdesk.

Undertake field testing of an alternative modality to evaluate the effect given to the MNE Declaration

3. The Governing Body requested the Office to field test an alternative modality for evaluating the effect given to the MNE Declaration while suspending its decision to conduct surveys every four years until a decision on the matter no later than its November 2009 session.³ This exercise should be viewed in the context of the overall ILO agenda, in particular with regard to the outcome of the discussion concerning strengthening the ILO's capacity to assist constituents' efforts to reach its objectives in the context of globalization.⁴ The results would also help guide future work of the Office on promoting greater awareness and more effective use of the MNE Declaration.

³ See GB.301/12(Rev.), para. 15.

⁴ *Provisional Record* No.13, 97th Session, Geneva, 13A and 13B; adopted, para. 20.

4. It was agreed that this exercise would consist of the following three components:
 - a global holistic scan, primarily through a desk review, of the effect given to the areas covered by the MNE Declaration;
 - country-level exercises, primarily through interviews and focus group meetings, on the role MNEs play with regard to the areas covered by the MNE Declaration;
 - a sectoral exercise, primarily a desk review and a survey, focusing on the role that MNEs in a particular global sector are playing with regard to the subject areas of the MNE Declaration.
5. A number of countries have been identified as candidates for the country exercises, and the Office is in the process of finalizing the list, in consultation with the constituents. Selection criteria included: interest among the ILO constituents in the country, the presence of a significant number of MNEs, the strength of social dialogue at the national level, availability of ILO field office support, presence of Decent Work Country Programmes, availability of statistical data, and transferability of lessons learned to other countries within the region and globally. To date, it has been agreed to conduct the first country exercises in Argentina and Ghana where preparatory work is under way. The sectoral focus of the country exercises will be determined jointly with the local constituents.
6. Concerning sectoral focus at the global level, the Office is currently consulting with constituents about the possibility of conducting this exercise in conjunction with the Tripartite Meeting on Promoting Social Dialogue and Good Industrial Relations from Oil and Gas Exploration and Production to Oil and Gas Distribution, scheduled for May 2009.

Provide training on the implementation of the MNE Declaration, in close collaboration with the International Training Centre of the ILO (Turin Centre)

7. As requested by the Governing Body,⁵ the Office is providing technical inputs to activities of the Turin Centre aimed at enhancing the capacity of the Office and ILO constituents to engage in an effective promotion of the MNE Declaration and at providing companies with support in the implementation of its principles. Two courses are under preparation: one for ILO staff and one for constituents, including managers and workers from enterprises (see GB.303/MNE/2 for details).
8. A technical cooperation project funded by Italy continues to organize training courses for employers, workers and government officials, separately and jointly, in Morocco and Tunisia. Some of the training modules developed by the project were also delivered during the ITC “ILO Summer Academy on Sustainable Enterprise Development” held in September 2008.

⁵ GB.301/12, paras 26–27.

Work closely with other intergovernmental organizations that may help raise awareness of the MNE Declaration

9. During 2008, the Office has been working extensively with the Organisation for Economic Co-operation and Development (OECD), the International Organisation for Standardization (ISO) and the UN Global Compact.
10. In June 2008, the OECD and the ILO jointly organized a high-level conference on “Employment and Industrial Relations: Promoting Responsible Business Conduct in a Globalizing Economy” as follow-up to the G8 discussion on the social dimension of globalization at the Heiligendamm Summit (2007). Approximately 300 representatives of governments, employers’ and workers’ organizations from 45 countries shared experiences from around the world on increasing employment, improving respect for workers’ rights and strengthening industrial relations. As part of the preparations for this conference, the Office provided extensive inputs to the background paper on a “Comparative overview of leading CSR instruments”. At the Conference itself, it delivered a presentation on “Development and decent work: New directions for multinational enterprises in shaping a fair globalization”. The Conference provided an opportunity for the ILO and the OECD to explore and develop potential synergies between the ILO MNE Declaration and the *OECD Guidelines for Multinational Enterprises*. Possible follow-up activities are currently being discussed and include: promoting the use of the two instruments at the global level; ensuring policy coherence in advice given to governments and workers’ and employers’ organizations; conducting joint analytical work; and strengthening contributions to build national capacities. The Office also presented a paper on “The promotion of respect for workers’ rights in the banking sector: Current practice and future prospects” at the Seventh Annual OECD Global Forum on International Investment in March 2008.
11. The Working Group for ISO 26000 on Social Responsibility met in Santiago, Chile, in September 2008. During this meeting, the Working Group decided to move from a working draft to a committee draft. This change entails a shift in decision-making power from the Working Group to the national mirror committees, which are led by the national standards bodies. The Office will continue to be engaged in the process since responsibility for drafting will remain with the Integrated Drafting Task Force, in which the ILO participates. It is unlikely that the final draft will be adopted before 2010.
12. The Office is supporting the UN Global Compact Labour Working Group, which is co-chaired by representatives of the IOE and the ITUC. The first meeting of the Working Group, held in May 2008 in Geneva, gathered experts on the four labour principles with representatives of employers’ and workers’ organizations.⁶ Participants received updated information on ILO activities to promote the fundamental principles and rights at work and reviewed existing guidance materials that could be used by companies. They also discussed labour issues in global production systems and identified priorities for the working group, one of which was to produce a resource guide for business on the labour principles. The Office, in close consultation with the constituents, has prepared the resource guide which is expected to be launched at the next meeting of the Labour Working Group in December 2008.
13. Taking into account that financial markets are becoming increasingly aware of international labour standards, the Office has provided information on the provisions of the MNE Declaration to various public development finance institutions which invest in the

⁶ The Office prepared a summary report of the meeting that can be found on the Global Compact web site, at www.unglobalcompact.org/Issues/Labour/Meetings_and_Workshops.html.

private sector in developing countries, and has begun to explore how to better support their efforts to take international labour standards into account in their lending practices.

Promote the MNE Declaration at the country and regional levels

14. As follow-up to the MultiForum on the occasion of the 30th anniversary of the MNE Declaration (November 2007), meetings were organized in March 2008 in Karachi and Lahore, Pakistan, by the Employers' Federation of Pakistan (EFP) with support from the Office. Both employer and worker representatives gave presentations; and the participants affirmed the value of the MNE Declaration as a key instrument for promoting CSR.
15. The Office has also supported some activities in the Southern African Development Community (SADC) as part of a Norwegian-funded project on CSR. At the regional level, the project organized a policy dialogue on a balanced regional framework for foreign direct investment which took place during a meeting of the SADC Ministers of Trade and Finance in August 2008. The Office will also inform SADC institutions of the role of the social partners in policy-making concerning foreign direct investment. The Office commissioned sectoral studies on value chains of regional relevance (such as diamond manufacturing) using the MNE Declaration as the organizing framework. In cooperation with the African Labour Research Network (ALRN), the project trained researchers on the MNE Declaration. At the country level, it provided support to the South African employers' organization (Business Unity South Africa) to develop guidance for South African companies on doing business in Zimbabwe. In Mauritius, the project worked with the Mauritius Employers' Federation to help it strengthen its role as a Global Compact focal point and establish better collaboration with the UNDP.
16. In order to strengthen its capacity to promote the MNE Declaration at the country and regional levels, the Office is collaborating with the Turin Centre in the preparation of a training course for ILO staff (see GB.303/MNE/2 for details).

Other ongoing activities

17. The Office continues to organize InFocus Forums on specific CSR-related topics. The topic for the November 2008 Forum is the Better Work Programme.
18. The Office also continues to build its knowledge base through collecting good practices and undertaking research.

Geneva, 10 October 2008.

Submitted for information.