TENTH ITEM ON THE AGENDA

Implementation strategy for the follow-up mechanism of and promotional activities on the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration)

Purpose of the document
The Governing Body is invited to approve an implementation strategy for the follow-up mechanism of the MNE Declaration, comprising promotional activities and an information-gathering system. This proposed strategy is being developed following the Governing Body’s decisions on the recommendations of a Tripartite Ad Hoc Working Group of the Governing Body at its 313th Session (March 2012) and subsequent discussions during its 317th Session (March 2013) (see the draft decision in paragraph 27).

Relevant strategic objective: Cross-cutting.

Policy implications: The Governing Body is asked to adopt a follow-up mechanism comprising promotional activities and an information-gathering system.

Legal implications: The Governing Body is asked to replace the decision for a periodic global survey taken at its 209th Session (March 1979) and a four-year cycle for the survey taken at its 258th Session (November 1993) with a decision on the new follow-up mechanism of the MNE Declaration.

Financial implications: None.

Follow-up action required: The Office will be required to take action as set out in paragraphs 5–26.

Author unit: Multinational Enterprises and Enterprise Engagement Unit/Enterprises Department, in close consultation with relevant departments and units.

Related documents: GB.320/INS/5/1; GB.320/INS/5/2; GB.319/INS/5(Rev.); GB.317/POL/8; GB.317/PV; GB.316/PV; GB.313/POL/9(Rev.); GB.313/PV; GB.301/PV; GB.258/10/21; GB.209/2/3 (1979).
Background

1. In November 2010 the Governing Body established a Tripartite Ad Hoc Working Group to review the follow-up mechanism of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) adopted in 1979 and to develop promotional options for consideration by the Governing Body. The report of the Working Group recommended improvements to the survey as one component of the follow-up mechanism and various promotional activities. In March 2012, the Governing Body adopted the Working Group’s recommendations on promotional activities, and took note of the recommendations to continue a survey of all member States on a tripartite basis. It requested the Office to prepare an operational plan to put in place the MNE Declaration follow-up mechanism and the specified promotional activities on the basis of the recommendations of the Working Group submitted at that session.

2. In March 2013 the Governing Body decided to “… postpone, until its 320th Session …, the review of the proposed … follow-up mechanism … in order to obtain clarification of the various options for the organization, method and costs for operationalizing the follow-up and to allow for due consideration of how this work would be integrated into the reformed Office structure, including the knowledge management strategy …”.

3. The implementation strategy proposed in this paper takes into account the guidance from the Governing Body as well as the ILO’s knowledge management strategy. The Office and the Governing Body are also discussing a strategy for possible wider ILO engagement with the private sector and PPPs. Both areas could foster the use of the principles of the MNE Declaration.

4. This paper complements ongoing work by the Office on the MNE Declaration as previously approved by the Governing Body:

(a) ensuring global policy coherence in respect of intergovernmental initiatives that provide guidance to business (OECD Guidelines for Multinational Enterprises, UN Global Compact, and UN Guiding Principles on Business and Human Rights);

(b) the ILO Helpdesk for Business on International Labour Standards;

1 GB.309/PV, para. 311 and GB.311/PV, para. 100; GB.209/205, para. 3 (February–March 1979).

2 GB.313/POL/9(Rev.), appendix. The survey improvements included use of a limited set of questions and alternating thematic modules, to be undertaken at least every three years. The specified promotional activities included MNE Declaration focal points, integration of the MNE Declaration into Decent Work Country Programmes (DWCPs), ILO Regional Meetings, public–private partnerships (PPPs) and technical cooperation, sectoral activities and company/union dialogue, as discussed further in this document.

3 GB.313/POL/9(Rev.), para. 8.

4 GB.317/POL/8.


6 As indicated in GB.319/INS/5(Rev.) and GB.320/INS/5/1.

7 GB.320/INS/5/2.
(c) capacity building and technical assistance at the country level, as set out in the Strategic Policy Framework 2010–15 and Country Programme Outcomes (CPOs).

A. Promotional activities

5. Following the support for the promotional activities that the Governing Body expressed during the discussion in its 317th Session, the Office has initiated new or expanded existing promotional activities, clustered around the following work streams.

(a) Awareness raising and capacity building

6. The Office is developing two new global tools to foster a better understanding of the principles of the MNE Declaration among governments, multinational enterprises and national employers’ and workers’ organizations:

(1) An e-learning module developed with tripartite constituents’ inputs provides a number of case studies on applying the MNE Declaration and information on synergies and differences in relation to other international instruments. The module will be available on both the ILO and ILO International Training Centre (Turin Centre) websites, with a follow-up training course planned from 2015. Various language versions are envisaged.

(2) A resource kit provides an introduction to the MNE Declaration, an overview of other relevant international instruments, and country-level examples and case studies developed on the basis of achieved country-level outcomes. The kit also contains an annotated bibliography of recent ILO publications and papers on multinational enterprises. The resource kit will be modular to facilitate regular updates.

7. These tools will be used in new awareness-raising and capacity-building activities, including with other international organizations, and also in several courses already offered at the Turin Centre.

(b) Country-level assistance

8. The Office has piloted tripartite-plus dialogues (tripartite constituents and multinational enterprises) to better align private policies and practices with national priorities as defined in the DWCPs and the MNE Declaration principles. Preparation for these dialogues includes research, awareness-raising and capacity-building activities. Activities with tripartite constituents and MNEs took place in Angola, Azerbaijan, Chile, Côte d’Ivoire, Liberia, Mauritius, Sierra Leone and Zambia under CPOs in 2012–13. There were also activities in other countries at the request of field offices, the Bureau for Workers’ Activities and the Bureau for Employers’ Activities.

9. The recent experience gained through country-level interventions has focused on priorities such as non-discrimination, elimination of child labour, improved working conditions, job creation, skills training, local economic development, youth employment and industrial relations. The intended outcomes include the establishment of a dialogue/consultation mechanism to reach agreements on solutions to the issues at hand, and also public–private initiatives and partnerships and/or technical cooperation projects to help implement the agreed measures.
10. For the 2014–15 biennium, activities linked to indicator 3.4 under outcome 3 are scheduled for Angola, Azerbaijan, Chile, Côte d’Ivoire, Fiji, Jamaica, Mauritius, Mozambique and Zambia (all CPOs); additional activities are planned in support of CPOs under other outcomes. The specific issues to be addressed vary according to the key economic sector of foreign direct investment and/or the decent work priority, indicating the multifaceted possibilities for engagement between the tripartite constituents, multinational enterprises and the ILO.

(c) Global network of MNE Declaration focal points

11. The Office is in the process of establishing a global network with focal points from departments at ILO headquarters, Regional Offices and Decent Work Technical Support Teams. The focal points will be trained on how to lead awareness raising with regard to the MNE Declaration among the tripartite constituents and multinational enterprises and provide technical assistance at the request of constituents at the country level on matters such as national consultations, policy advice, sharing of good practices from other countries and the establishment of national tripartite committees. They will also facilitate the collection of information on national experiences that can be incorporated into global tools and shared at ILO Regional Meetings.

(d) Promotion at the sectoral level

12. The Office continues to promote the MNE Declaration principles through its sectoral activities, in consultation with the tripartite sectoral advisory bodies in the Sectoral Activities Department. This is undertaken through background papers on the effect given to the areas of the MNE Declaration in specific economic sectors, through panel discussions held in conjunction with sectoral meetings, and through other means. The Office will also seek to develop new approaches to promoting the MNE Declaration in specific sectors, as appropriate.

(e) Mainstreaming the MNE Declaration in technical cooperation and PPPs

13. In dialogues with private sector actors – enterprises and corporate foundations – on possible collaboration with the ILO through PPPs and technical cooperation projects, the Office promotes the MNE Declaration as expressed in the general principles for such cooperation.  

(f) Dialogue

14. The company-union dialogue facilitation service, proposed by the Working Group and accepted by the Governing Body, is being promoted through the ILO Helpdesk for Business website and new promotional leaflet.

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8 See related papers on PPPs (GB.320/INS/5/2, GB.316/POL/6 and GB.301/TC/1).
(g) Regional Meetings

15. The Office will continue to recommend consideration of the inclusion of topics related to the MNE Declaration in the agenda-setting of the Regional Meetings and in the Report of the Director-General.

B. Survey to collect information on the effect given to the principles of the MNE Declaration

16. At its 317th Session \(^9\) the Governing Body was presented with an option for a survey with universal geographical coverage, rotating across the different themes of the MNE Declaration, including the sample questionnaires and costing an estimated US$530,000. This option was not retained by the Governing Body, which then asked the Office to clarify options for the survey taking into account the reformed Office structure and knowledge management strategy. The Office requested the independent survey experts to identify overlaps and synergies between information previously gathered through the MNE Declaration survey and data already available in ILO knowledge management tools.

17. Based on the experts’ assessment and the ILO knowledge management structure, the Office has concluded that an integrated system for gathering information on the MNE Declaration could be set up, combining the four elements outlined below. These elements could also be stand-alone options, if the Governing Body prefers.

(a) Information already available in the ILO Knowledge Management Gateway

18. The web portal will display factual country-level information on laws and policies, statistics \(^10\) and international labour standards. \(^11\) It will be searchable by policy area. \(^12\) Version 1 of the ILO Knowledge Management Gateway will be launched at the beginning of April 2014 with information fully available on a number of countries representing all regions and various levels of economic development. Information on more countries will follow in 2014–15.

19. In consultation with the constituents and informed by priorities emerging from the other components of the information-gathering system, the Office will identify information in the Gateway which could be useful for tripartite policy discussions on areas covered in the MNE Declaration. New policy areas particularly relevant to the promotion of the principles of the MNE Declaration could also be added to the Gateway, following information gathered via the questionnaire going directly to the tripartite constituents (see point (d)).

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\(^9\) GB.317/POL/8, part B and appendix.

\(^10\) The ILO Knowledge Management Gateway will provide a number of key statistics for each country, with further links to ILOSTAT.

\(^11\) The Gateway will list all Conventions ratified by a given country, with further links to NORMLEX.

\(^12\) The Gateway policy areas will reflect most of the topics covered in the MNE Declaration.
(b) New data generated following capacity building for national statistical offices

20. Statistical data on MNE activities and their impact on decent work appear not to be readily available in ILO member States, despite their importance for evidence-based policy discussions. This was highlighted as one of the reasons for the low response rate with regard to the previous MNE Declaration surveys. The Statistics Department and the Enterprises Department of the ILO have therefore jointly initiated the mapping of such existing data sources at international, regional and national levels.

21. Once this mapping is completed, the Office proposes to develop capacity-building tools for national statistical offices interested in exploiting existing data or collecting new data. As new statistical data become available at the country level they can be added to the ILO Gateway and incorporated into reports for tripartite discussions at national, regional and international levels.

(c) Research

22. The Office will continue research on trends and experiences in the field of company policy on corporate social responsibility, most often as part of country-level assistance or sectoral activities.

(d) Information collected directly from the tripartite constituents, through a short questionnaire rotating annually across the four regions

23. Prior to each ILO Regional Meeting, the Office proposes to collect country-level experiences in addressing challenges and opportunities related to MNE activities through a short questionnaire. This questionnaire would be sent to the tripartite constituents of the member States in the region concerned.  

13 On the basis of the inputs received and information available in the ILO Gateway, the Office would prepare a short analysis to be submitted to the Regional Meeting for discussion. The exact format of such a discussion (for example, panel discussion, roundtable or side event) would be decided at the time of setting the programme for the Regional Meeting.

24. After a full cycle of four Regional Meetings involving all ILO member States in the various regions, the Office would synthesize the main elements of these regional analyses as well as the outcomes of the discussions on the MNE Declaration into a global report. This report would be submitted to the Governing Body for discussion, thus allowing the identification of lessons learned and good practices as well as an assessment of member States’ needs and of the effectiveness of promotional activities related to the MNE Declaration.

25. The Office proposes to initiate such an approach with the 18th American Regional Meeting (October 2014), followed by the 13th African Regional Meeting (2015). The short questionnaire would be finalized together with the secretariats of the Workers’ group and the Employers’ group and the regional coordinators of the Governing Body.

13 In order to indicate the nature of the questionnaire, a draft questionnaire is provided in the appendix.
26. These individual options and/or a combination of these elements would essentially be delivered through the use of internal resources of the Office.

**Draft decision**

27. *The Governing Body:*

   (a) affirms the operational plan for the MNE Declaration follow-up mechanism comprising promotional activities and an information-gathering system, as outlined in this paper and discussed during this session and its 313th Session (March 2012);

   (b) adopts the four elements proposed in part B for collecting information on the effect given to the MNE Declaration, thereby superseding its decisions at its 209th Session (March 1979) and its 258th Session (November 1993);

   (c) instructs the Office to commence the approved implementation strategy in 2014;

   (d) requests the Director-General to seek extra-budgetary resource mobilization especially for the promotional activities; and

   (e) decides to review the adopted MNE Declaration follow-up mechanism in 2018.
Appendix

Draft questionnaire

ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

Questionnaire for governments, employers’ and workers’ organizations

Country: ________________

There will be three separate questionnaires, one for governments, one for employers’ organizations and one for workers’ organizations. They have been consolidated here into one text for ease of reference. The wording for governments is indicated by G, for employers’ organizations by E and for workers’ organizations by W.

The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) was adopted by the Governing Body of the ILO in 1977 and amended in 2000 and 2006. The aim of the MNE Declaration is “to encourage the positive contribution which multinational enterprises can make to economic and social progress and to minimize and resolve the difficulties to which their various operations may give rise” (paragraph 2). As such it sets out “principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers’ and workers’ organizations and multinational enterprises are recommended to observe on a voluntary basis” (paragraph 7).

As defined in paragraph 6 of the MNE Declaration “Multinational enterprises include enterprises, whether they are of public, mixed or private ownership, which own or control production, distribution, services or other facilities outside the country in which they are based”. With the term “foreign MNEs” we refer to specific MNEs operating outside their home country. In turn, “domestic MNEs” refers to specific MNEs operating in their home country.

Please contact:

ILO Multinational Enterprises and Enterprise Engagement Unit MULTI@ilo.org
1. Awareness of the principles of the MNE Declaration

1.1. Taking into account the political and economic situation in your country, which areas of the MNE Declaration are most relevant when it comes to operations of multinational enterprises?

- Employment promotion
- Equality of opportunity and treatment
- Security of employment
- Training
- Wages, benefits and conditions of work
- Minimum age
- Safety and health
- Freedom of association and the right to organize
- Collective bargaining
- Consultation
- Examination of grievances
- Settlement of industrial disputes

☐ none
☐ other:

1.2. Please provide further information on the specific challenges related to multinational enterprises and the areas you have indicated above.
2. Dialogue and consultation

2.1. In your country, does [G: the government | E: your organization | W: your organization] provide an official representative or office that serves as a contact point for ...

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<th>□ yes</th>
<th>□ no</th>
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<td>(a)</td>
<td>... representatives of workers of foreign MNEs?</td>
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2.2. In your country, does [G: the government | E: your organization | W: your organization] hold any institutional consultations on MNE activity with foreign MNEs, [G: employers’ organizations or workers’ organizations | E: the government or workers’ organizations | W: the government or employers’ organizations]?

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<td>(b)</td>
<td>... [G: governments</td>
<td>E: employers’ organizations</td>
<td>W: workers’ organizations] of other countries regarding the conduct of MNEs?</td>
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2.3. In addition to these institutional consultations has [G: the government | E: your organization | W: your organization] organized any other events in recent years dealing specifically with MNE activity?

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2.4. Please describe the event or institutional consultation that you regard as the most important one.
3. Promotion of the principles of the MNE Declaration

3.1. Did [G: the government or governmental agencies | E: your organization | W: your organization] organize any events or take any initiatives in recent years that sought to promote the principles of the MNE Declaration?

- ☐ yes
- ☐ no
- ☐ no information available

3.2. *IF YES:* Were any of these events organized or initiatives taken …

(a) ... jointly with, or include, [G: employers’ or workers’ organizations | E: the government or workers’ organizations | W: the government or employers’ organizations]?

- ☐ yes
- ☐ no
- ☐ no information available

(b) ... jointly with [G: governments | E: employers’ organizations | W: workers’ organizations] of other countries?

- ☐ yes
- ☐ no
- ☐ no information available

(c) ... with assistance from the ILO?

- ☐ yes
- ☐ no
- ☐ no information available

3.3. Please give examples of such promotional activities and describe the most successful ones.

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<th>Example of promotional activities</th>
<th>Description of most successful ones</th>
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3.4. [G: Have the government or governmental agencies | E: Has your organization | W: Has your organization] commissioned any promotional materials on the principles of the MNE Declaration which are available to the public in languages spoken in your country? Please give examples of the types of material on offer.

- ☐ no promotional material
- ☐ no information available