



**FOR INFORMATION**

FIRST ITEM ON THE AGENDA

**Update on strategic priorities for  
MULTI for 2006–07**

1. This paper, requested by the Officers, provides updates on the status of work items to follow up and promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (“MNE Declaration”), as endorsed by the Governing Body.<sup>1</sup>
2. Based on the experiences of the first year of implementation, and feedback from the Governing Body, it is now accepted that the strategic priorities need to be adjusted to reflect greater focus on the practical actions in support of encouraging the application of the principles contained in the MNE Declaration. Therefore, efforts this year will concentrate on: (i) promotional events surrounding the 30th anniversary of the MNE Declaration; and (ii) developing proposals for funding of technical cooperation projects, particularly related to the proposal put forth in November 2006 by the employers’ and workers’ representatives.<sup>2</sup>
3. The appendix provides updates on each work item.

Geneva, 26 January 2007.

*Submitted for information.*

<sup>1</sup> GB.295/MNE/4/1, GB.295/11, paras 34–37, and GB.295/PV, para. 212.

<sup>2</sup> GB.297/13, paras 5–7.



## Appendix

### Strategic priorities

Description	Output	Status	Comments
<b>1. Follow-up to the Eighth Survey</b>			
<b>1.1. Knowledge development:</b>			
(i) Analysis of good practice by MNEs in areas covered by the MNE Declaration, i.e. general policies, employment, training, conditions of work and life, industrial relations (paras 100, 102 and 104) <sup>1</sup>	Publication to coincide with 30th anniversary	Cases being collected, focusing on MNEs and SMEs in Latin America, Africa, Middle East and Asia	Ongoing activity. Involves consultation with employers' and workers' specialists in the relevant regional offices. Links to items 1.1(iii), 1.1(iv), 2.1(i) and 2.1(ii), 2.2(ii) and 2.2(iii), 3 and 4.1(i)
(ii) Analysis of impact of FDI, particularly in services, and identification of good practice and effective policies aimed at enhancing the positive contribution of FDI and minimizing and resolving any difficulties (paras 91, 96 and 100)	Working paper	Contingent on obtaining extra-budgetary resources	Will be linked to technical cooperation and advisory services to SADC region (see under item 1.2(ii)). Funding proposal still under consideration by the donor
(iii) Analysis of benefits and difficulties arising from MNE operations in EPZs and SEZs in terms of employment, working conditions and industrial relations mechanisms (para. 110) <sup>2</sup>	Working paper	Research design under way	Joint research project contributing to the IFI on EPZs. Research will be structured to maximize potential for a technical cooperation project as follow-up
(iv) Sectoral analysis:			
<ul style="list-style-type: none"> <li>■ Assess the impact of concentration of economic power on broader economic and social development (para. 97)</li> </ul>	Working papers	In process	Linked to item 2.1(ii)
<ul style="list-style-type: none"> <li>■ Assess practices of MNEs, their suppliers and contractors with respect to occupational safety and health standards in hazardous industries, with a view to enhancing the positive contributions of MNEs and minimizing and resolving any difficulties (para. 104)</li> </ul>		Under consideration	Exploring possibilities for research with high potential for follow-up action

Description	Output	Status	Comments
<b>1.2. Promotional activities and technical advisory services:</b>			
(i) Translate and reproduce MNE Declaration (para. 108)	Updated MNE Declaration and executive summary	Revised MNE Declaration printed in official languages. New pamphlet being produced	In process of updating translations into other languages
(ii) Provide assistance to developing countries that receive substantial FDI to adopt more effective policies and measures related to FDI, by facilitating dialogue between multinationals, governments, employers' and workers' organizations (para. 96)	Technical cooperation	Proposal submitted for funding	
<b>1.3. Alternatives for the Ninth Survey</b> (para. 94)	Paper on alternatives	Completed	The Subcommittee has decided to postpone decision on the form of the Ninth Survey until after the 30th anniversary event in November 2007 (see GB.279/13)
<b>2. IFI on CSR</b>			
<b>2.1. Knowledge development:</b>			
(i) Analysis of the different CSR initiatives emerging in various sectors (e.g. agribusiness, electronics, etc.)	Publication	Agribusiness and electronic studies completed	
(ii) Collecting good practice on how MNEs, including within their supply chain architecture, are giving effect to different aspects of the MNE Declaration through their CSR practices	Input into publication for 30th anniversary	In process	Linked to 1.1(i)
(iii) Analysis of the relationship between voluntary private initiatives and public regulation, in particular between public regulation and inspection and the growing phenomenon of private assessment through social audits	Working papers	In process	Paper expected to be completed by June 2007
(iv) Review of how labour issues are reflected in voluntary reporting practices and reporting guidelines	Working papers	Related work already completed by Asian region and INTEGRATION	Paper produced for the Asia-Pacific region and the INTEGRATION Department will be made available during the March InFocus Forum on Reporting

Description	Output	Status	Comments
<b>2.2. Tripartite and expert meetings to consider what constitutes good CSR practice:</b>			
(i) InFocus forums:			
<ul style="list-style-type: none"> <li>■ The relationship between public regulation and private systems of inspection, social auditing and certification</li> <li>■ Voluntary reporting practices</li> </ul>	Recommendations on the ILO's role and concrete strategies to promote the MNE Declaration	Held in November 2006	See GB.298/MNE/3 for a complete update
(ii) International forum on the occasion of the 30th anniversary of the MNE Declaration (see strategic priority 5)		Held in March 2007	
(iii) Other ILO tripartite meetings:		In process	
<ul style="list-style-type: none"> <li>■ Tripartite Meeting on the Production of Electronic Components for the IT Industries: Changing Labour Force Requirements in a Global Economy.</li> <li>■ Tripartite Meeting on the Impact of Global Food Chains on Employment</li> </ul>		Inputs provided	
		Inputs provided	
<b>2.3. Promotional activities and technical advisory services:</b>			
(i) Training on how to give practical effect to the principles in the MNE Declaration, drawing on the collection of good practice case studies <sup>3</sup>	Training package	In process	Based on valuable comments provided by the social partners, the pedagogical approach is being extensively revised to maximize potential impact
(ii) Technical cooperation projects		Proposals are being developed	Being done in consultation with the regional specialists, in particular the worker and employer specialists
(iii) Upgrading BASI into a more user-friendly format (see strategic priority 6)		In process	Extent of upgrading will depend on securing external funding. Upgrading of BASI will be linked more closely to promotion of MNE Declaration and collection of good practices
(iv) Building on dialogue with other intergovernmental organizations and engaging with other international initiatives related to CSR (see strategic priority 7)		Ongoing	See GB.298/MNE/2/2 for further information, in particular related to relations with Global Compact, ISO and development financial institutions

Description	Output	Status	Comments
3. Development of practical guidelines for implementation of the MNE Declaration	Guidelines	Pending	Awaiting outcome of Subcommittee discussion on proposal on operationalizing ILS at enterprise level (see GB.298/MNE/4)
<b>4. MNEs and industrial relations</b>			
<b>4.1. Knowledge development:</b>			
(i) Analysis of the degree to which labour inspectorates, CSR frameworks and framework agreements are improving respect for freedom of association and collective bargaining, and the subsequent contribution of industrial relations to improvements in conditions of work and wages	Working papers	Research commissioned	Paper to be published in autumn 2007
5. International forum on the occasion of the 30th anniversary of the MNE Declaration		In process	See GB.298/MNE/3
6. Upgrading BASI to be more user friendly		Updating content and revising format	
7. Cooperation with other international organizations		Ongoing	See GB.298/MNE/4
<p><sup>1</sup> Paragraph numbers in this section refer to the Eighth Survey on the effect given to the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy: Analytical report of the Working Group on the reports submitted by governments and by employers' and workers' organizations (Part I). See GB.295/MNE/1/1. <sup>2</sup> To be undertaken in collaboration with the InFocus Initiative on EPZs. <sup>3</sup> In collaboration with the International Training Centre of the ILO.</p>			

