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Policy Development Section  
*Multinational Enterprises Segment*

**POL**

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### THIRD ITEM ON THE AGENDA

## Promotional activities concerning the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and related developments outside of the ILO

#### Purpose of the document

This paper provides an update of the activities undertaken by the ILO and its constituents to promote the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) and related developments outside of the ILO. The Governing Body is invited to provide guidance on enhancing the further recognition and implementation of the MNE Declaration (see draft decision in paragraph 32).

**Relevant strategic objective:** All.

**Main relevant outcome/cross-cutting policy driver:** Outcome 4: Promoting sustainable enterprises.

**Policy implications:** Subject to the Governing Body's decision and guidance, the Office work plan on the promotion of the MNE Declaration will be adjusted for the next biennium.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Yes.

**Author unit:** Enterprises Department (ENTREPRISES).

**Related documents:** GB.329/POL/7; GB. 332/POL/6; GB.332/PV; GB.337/INS/4; GB.337/INS/12/2.



## Introduction

1. At its 329th Session (March 2017), the Governing Body approved the revised Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration), with its Annex II listing operational tools to stimulate the uptake of the instrument and its principles by governments, enterprises, and employers' and workers' organizations. At its 332nd Session (March 2018), the Governing Body provided further guidance on promotional activities, including regarding collaboration with other international organizations.
2. This paper provides an update on promotional activities since March 2018, as well as on related developments outside of the ILO and on the ILO's engagement with other organizations. Promotion of the MNE Declaration contributes to the promotion of sustainable enterprises in the broader context of the Sustainable Development Goals (SDGs), and the ILO programme of action on decent work in global supply chains. It further advances the ILO Centenary Declaration on the Future of Work's section on aligning business practices with its objectives.

## A. Promotional activities

### Awareness-raising and capacity-building

3. An MNE Declaration web portal<sup>1</sup> serves as the one-stop shop for all information related to the MNE Declaration. Website visitors can access the MNE Declaration text in 15 languages.<sup>2</sup> They can also access: the various operational tools; training opportunities; development cooperation projects using the MNE Declaration as a framework for tripartite and tripartite-plus dialogue and action; case studies documenting the outcomes of ILO country-level assistance; references to the MNE Declaration in policy documents adopted within and outside of the ILO; ILO partnerships with other organizations based on the MNE Declaration; and video interviews with government representatives, employers and workers on how they are using the MNE Declaration.
4. Since the beginning of 2019, over 200 users have taken the updated e-learning module "Business and Decent Work: an introduction to the MNE Declaration".<sup>3</sup> Chinese and Japanese versions are under preparation following requests by the respective ILO country offices.
5. The Bureau for Workers' Activities (ACTRAV)'s Guide *The ILO MNE Declaration: What's in it for Workers?*<sup>4</sup> is used in the capacity-building activities of workers' organizations at the global, regional and country levels.
6. Face-to-face and blended training courses on the MNE Declaration by the International Training Centre of the ILO (ITC–ILO) in Turin are increasingly reaching a wide and diverse

<sup>1</sup> [www.ilo.org/mnedeclaration](http://www.ilo.org/mnedeclaration).

<sup>2</sup> Arabic, Armenian, Chinese, English, French, Georgian, German, Italian, Japanese, Myanmar, Portuguese, Russian, Spanish, Thai and Vietnamese.

<sup>3</sup> [www.ilo.org/mnelearning](http://www.ilo.org/mnelearning).

<sup>4</sup> Available in Arabic, Chinese, English, French, Japanese, Spanish and Vietnamese.

audience, consisting of government representatives, employers' and workers' organizations, multinational enterprises and other actors. These courses include:

- (a) "Multinational enterprises, development and decent work: the approach of the MNE Declaration", which mainly targets the ILO constituents (45 participants in 2018 and 2019) and is organized on an annual basis together with several policy departments, field offices and the Bureaux for Employers' and Workers' Activities;
- (b) "International labour standards and corporate social responsibility: the labour dimension of human rights due diligence", which builds on the experiences of the ILO Helpdesk for Business. It mainly targets enterprises, as well as the ILO constituents (over 100 participants in 2018 and 2019). Locally adapted versions were organized in Thailand and Georgia;
- (c) "Effective investment facilitation and sustainable development" – organized jointly with the World Association of Investment Promotion Agencies (WAIPA) and with contributions from the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Industrial Development Organization (UNIDO) – which introduces investment promotion agencies (IPAs) to the MNE Declaration as a framework for shaping policies and strategies to maximize the positive contribution of investment. Some 50 representatives from 25 IPAs, including from least developed countries (LDCs), attended the course in 2018 and 2019;
- (d) In follow-up to the International Labour Conference conclusions concerning decent work in global supply chains and as part of the joint European Union (EU) and ILO Trade for Decent Work project, tailor-made training was organized in September 2019 for the Organisation for Economic Cooperation and Development (OECD)'s National Contact Points for Responsible Business Conduct (NCPs for RBC)<sup>5</sup> in EU Member States. The objective was to enhance their understanding of the MNE Declaration and ILO standards and familiarize them with ILO tools to support responsible business;
- (e) The MNE Declaration is increasingly part of the training curricula in other courses such as the Social Dialogue Academy, the Summer School on the Future of Work, the Master in Public Procurement Management for Sustainable Development and the Academy on Social Dialogue and Industrial Relations. A new module on "Multinational Enterprises and Decent Work for Peace and Resilience" was developed as part of the mass open online course on the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205);
- (f) Numerous awareness-raising and training events conducted at the country level involved government officials from a range of ministries, employers' and workers' organizations, and enterprises, as follows:
  - A French-funded project supported several events in Côte d'Ivoire and Senegal, reaching 550 representatives from different ministries, enterprises, and employers' and workers' organizations, and training around 170 local resource persons;
  - Building on the Côte d'Ivoire and Senegal experiences, the ILO was invited to present the MNE Declaration to the General Assembly of the West African Economic and Monetary Union (*Union Economique et Monétaire Ouest Africaine*, UEMOA) and the UEMOA Labour and Social Dialogue Council

<sup>5</sup> <http://mneguidelines.oecd.org/ncps/>.

(*Conseil du Travail et du Dialogue Social*). Several UEMOA Member States requested the Office to organize national tripartite workshops;

- The [Inclusive Labour Market for Job Creation in Georgia](#) project organized, in collaboration with the Human Rights Secretariat of the Government of Georgia, a workshop on “Responsible business conduct: The approach of the MNE Declaration and role of government to advance responsible labour practices” and a follow-up seminar on responsible business conduct and decent work;
- In Sierra Leone, workshops on the MNE Declaration were held for each constituent group within the small and medium enterprises (SMEs) development project for Sierra Leone. Subsequently, a tripartite delegation from Sierra Leone attended the 2019 course “Multinational enterprises, development and decent work: the approach of the ILO MNE Declaration” at the ITC–ILO in Turin. During the course, the delegation developed an action plan for the promotion of the Declaration in Sierra Leone, which led to the appointment of national focal points in the country;
- As part of the ILO’s Inclusive Growth through Decent Work in the Great Rift Valley programme, a four-day capacity-building workshop on the MNE Declaration will be organized in Kenya in December 2019;
- Within the joint EU, ILO and OECD programme “Responsible Supply Chains in Asia”, a training module for SMEs was developed jointly with the ILO’s Sustaining Competitive and Responsible Enterprises (SCORE) programme and piloted in collaboration with the Employers’ Confederation of the Philippines. Subsequent training of trainers was organized in Thailand, with follow-up activities in each of the six countries under the project (China, Japan, Myanmar, the Philippines, Thailand and Viet Nam).

## Regional follow-up

7. At its 320th Session, the Governing Body adopted <sup>6</sup> a regional follow-up mechanism aligned with the cycle of ILO regional meetings. The mechanism included a questionnaire for the tripartite constituents of the member States in each region, based on which the Office prepared a report to the regional meeting concerned with a view to a tripartite discussion in a format to be determined when preparing the programme of the meeting. The first cycle started in 2014 with the 18th American Regional Meeting and ended in 2017 with the 10th European Regional Meeting, with the Governing Body reviewing the first global report at its 332nd Session. <sup>7</sup>
8. When approving the revised MNE Declaration that outlines a regional follow-up in its Annex II, the Governing Body reconfirmed a regional follow-up on a four-year cycle, including a questionnaire, an Office report, a special session during each ILO regional meeting providing a tripartite platform to discuss further promotional activities at the regional level, and a global report to the Governing Body at the end of each cycle.
9. In the context of a new cycle of four regional meetings, the Office prepared a [regional report](#) for the 19th American Regional Meeting, with inputs from 28 of the 35 member States in the region. The Office presented the report during an information session included in the

<sup>6</sup> [GB.320/POL/10](#).

<sup>7</sup> [GB.332/POL/6](#).

programme of the 19th American Regional Meeting. The Office finalized the regional report for Africa based on inputs received from 25 of the 54 member States from the region.

10. In view of the varying formats of the discussion on these regional reports at regional meetings (from dedicated thematic sessions with a dedicated section in the report of the regional meeting,<sup>8</sup> to an information session by the Office not necessarily reflected in the report of the meeting,<sup>9</sup> or the inclusion of the discussion in a wider thematic session),<sup>10</sup> the Governing Body may wish to further clarify the format and intended output of the “special session” referred to in the operational tools in Annex II of the revised MNE Declaration.

### **Promotion at the national level/promotion through tripartite-appointed national focal points**

11. The MNE Declaration recognizes that enhancing the impact and contribution of the principles of the MNE Declaration to inclusive growth and decent work at the country level requires firm commitment from the tripartite constituents. National constituents – governments, employers and workers – are encouraged to appoint national focal points on a tripartite basis (taking guidance from the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144)) to promote the use of the MNE Declaration and its principles, whenever appropriate and meaningful in the national context. Where similar tools and processes exist in relation to the principles of the Declaration, governments are encouraged to facilitate involvement of the social partners in them. Annex II of the MNE Declaration lists potential promotional activities by the national focal points at the national level. At its 329th Session, the Governing Body requested the Director-General to support the appointment and functioning of national focal points in accordance with Annex II. The 2019 conclusions of the Tripartite Meeting of Experts on Cross-border Social Dialogue<sup>11</sup> also provide that governments should, whenever meaningful or relevant in the national context, appoint national focal points on a tripartite basis, or make use of similar processes.
12. To date, six member States have informed the Office of the establishment of national focal points for the promotion of the MNE Declaration in their countries, all with different set-ups, reflecting the national context. These are as follows:
  - Côte d’Ivoire appointed three national focal points (Ministry of Employment and Social Protection, and employers’ and workers’ organizations), with a coordinating role for the government focal point in the implementation of the national action plans adopted at the national forum for the promotion of the MNE Declaration (Abidjan, December 2018);
  - Jamaica appointed the tripartite Labour Advisory Council as the national focal point, chaired by the Minister of Labour and Social Security and composed of representatives from the Government, the Jamaica Employers’ Federation and the Jamaica Confederation of Trade Unions;

<sup>8</sup> 13th African Regional Meeting, (Addis-Ababa, 2015) and 16th Asia and the Pacific Regional Meeting (Bali, 2016).

<sup>9</sup> 19th American Regional Meeting (Panama, 2018).

<sup>10</sup> 10th European Regional Meeting (Istanbul, 2017).

<sup>11</sup> [GB.337/INS/12/2](#), appendix, para. 10.

- In Norway, the OECD NCP for RBC received a [new mandate](#) from the Ministry of Foreign Affairs and the Ministry of Trade, Industry and Fisheries, in consultation with the Ministry of Finance and the Ministry of Labour and Social Affairs, establishing a complaint mechanism for the MNE Declaration alongside the OECD MNE Guidelines;
  - In Portugal, the [national focal point](#) is located in the Ministry of Labour, Solidarity and Social Security;
  - Senegal appointed by ministerial order four national focal points, located in the Ministry of Labour, the national social dialogue institution (*Haut Conseil du Dialogue Social*), and in employers’ and workers’ organizations;
  - Sierra Leone appointed four national focal points, located in the Ministry of Labour and Social Security, the Sierra Leone Local Content Agency, and in employers’ and workers’ organizations.
- 13.** The updated questionnaire for the regional follow-up asks whether the country has a focal point or similar process or tool to promote the MNE Declaration at the national level, providing the Office with a better overview of promotion at the national level. Generally, the promotional responsibility resides with the Ministry of Labour, the social partners, or with the OECD NCPs for RBC, where they exist. Several member States have asked the Office for more information on promotion at the national level and for the Office to facilitate the sharing of experiences between member States on specific initiatives that they have taken in promoting and applying the MNE Declaration.
- 14.** There are also other initiatives established in member States to promote the MNE Declaration.<sup>12</sup> These initiatives are often in strategic economic sectors for investment and trade and provide a space for the tripartite constituents and enterprises to discuss good practices and/or take joint actions to identify decent work opportunities and address decent work challenges based on guidance provided by the MNE Declaration.

### Country-level assistance

- 15.** Upon request, the Office provides country-level assistance in increasing the understanding of the guidance provided by the MNE Declaration and the application of its principles and operational tools in the local context. Country assistance may involve awareness-raising workshops, in-depth training, assessments and studies, dialogue facilitation among the tripartite constituents and multinational enterprises (MNEs), development of tools and policy support and/or facilitation of the sharing of experiences between member States, depending on constituents’ needs and the resources available.
- 16.** Extrabudgetary resources have allowed increased assistance to member States. The Office is currently implementing projects aimed at promoting the MNE Declaration funded by France and Japan. Two EU-funded projects use the MNE Declaration, the OECD MNE Guidelines and the UN Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework (UN Guiding Principles on Business and Human Rights) as the policy frameworks. One is the [Responsible Supply Chains in Asia programme](#) (in six countries), implemented jointly by the ILO and the OECD, and the other is the [Responsible Business Conduct in Latin America and the Caribbean](#) (in nine countries) programme, implemented jointly by the ILO, the OECD and the Office of the United Nations High Commissioner for Human Rights (OHCHR).

<sup>12</sup> See for example the initiatives in [Viet Nam](#), [Pakistan](#), and [Nepal](#).

17. To facilitate the sharing of experiences, [country case studies](#) have documented the experiences in Argentina, Côte d'Ivoire, Pakistan, Senegal, Sierra Leone, Viet Nam and Zambia, with others under preparation.

## The ILO Helpdesk for Business

18. Since its establishment by the Governing Body in 2009, the ILO Helpdesk expert service has answered 1,089 individual queries, averaging 109 questions annually. These come primarily from multinational enterprises, followed by workers' organizations and governments, mostly from Western Europe, but with a year-on-year increase from other regions. Most questions concern companies' own corporate policies and codes and their engagement with business partners.
19. More than half a million users have visited the ILO Helpdesk for Business website<sup>13</sup> (in English, French and Spanish) since its creation in 2010, representing an average of 6,850 visits per month with a steady increase over the years, reaching an average of 17,043 visits per month during the first half of 2019. New Questions and Answers, ILO publications and tools and resources relevant to business have been regularly added, and mirror sites have been developed in [Chinese](#) and [Japanese](#). The Employers' Confederation of the Philippines created a local version of the Helpdesk website within its own [website](#). A number of Helpdesk materials are being translated into Chinese, Japanese, Burmese, Thai, and Vietnamese as part of the Responsible Supply Chains in Asia programme. Belgium, France, Germany, Sweden and Switzerland promote the ILO Helpdesk in their national action plans on business and human rights as a practical tool for companies undertaking due diligence.

## Company–union dialogue

20. As outlined in Annex II of the MNE Declaration, company–union dialogue is a confidential process based on the consensus of the parties. The Office provides a neutral ground for parties to engage in meaningful dialogue, as well as technical or expert advice to inform the company-union dialogue and facilitate dialogue. To date, the Office has received four joint requests, each from a company and a union. Freedom of association and collective bargaining were the issues of mutual concern, and an ILO technical expert agreed to by both parties facilitated the dialogue. The secretariats of the Employers' and Workers' groups were duly informed upon completion of the process.
21. The ILO Helpdesk for Business promotes company–union dialogue. The Office is strengthening efforts to operationalize the procedure, including by initiating the process of identifying and maintaining a list of facilitators, as called for in Annex II of the MNE Declaration and echoed in the conclusions of the Meeting of Experts on Cross-border Social Dialogue.<sup>14</sup>

<sup>13</sup> [www.ilo.org/business](http://www.ilo.org/business).

<sup>14</sup> GB.337/INS/12/2, appendix, para. 14.



## B. Related developments outside of the ILO and ILO collaboration with other international organizations and entities

22. Under the French presidency of the Group of Seven (G7) in 2019, governments adopted a [social communiqué](#), with commitments to promote RBC in global supply chains, in line with three instruments – the MNE Declaration, the UN Guiding Principles on Business and Human Rights and the OECD MNE Guidelines. Supporting measures may include incentives, enabling policies or regulations. The social communiqué also called on businesses operating in and from G7 territories to identify, address and mitigate any adverse impacts of their operations on people, the environment, society, products and services, and to commit to promoting the three instruments. A complementary [G7 Social Tripartite Declaration](#) – issued together with the International Organisation of Employers, the International Trade Union Confederation, the Business Industry Advisory Committee to the OECD and the Trade Union Advisory Committee – recognized the instrumental role of enterprises in creating quality employment and equal opportunities, and in ensuring RBC, including human rights due diligence, in accordance with these instruments.
23. In November 2018, the UN open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights ([OEIGWG](#)) discussed the zero draft legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises, as well as the zero draft optional protocol annexed to the instrument. A [revised draft](#) will serve as the basis for intergovernmental negotiations during the OEIGWG's [fifth session](#) (14–18 October 2019, Geneva).
24. The UN Global Compact has several initiatives relating to its labour principles and the SDGs to which the ILO contributes. The ILO partnered the time-bound [Action Platform on Decent Work in Global Supply Chains](#) and the [Global Compact Academy](#). The ILO and the three other Global Compact core agencies (the OHCHR, the United Nations Environment Programme and the United Nations Office on Drugs and Crime) co-chair the newly established [Global Compact Expert Network](#). The ITC–ILO in Turin co-hosted the Global Compact's European business and human rights peer-learning network for Global Compact local network practitioners on human rights due diligence. At the Global Compact's request, an ILO staff member has been seconded to the Global Compact Office to strengthen collaboration and coherence.
25. At the invitation of the [working group on the issue of human rights and transnational corporations and other business enterprises](#), the ILO organized a tripartite session on labour and human rights due diligence based on the UN Guiding Principles on Business and Human Rights and the MNE Declaration during the 2018 [UN Forum on Business and Human Rights](#). The ILO Director-General spoke in a high-level panel on international policy coherence and ILO experts participated in various other panels. Further engagements with the working group on business and human rights and the OHCHR included: ILO participation in the [first South Asia Forum on Business and Human Rights](#) (March 2019, New Delhi) organized by the OHCHR and the United Nations Development Programme (UNDP); ILO co-organization of the [Responsible Business and Human Rights Forum](#) (June 2019, Bangkok) together with the UNDP, the UN Economic and Social Commission for Asia and the Pacific, the Government of Thailand and the OECD; ILO participation in the OHCHR's [Fourth Regional Consultation on Business and Human Rights for Latin America and the Caribbean](#) (September 2019, Santiago); and ILO participation in the 2019 UN Forum on Business and Human Rights (November, Geneva).

26. The OECD has developed a number of due diligence guides (sectoral and a general one) that are being promoted as part of the practical application of the OECD MNE Guidelines.<sup>15</sup> The ILO contributed to their development and to advisory groups established for follow-up activities. The ILO participated in OECD-convened meetings on RBC and collaborated with the OECD in the context of the EU-funded projects in Asia and the Americas.
27. The Office continued its collaboration with WAIPA in the form of training for IPAs and participation in WAIPA's World Investment Conferences (2018 and 2019). The [conclusions](#) of the Tripartite Meeting of Experts to promote Decent Work and Protection of Fundamental Principles and Rights at Work for Workers in Export Processing Zones (EPZs) state that the Office should engage with WAIPA to support the promotion of decent work and the protection of fundamental principles and rights at work in EPZs and increase the effectiveness, sustainability and alignment of EPZs with the SDGs and the Decent Work Agenda. The ILO is a member of the UN inter-agency technical committee to support LDCs in attracting foreign direct investment (FDI), and contributed, together with UNCTAD, UNIDO and WAIPA, to a joint proposal on building the capacity of IPAs in LCDs. This is led by the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States.
28. UNCTAD's Investment Policy Framework for Sustainable Development,<sup>16</sup> advocating a closer alignment of FDI policies with national sustainable development priorities, references ILO standards and the MNE Declaration. During the 2018 UNCTAD World Investment Conference, the ILO organized, together with UNCTAD and WAIPA, a session on creating more and better jobs through investment, bringing together approximately 40 IPAs who shared their experiences in attracting investment with greater potential for decent work.
29. In 2018, the ILO and the [Tokyo Organising Committee of the Olympic and Paralympic Games \(for the Tokyo 2020 Games\)](#) signed a [partnership agreement](#) to promote sustainability and advance socially responsible labour practices among the Games' delivery partners using the MNE Declaration as the framework. Tokyo 2020–ILO sustainability forums were organized in Tokyo in 2017, 2018 and 2019 and a handbook on sustainable sourcing is being developed for the Tokyo 2020 sourcing code. The Tokyo 2020 [website](#) features the partnership as well as ILO resource materials, including the ILO Helpdesk for Business.

## C. Significant outcomes and lessons learned

30. In light of the above, there is an indication that the adoption of the revised MNE Declaration in 2017 has led to greater ownership of the instrument by governments, employers and workers in ILO member States. The Office and the constituents have increased promotional activities, thanks to an expanded portfolio of projects and inter-agency collaboration. Commitments to promote the MNE Declaration alongside the UN Guiding Principles on Business and Human Rights and the OECD MNE Guidelines can be found in global and regional policy statements. There is a greater demand for training opportunities and an increased number of concrete initiatives at the country level, which in some cases have led to the adoption of policies and the establishment of dialogue platforms and action plans. The instrument is also more visible in guidance provided on the private sector's contribution to achieving SDG 8 and other decent work-related SDGs, and is more prominent in policy

<sup>15</sup> <http://mneguidelines.oecd.org/duediligence/>.

<sup>16</sup> <https://investmentpolicy.unctad.org/investment-policy-framework>.

discussions on financing for development and efforts to closer aligning FDI frameworks and operations of MNEs with sustainable development objectives.

31. Particular elements in the MNE Declaration that have been highlighted in policy statements and ILO expert meetings include: due diligence (especially in the context of responsible supply chains), support provided to companies through capacity-building and the ILO Helpdesk for Business, the company–union dialogue, tripartite-appointed national focal points, and home and host country dialogues on MNE operations.

### **Draft decision**

32. *The Governing Body invited the Director-General to take into account its guidance on enhancing the further recognition and implementation of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and assistance to member States and enterprises on its application.*