

# **Report on Multinational Enterprises Dialogue on the MNE Declaration**

**9<sup>th</sup> – 10<sup>th</sup> May 2023**

**Alisa Hotel, Accra – Ghana**

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## TABLE OF ACRONYMS

<b>Acronyms</b>	<b>Meaning</b>
COCOBOD	Ghana Cocoa Board
GEA	Ghana Employers Association
GIPC	Ghana Investment Promotion Centre
ICC	International Chamber of Commerce
ILO	International Labour Organisation
LD	Labour Department
MNE	Multinational Enterprises
MELR	Ministry of Employment and Labour Relation
MESTI	Ministry of Environment, Science, Technology and Innovation
MoFA	Ministry of Food and Agricultural
SDGs	Sustainable Development Goals
T4DW	Trade for Decent Work
UN	United Nations

## **DAY ONE** **(Tuesday, 9<sup>th</sup> May 2023)**

### **Introduction**

On 9<sup>th</sup> May 2023, the International Labour Organisation (ILO) commenced a two-day Multinational Enterprise (MNE) dialogue forum on promoting sustainable, responsible, and inclusive business practices in Ghanaian industries as part of the Trade for Decent Work (T4DW) Project. Participants included MNEs such as the International Chamber of Commerce (ICC), Nestle (a Swiss company), Zenith Bank, Intermodal Shipping Agency among others and representatives from the Ministry of Employment and Labour Relation (MELR), Ministry of Food and Agricultural (MoFA), Ministry of Environment, Science, Technology and Innovation (MESTI), Ghana Employers Association (GEA), Ghana Investment Promotion Centre (GIPC), Labour Department, General Agricultural Workers' Union of Ghana Trade Union Congress and the Ghana Cocoa Board.

### **Objectives**

The main objective was premised on bringing together all key stakeholders of the agriculture value chain to identify joint priorities and areas of collaboration to eliminate child labour and its root causes and to unlock full potential of the sector to contribute to the realization of decent work for sustainable and inclusive growth.

### **Specific Objectives**

- a. Identify challenges and opportunities linked to the operations of multinational (and national) enterprises in the sector.
- b. Build a common understanding of the ILO MNE Declaration and the relevance of its principles to mobilize enterprises and ILO constituents for more and better jobs in the sector,
- c. Share examples of enterprises initiatives that translate the principles of the MNE Declaration into practice.
- d. Share efforts already undertaken by national constituencies and home countries of multinational enterprises to encourage sustainable, responsible and inclusive business practices, and promote the MNE Declaration and the application of its principles.
- e. Discuss joint priorities and areas of collaboration for the promotion of sustainable, responsible and inclusive business practices for the realization of decent work following the guidance offered by the MNE Declaration.

Expected outcome: a roadmap for the promotion and application of the MNE Declaration in the Agricultural Value Chain (cocoa, shea, cashew).

This report documents the key presentations, discussions, and outcomes of the 2-day dialogue forum.

## **Welcome address.**

The dialogue forum started at 9:15am with a welcome remark from Mr. Dawuda Ibrahim Braimah, Chief Labour Officer at the Labour Department. In his opening remarks, Mr. Braimah commended the ILO for their support to the MELR and its agencies in varied ways through their various joint projects. He particularly stressed ILO's assistance towards Ghana to promote the MNE Declaration as part of the T4DW Project. He acknowledged the importance of ILO's MNE Declaration in enforcing the implementation of international standards in the labour market, especially the cocoa sector, towards ending child labour, and the promotion of labour rights at large. He lauded the establishment of focal point at Department of Labour which he noted would facilitate the implementation of the MNE Declaration in Ghana. He emphasised the need for institutional collaboration among the various actors, both in public and private sectors, towards the effective operationalization of the MNE Declaration since the objectives of the Declaration cannot be attained by one institution alone. Concluding, he reaffirmed the government's commitment to supporting the realization of the expected outcomes of the T4DW Project launched in 2021.

## **Keynote address by Ghana Employers Association**

In his Keynote address, Mr. Kingsley Laar, an Economist with the GEA, expressed the Association's gratitude for the dialogue toward promoting decent work, especially in the agriculture sector. He acknowledged that the private sector has a critical role in ensuring decent work and therefore, the GEA continues to encourage its members to promote human rights in their business establishments, especially addressing child labour issues. Notwithstanding, he noted existing challenges with the promotion of human rights in many business enterprises for which he called for a collaboration between various stakeholders in the employment space towards addressing the human rights needs of people in the labour market. Mr. Laar reiterated the Association's commitment to ensuring inclusive and sustainable economic growth, employment and decent work for all, in line with the principles of the MNE Declaration and SDG 8.

## **Brief remark by GIPC**

Speaking on behalf of the GIPC, Ms. Joyce Abdullai commended the ILO for their support for enhancing labour rights in Ghana and particularly, convening the dialogue forum. She indicated that the GIPC places SDG 8 and decent work at the centre of its work, even as it strives to attract more Foreign Direct Investments to Ghana. She encouraged all participants to actively take part in the dialogue to ensure insightful exchange of ideas.

## **Presentation 1: Harnessing the contribution of business for more and better jobs in Ghana: the guidance offered by the ILO MNE Declaration**

**Presenter: Mr. Cheickh Badiane, Technical Specialist, MULTI, ILO**

Mr. Cheickh made a presentation on the guidance presented by the MNE declaration towards business growth and decent job creation in Ghana. In his presentation, he explained that the MNE Declaration is an instrument that recalls enterprises (multinational and national) to leverage their positive contribution to economic development with social progress and the realisation of decent work for all, while minimizing and resolving the difficulties resulting from their various operations. He noted that, MNEs as engines of development and economic growth may from time to time face some challenges in their operations and therefore, the MNE Declaration had been adopted to provide some guidance to them on social policy and inclusive, responsible and sustainable workplace practices, and to harness their presence as well as national enterprises to the realisation of descent work for all countries.

Among the issues addressed in the MNE Declaration were:

- i. The promotion of shared benefit and inclusive growth, which addresses the challenge of business operations through Foreign Direct Investment.
- ii. Responsible business conduct, which encourages positive contribution of businesses to socio-economic development and minimizes potential negative impacts.
- iii. Policy coherence, which looks at how public-private policies can complement each other to achieve inclusive growth.
- iv. Sustainable enterprises - corporate social responsibility, which aligns corporate policies and operations with public objectives, including national development and decent work objectives.

He explained that the ILO is a standard setting organization that adopts international labour standards that represent rules in the operation of the global economy. The adopted standards, which come in the form of declarations and conventions, are addressed to governments who are expected to ratify them in national legislations so that they become binding on enterprises. He however, added that the MNE Declaration could be applied directly to enterprises without ratification or going through a formal adherence process by a member state. The MNE Declaration is rooted in international labour standards, and was adopted by governments, employers, and workers. making it a tripartite document which is relevant to both multinational and national enterprises and covers the entire decent work agenda.

Touching on the MNE Declaration's approach, Mr. Cheickh noted that, the Declaration aside being directed at national and multinational enterprises is also directed at governments (home and host countries) and social partners such as employers' and workers' organizations since these two bodies need to work together to create the enabling environment that would enable businesses contribute in positive ways to the social and economic development for all.

The MNE Declaration is considered as an important dialogue mechanism that aims to stimulate dialogue among parties at various levels such as social dialogue (between

government and social partners), industrial relations (within the enterprises), tripartite plus dialogue (between government, social partners and multinational enterprises), and cross-border social dialogue (between home and host countries of multinational enterprises). It is a living document that has undergone several reforms since its adoption in 1997.

The MNE Declaration was first revised in 1980, and later in 1998 when the ILO Declaration of Fundamental Principles and Rights at Work was integrated into it. Subsequent reviews occurred in 2000 and 2006. In 2011 when the United Nations (UN) adopted the UN Guiding Principles on Business and Human Rights, the MNE Declaration was revised again to incorporate the guiding principles. Following the adopting of the SDGs in 2015, it was further revised to accommodate key provisions of the SDGs on businesses and promotion of decent work. In 2017, it was again revised to integrate operational goals that speak to the future of work. The most recent review was in 2022 to accommodate the “Safe and healthy working environment” as fundamental principles and rights at work which was adopted by the ILO in that same year.

On how the MNE Declaration is relevant to achieving the SDG targets, Mr. Cheickh mentioned that the Declaration directly corroborates with Goal 8, which concerns itself with decent work and economic growth. Invariably, the principles of the MNE Declaration are guidelines for enhancing the positive social and labour effects of the operations of multinational enterprises to achieve decent work for all. In addition, SDG Goal 17, which is concerned with partnerships for development, encourages the development of partnerships to address many of the challenges which neither governments nor companies can address on their own, including multi-stakeholder partnerships and international co-operation initiatives. The principles of the MNE declaration support the achievement of such partnerships.

Mr. Cheickh submitted that, that the principles of the MNE Declaration are categorised into five;

- i. General policies – which enables governments respect the rule of law, support realisation of the fundamental principles and rights at work, support the conduct of due diligence, promote home-host country dialogues, and align the MNE Declaration with national development priorities.
- ii. Employment – promotion of employment, social security, eliminating forced labour and child labour, promoting equality and security of employment.
- iii. Training – promoting lifelong-learning and access to training opportunities.
- iv. Conditions of work and life – promotes fair wages, benefits and conditions of work, occupational safety and health.
- v. Industrial relations – promotion of freedom of association and right to organize, collective bargaining, etc.

Case study

The case of Carrefour, a company in Cote d'Ivoire that is using the MNE Declaration to support business development was discussed. It was noted that, through their alliance with CFAO (an automobile company) they created CFAO-Retail that sources 100 per cent of its fresh products locally, thereby creating linkages with local Small and Medium Scale Enterprises, ensuring sustainability of supplies and quality products. CFAO-Retail has also integrated more than 270 local suppliers into the company's supply chain in La Côte d'Ivoire, with suppliers benefiting from training and capacity building. Prior to this, training institutions in La Côte d'Ivoire did not offer initial training for personnel in the retail sector; but with the support of Carrefour, through dialogue with the relevant national authorities, Carrefour has started training in the sector.

The MNE Declaration provides a guidance note on the elimination of child labour and its root causes. Some of the root causes noted include gaps in legislation and law enforcement, the informal nature of the economy, lack of freedom of association and collective bargaining, poverty and inadequate social protection, discrimination, lack of education, and bad business practices, among others.

The presentation concluded by reinforcing the principles of the MNE Declaration that are specifically directed to enterprises towards addressing the root causes of child labour. These are;

- i. Carry out due diligence and provide means of remediation for negative impacts of MNE activities.
- ii. Align enterprise activities to public policies and initiatives.
- iii. Contribute to the creation of direct and indirect employment.
- iv. Contribute to formalisation.
- v. Contribute to employment security.
- vi. Complement public social security systems.
- vii. Provide adequate wages, benefits and conditions of work.
- viii. Be guided by the principle of non-discrimination.

After the presentation, the following questions were asked:

Question: Does the ILO have a formal structure in place to deal with multinational cooperation who are involved in infractions against the MNE Declaration?

Response by Mr. Cheikh: When there are infractions, they are addressed at the national level. Government thus has the great responsibility to put in place the right regulations and policies to address the infractions that workers may face regarding decent work. The ILO continues to help its national partners to have in place such regulations/policies. Besides, the ILO has a helpdesk for business that provides information on a wide range of labour issues. Also, the ILO uses its digital platforms such as email channel to provide technical assistance to individuals or associations on how to seek redress on issues relating to decent work. Notwithstanding, the ILO does not have a tribunal for addressing labour infractions.

Question: What can the ILO do to compel the government to enforce the principles of the MNE Declaration, even as MNEs, especially those from China continue to flout Ghanaian labour laws with impunity?

Response by Dr. Akua Ofori-Asumadu: Ghana has ratified some ILO regulations that are binding on the country and therefore, if a multinational company's practices go against the country's regulations, a legal action could be taken at the national level against such enterprises. However, if the government continues to overlook such infractions, the ILO has a tripartite committee (Committee on Application of Labour Standard) where the government can be invited to answer questions about the said infractions. This is, however, based on adequate reporting of labour infractions by labour unions.

Submission by Ms. Elizabeth Akanbombire, Labour Department: Countries that ratify ILO conventions could face some punitive actions like downrating of the state on Tier 1 and Tier 2 watch list if they continue to overlook issues of decent work deficit. A deliberate effort by labour to document labour rights infractions which occur with impunity is necessary for demanding accountability either in Ghana or on international labour platforms.

### **Panel Discussion**

The presentation was followed by a panel discussion on the topic, "Challenges and opportunities for the realization of decent work in the agricultural sector in Ghana". The panel consisted of;

- i. Ms. Priscilla Bio, GIPC
- ii. Mr. Dawuda Ibrahim Briamah, Ag. Chief Labour Officer, Labor Department.
- iii. Mr. Paul Ntim, Dep. Director, M&E, COCOBOD
- iv. Ms. Rebecca Mansah Amedornu, Agriculture Officer, MoFA.

Key issues from the panel discussion.

Child labour exists in the agriculture sector.

- i. Most farmers are small holder farmers who do not make substantial profit from their activities to hire adult labourers. As such, they mostly rely on children.
- ii. The absence of social protection for farmers in the informal sector encourages the use of children for labour.
- iii. The lack of education on the part of farmers on the implications of child labour promotes child labour practice in the informal agricultural sector.
- iv. The practice of child labour is driven by the low level of technology adoption in the agriculture sector. The more labour-intensive agriculture is, the higher the urge to use cheap labour, which includes children.

Child labour in the cocoa sector



- v. Child labour in the cocoa sector is mostly at the farm level, and not at the institutional level. COCOBOD does not condone child labour.
- vi. COCOBOD has mainstreamed issues of child labour into their major operations and has a division that educates farmers on the implications of child labour.
- vii. When farmers use children on the farm, COCOBOD has limited capacity to detect, since it cannot be present on all farms.
- viii. COCOBOD is investing in building schools in cocoa growing communities to make schools accessible to the children. This is because the lack of schools promotes the use of children on the farm by parents.
- ix. There are deficiencies in monitoring compliance with decent work regulations along agricultural value chains. Most of the raw materials MNEs require come from the informal sector where child labour largely manifests. However, there is no commitment by MNEs to police their suppliers to ascertain whether they comply with decent work regulations or not.
- x. Financial constraints on the part of the Labour Department make it difficult to monitor farmers' compliance with decent work regulations, especially child labour.

#### MNEs operations in Ghana

- xi. About 60 per cent of the key areas of the economy is dominated by foreign nationals, emphasising their importance in the growth of the Ghanaian economy.
- xii. MNEs face entrenched traditional customs in the communities that they operate in, which at times goes contrary to the MNE's operations. Attempts to integrate issues of gender in their operations in some communities sometimes comes with resistance.
- xiii. MNEs also face difficulties in complying with national laws. Since they operate in different countries, adjusting to each country's business laws poses a challenge to them. In the process, some attempt to impose their home-country's business practices on the host-countries.
- xiv. There are MNEs in Ghana like Nestle, Divine Chocolate and Barry Callebaut that provide exemplified compliance to some principles of decent work. Nestle for instance, provides training and support for farmers to improve their farm practices while Barry Callebaut has a programme called ethical sourcing, where the products procured at each point of their raw material value chain adheres to decent work regulations. Divine Chocolate also partners smaller farmers by building cooperatives with them. The company gives the farmers a fair price for their products with the assurance of good labour standards in return from farmers.
- xv. In Ghana, some MNEs do not do due diligence on their local partners as to whether they are engaging in child labour or not.

- xvi. In many instances, farmers in the informal sector are easily laid off by MNEs when the MNE experience post-harvest losses because of the lack of storage facilities.

#### The way forward

- i. MNEs must support the Labour Department to train inspectorates in order to enhance its decent work monitoring along the agricultural value chain towards promoting decent work.
- ii. MNEs must take steps to ensure that the rights of people they work with along the agricultural value chain are respected.
- iii. There must be increased community education and awareness of the implications of child labour. This must be done through the local government.
- iv. Farmers must be supported with modern agricultural tools to reduce or eliminate the use of children on farms. In that respect, the government is supplying farm tools to some farmers across the country.
- v. Small and Medium-scale Enterprises should build more partnerships to raise funds to promote their business. Such partnerships promote access to business formalization and technology adoption opportunities.

The panel discussion was followed by an open forum with submissions from the participants.

#### **Open forum**

The government's response to child labour in the agriculture sector.

Child labour is prevalent in the agriculture sector, including cocoa farms. While it is difficult to monitor every farm in Ghana, it is not impossible, given a coordinated response. What practical steps is the MELR taking to address child labour in communities where it is prevalent? The MELR has a child labour protection mechanism which isn't functioning effectively. The Labour Inspectorate is generally underfunded to monitor institutional compliance with labour laws. COCOBOD is working on a management system that would monitor cocoa production right from the cultivation stage, including the kind of labour being used by the farmers. This will feed into the Child Labour Monitoring System of MELR to enable a coordinated national database and response. There is the need to strengthen capacity at MELR and the Labour Inspectorate to enhance child labour monitoring while expanding opportunities for practical farmer education on decent work especially in the cocoa sector, including using demonstration farms at the cocoa research institute for training and research in 'decent work' at farm.

The devastating impact of illegal mining on cocoa farms

The activities of illegal miners continue to affect cocoa farms either through encroachment or the willful selling of farms to illegal miners by cocoa farmers. On encroachment, which usually affects soil and water quality, and for that matter, the

quality of cocoa beans, COCOBOD is strict on the standards for its cocoa beans, a deviation of which leads to outright rejection. Farmers are therefore conscious of this requirement and the obligation it imposes on them. COCOBOD has also established a desk in charge of mining and cocoa, as part of measures to safeguard cocoa farms from environmental degradation occasioned by illegal mining. However, COCOBOD is limited in mandate and capacity to deal with illegal mining. A coordinated inter-sectoral response is required to sustain the war against illegal mining.

### Low level of youth participation in agriculture

There is limited participation of the youth in agriculture, especially cocoa farming. What is the government's approach towards increasing youth participation in agriculture? The lack of start-up support opportunities for youth interested in agriculture remains a major impediment to youth participation, since banks are not interested in financing start-ups. Zenith bank for instance, does not provide start-up support for agriculture because of the volatile nature of agriculture, except for established businesses within the agriculture value chain. As part of the government's response to youth in agriculture financing, MoFA has an agency that provides financial support in terms of guaranteeing loan facility for individuals including the youth who want to venture into agriculture, while providing technical guidance. It must be noted however, that youth entering agriculture must not necessarily be restricted to farming, but along the agriculture value chain. MoFA has a help desk that provides guidance to the youth interested in participating in agriculture. In addition to MoFA's interventions, COCOBOD has award schemes to attract young people into the sector.

### Breakout Session

There was a breakout session where the participants were put into four groups for a discussion on the topic "Relevance of the guidance offered by the ILO MNE Declaration to contribute to the Sustainable Development Goal 8". Participants were required to identify three (3) principles of the MNE Declaration directed at government and at enterprises for which they considered the most relevant to promote sustainable, responsible, and inclusive business practices in the agricultural sector. Table 1 presents the synthesised work of the four groups.

Table 1: Priority principles directed to Ghana government and MNEs as identified by various groups.

<b>Principles</b>	<b>Principles directed to Government</b>	<b>Principles directed to Enterprises</b>
General Policies	P.3: Further the aim of the Declaration by adopting appropriate laws and policies, measures and actions, including in the	P.8: Respect the sovereign rights of the state and obey national laws and respect international standards –

	fields of labour administration and public labour inspection	
	P.5: Ensure equal treatment between multinational and national enterprises	P.9: Contribute to the realization of the fundamental principles and rights at work.
	P.9: Ratify all the Fundamental Convention –	P.10: Carry out due diligence <sup>1</sup> , taking account of the central role of freedom of association and collective bargaining, industrial relations and social dialogue
	P.12: Promote good social practice in accordance with the MNE Declaration among MNEs operating in their territories and their MNEs operating abroad	P.11: Consult with government, employers' and workers' organizations to ensure that operations are consistent with national development priorities -
Employment	P.23-24: Take effective measures to prevent and eliminate forced labour, provide victims with access to an appropriate remedy, develop a national policy and action plan, and provide guidance and support to employers	P.18: Give priority to the employment, occupational development, promotion and advancement of nationals of the host country
Training	P.37: Develop national policies for vocational training and guidance, closely linked with employment in cooperation with all the parties concerned	P.38: Provide training for all levels of workers employed to meet the needs of the enterprise as well as development policies of the country  P.40: Afford opportunities within the enterprise for local management to broaden their experience
Conditions of Work and Life	P.42: Endeavour to adopt suitable measures to ensure that lower income groups and less developed areas benefit as much as possible from the activities of multinational enterprise.	P.41: Across their operations, provide wages, benefits and conditions of work not less favourable than those offered by comparable employers in the country concerned, taking into account the general level of wages, the cost of living, social security benefits, economic factors and levels of productivity
		P.44: Maintain highest standards of safety and health at work, make known special hazards and related protective measures associates with

		new products and processes, provide information on good practice observed in other countries, and play a leading role in the examination of causes of industrial safety and hazards.
		P.45-46: Cooperate with international and national safety and health organizations, national authorities, workers and their organizations, and incorporate matters of safety and health in agreements with representatives of workers.
Industrial relations	P.64: Ensure through judicial, administrative, legislative, or other appropriate means that workers whose rights have been violated have access to effective remedy	P.48,57,61: Respect freedom of association and the right to collective bargaining, provide the facilities and information required for meaningful negotiations
	P.67: Ensure that voluntary conciliation and arbitration machinery is available free of charge to assist in prevention and settlement of industrial disputes	P.66: Examine the grievances of worker(s), pursuant to an appropriate procedure.

Source: Group work, ILO MNE dialogue forum

As presented in Table 1, and during the ensuing plenary where the outcomes of the group work was resented, participants agreed on the key principles captured in Table 1 as key for translation into practice in Ghana. It is worth noting that the only principle with the strongest level of emphasis was paragraph 8, as directed to enterprises i.e., ***Respect the sovereign rights of the state and obey national laws and respect international standards.***

This goes to reinforce the general concern of participants at the dialogue forum that, there was a considerable level of non-compliance by MNEs to Ghana's labour laws and other relevant international conventions. Indeed, it stands to reason that, if all labour and related laws are strictly adhered to, almost all the remaining principles would have been achieved in the Ghanaian labour front.

**Presentation 2: Recent developments at the national, regional and international level to promote sustainable and responsible business practices.**

**Presenter: Mr. Cheickh Badiane, Technical Specialist, MULTI, ILO**

The second presentation focused on recent bilateral declarations, that in one way or the other incorporates the principles of MNE Declaration for promoting sustainable development and decent work. They included;

- i. The Addis Ababa Action Agenda (2015) on Financing for Development – This emphasizes the importance of international trade and investment to promote productive employment and decent work, and to contribute to the achievement of the Sustainable Development Goals (SDGs). It encourages companies to adopt responsible business and investment principles.
- ii. Nigeria-Morocco Bilateral Investment Treaty, 2016 – This refers to the MNE Declaration (Article 24) and other applicable standards, contains provisions on corporate social responsibility requiring investors to undertake environmental and social impact assessments of the proposed investment (Article 14), and states that "investors and their investments should strive to make the maximum feasible contributions to the sustainable development of the Host State" (Article 24).
- iii. The 2018 Southern African Development Community (SADC) Council of Ministers Declaration - A reference to the MNE Declaration was included in the 2018 Declaration of SADC Ministers responsible for Employment, Labour and Social Partners. States committed to promoting decent work to foster sustainable global supply chains and expressed their desire to improve understanding of the MNE Declaration within SADC member states with the support of the ILO.
- iv. The Opinion on the Promotion of CSR and the Declaration on MNEs in the West African Economic and Monetary Union Member Countries of 2019.
- v. The United Nations Guiding Principles on Business and Human Rights.
- vi. UN Human Rights Council resolution 26/9 – This mandates an intergovernmental working group to "develop a binding international treaty on transnational corporations to regulate, within the framework of international human rights law, the activities of transnational corporations and other business enterprises".

Mr. Cheickh also noted that, references have been made to the MNE Declaration in the following Trade and Investment Agreements:

- i. Investment agreement Morocco-Nigeria (article 24)
- ii. Partnership agreement EU-Armenia (articles 88 and 276)
- iii. Partnership agreement EU-Japan (article 16.5)

- iv. Association agreement EU-Moldova (article 35)
- v. Partnership agreement EU-OACPS (article 13)
- vi. Trade agreement EU-Singapore (article 12.11)
- vii. Association agreement EU-Ukraine (article 422)
- viii. Trade and cooperation agreement EU-US Kingdom (article 8.10)
- ix. Trade agreement EU-Vietnam (article 13.10)
- x. Partnership, trade and cooperation agreement United Kingdom-Moldova (articles 36 and 334)
- xi. Trade Agreement United Kingdom - Iceland, Liechtenstein and Norway (article 13.11)

Further, it was indicated that several states, in connection with guiding principles of the MNE Declaration, and their obligation to protect human rights, have taken various measures to promote responsible and sustainable business practices. Some states have also adopted laws requiring companies to conduct some form of due diligence such as the;

- i. Dodd-Frank Wall Street Reform and Consumer Protection Act, 2010.
- ii. The California Transparency in Supply Chains Act, 2010.
- iii. Modern Slavery Act 2015, 2015.
- iv. France's Duty of Vigilance Law, 2017.
- v. Modern Slavery Act 2018, 2019
- vi. Order 2019-1323 on the Canadian Ombudsperson for Responsible Enterprise, 2019
- vii. Dutch Child Labour Due Diligence Act, 2019
- viii. German law on corporate due diligence in supply chains, 2021

## **Panel Discussion**

Ending the first day of the dialogue was a panel discussion on the topic, Promotion of sustainable, responsible, and inclusive business practices – Recent development and different players. The panel comprised:

- i. Ms. Joyce Abdulai, Ghana Investment Promotion Centre,
- ii. Mr. Emmanuel Doni Kwami, Sec. Gen. ICC-Ghana
- iii. Ms. Akosua Kwapong, COCOBOD.

The key issues discussed focused on the emergence of different actors in Corporate Social Responsibility and Responsible Business Conduct, how the proposed EU directives is influencing due diligence and approach to business in the cocoa sector.

## **Cocoa sector's response to the new EU regulations**

Previously, child labour due diligence by COCOBOD's purchasing agents was voluntary. However, as part of the new EU regulations, COCOBOD has made it compulsory for companies to report on the status of child labour in all the



communities they purchase cocoa. COCOBOD has put in place measures to identify practices along the cocoa production value chain that are risks to decent work. As earlier indicated, COCOBOD has developed a monitoring system that traces the cocoa beans to its very source, with database on the farmers, including the number of children in their households, and those that may be at risk of child labour. All these are in response to the new EU regulations.

### **Social interventions to sustain zero tolerance for child labour**

There is a relationship between education and child labour. Where there are no opportunities for basic school enrolment, parents are encouraged to enroll children on farms. Ghana needs to effectively implement the free compulsory universal basic education to ensure all children of school going age are in school other than on the farm. Both government and private sector must be responsible for making basic school accessible to all children.

### **MNEs compliance with labour laws and regulations**

MNEs have influence in curbing child labour within their value chains since they contract local partners to provide services to them. MNEs must work within the laws and regulations of the corporate and labour sectors, which forbid the use of children for labour; and this includes enforcing the same regulations within their value chain. There is, however, the challenge of MNEs registering to operate in a particular community but ending up working in a different community, making monitoring of their compliance to the Company' Law challenging. Resultantly, the GIPC is investing in its monitoring systems to address the challenge.



## **DAY TWO** **(Wednesday, 10<sup>th</sup> May 2023)**

### **Recap of previous day's activities**

The second day began with a recap of the previous day's activities by the rapporteur – Mr. Kofi Asare, after which the first presentation was made.

### **Presentation 1: The promotion and application of the MNE declaration in the agriculture sector and its operational tools.**

**Presenter: Mr. Cheickh Badiane, Technical Specialist, MULTI, ILO**

The presentation focused on MNE Declaration Annex II operation tool which is structured on three themes;

- i. Promotion
- ii. Company-union dialogue
- iii. Interpretation procedure.

### **Promotion**

Under promotion, the following submissions were made by Mr. Cheickh.

The governing body of the ILO has the overall responsibility for the promotion of the MNE Declaration. It reviews on a regular basis, the overall strategy and underlying activities to promote the instrument together with governments, employers' and workers' organizations in all ILO Member States. In promoting the Declaration, the governing body has a regional follow-up mechanism that comprises a regional report on the promotion and application of the MNE Declaration in the ILO member states in the region. The regional reporting is based on a four-year cycle with a report to be presented to the governing body at the end of each cycle.

There is also the promotion at the national level through tripartite appointed national focal points that promote the use of the MNE Declaration and its principles. The activities of national focal points to promote the MNE Declaration may include raising awareness of principles of the MNE Declaration among government ministries and agencies, multinational enterprises and employers' and workers' organizations; organizing capacity-building events; and developing online information and dialogue platforms in local languages where possible.

Since 2017, ten (10) member states of the ILO have appointed focal points, first by Portugal with one (1) appointed governmental focal point, followed by Senegal with four (4) focal point institutions. Ghana currently has four (4) focal points appointed in 2021. Although the Declaration suggests the appointment of focal point on a tripartite basis, the situation may differ from country to country.

## **Company-Union dialogue**

Dialogue lies at the heart of the MNE Declaration. Company-Union dialogue, within the context MNEs and representatives of the workers, is crucial in the application of the principles of the MNE Declaration. As part of its strategies, the ILO supports or facilitates such dialogues when requested by the parties. A central role the ILO plays is the release of its facilities as a neutral ground for discussion between a company and a Union if they so voluntarily agree to take advantage of such facilities. Where necessary, the ILO also supports qualified facilitators to provide technical support to the dialogue process.

During the dialogue process, it is incumbent on the office and the participants to maintain strict confidentiality of the dialogue process. The Company–Union dialogue is based on consensus of the parties, and its content shall not be used for any binding procedure. The decision on who represents the company, and the union lies with the company and the union. The ILO has so far received six (6) requests in this respect.

## **Interpretation procedure**

Speaking on the interpretation procedure for the MNE Declaration, Mr. Cheickh noted that the mechanism was established in 1986 to address any disagreement that may arise from its implementation. The request for interpretation could be addressed to the ILO either by government, multinational organisations, or workers' union. Upon the receipt of the request for interpretation, officers of ILO's governing body will inform the government and the central organizations of employers and workers concerned of any request for interpretation received. The officers of the governing body subsequently decide unanimously after consultations in the groups whether the request is receivable under the procedure, and if they cannot reach agreement, the request is then referred to the Governing Body for decision.

## **Plenary discussions**

After the presentation, participants sought to ascertain why out of the eighty-seven (87) ILO member states, why have only ten (10) countries appointed national focal points?

In his response, Mr. Cheickh indicated that, the ILO does not compel countries to appoint focal points but continue to have a dialogue with member states to realise the need to do so themselves – a situation that may be accounting for the low pace of countries appointing focal persons. He added that it is, therefore, more important for the ILO to increase in-country-level awareness of the relevance of the MNE Declaration to countries, so that there can be increased appointment of national focal points. In addition to Mr. Cheickh's explanation, Dr. Akua Ofori-Asumadu added that, aside from the use of focal points in facilitating the MNE Declaration at country

levels, countries are using other means such as adoption of policies and legislations to attain that.

## **Presentation 2: Ghana Tripartite MNE Workplan – 2023.**

**Presenter: Ms. Carolyn Ansoah Kuuzegh – Monitoring and Evaluation Officer, MELR.**

The Ghana Tripartite MNE Workplan for 2023 provides the 2023 quarterly activities schedules by the MELR towards the promotion of the MNE Declaration in Ghana.

The highlight of activities in Ghana's Tripartite MNE 2023 Workplan is as follow:

- i. Capacity building for labour inspectors on the ILO MNE Declaration
- ii. Organise focal points meeting twice in the year to discuss achievements, challenges and the way forward on activities been carried out.
- iii. Develop MNE materials and disseminate nationwide.
- iv. Sensitization of National Tripartite Committee on the MNE Declaration
- v. Administer materials on MNE principles to investors participating in events and meetings etc.
- vi. Training for individuals/groups/officers in charge of putting out information on the MNE Declaration principles.
- vii. Establish workers platform on MNE.
- viii. Capacity building workshop on the ILO Declaration on MNEs for selected workers.
- ix. Bipartite discussions on MNE with employers
- x. Conduct a study on the practice of the principles of MNE Declaration in relation to the realization of decent work agenda in Ghana.

## **Breakout Session**

Participants worked in four groups to identify key entry points to promote the ILO MNE Declaration taking into account the most relevant principles of the MNE Declaration identified. Table 2 presents a summary of the group work.

Table 2: Key entry points to promote the ILO MNE Declaration as identified by the various groups.

<b>Outcomes</b>	<b>Alignment</b>	<b>Entry point</b>
<b>Group 1</b>		
Labour inspections enhanced.	P9: Contribute to the realization of the fundamental principles and rights at work.	Incorporate the MNE principles into the annual training plan of the Department
MNE materials developed and	P12: Promote good social	Use GIPC's MNE point

disseminated	practice in accordance with the MNE Declaration among MNEs operating in their territories and their MNEs operating abroad.	of business registration to share communication materials on the MNE Declaration
Awareness creation expanded through events	P18: Give priority to the employment, occupational development, and advancement of nationals of the host country.	Incorporate MNE Declaration dialogue in various Ministries' quarterly meetings.
<b>Group 2</b>		
MNE materials developed and disseminated	P.44: Maintain highest standards of safety and health at work, make known special hazards and related protective measures associates with new products and processes, provide information on good practice observed in other countries, and play a leading role in the examination of causes of industrial safety and hazards.	Develop health and safety bill
<b>Group 3</b>		
Awareness creation expanded through events	P3: Further the aim of the Declaration by adopting appropriate laws and policies, measures and actions, including in the fields of labour administration and public labour inspection	Quarterly meeting of the national tripartite committee.
MNE materials developed and disseminated	P.44: Maintain highest standards of safety and health at work, make known special hazards and related protective measures associates with new products and processes, provide information on good practice observed in other countries, and play a leading role in the examination of causes of industrial safety and hazards.	Capitalise on Labour Department's periodic monitoring to share safety and health at work communication materials
Worker's organisations promoting the MNE Declaration in Ghana	P.38: Provide training for workers to meet needs of enterprise and develop policies	Co-operative meetings of farmer groups to adopt and practice the principles of the MNE Declaration
<b>Group 4</b>		
Labour inspection enhanced	P3: Further the aim of the	Develop a scorecard

	Declaration by adopting appropriate laws and policies, measures, and actions, including in the fields of labour administration and public labour inspection	on the adherence to MNE principles by MNEs.
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### **Closing remarks:**

Mr. Kingsley Laar of GEA expressed his appreciation to the ILO for the capacity building opportunity on the MNE Declaration. He assured the ILO that the GEA would facilitate increased awareness on the MNE Declaration among MNEs to promote decent work for sustainable development.

Ms. Gloria Noi of MELR on her part thanked ILO for their continuous support to the MELR. She indicated the readiness of the Ministry to continue working with MNEs in Ghana and Labour Unions to promote the MNE Declaration in Ghana.

Mr. Cheickh expressed his pleasure at being part of the 2-day dialogue and indicated ILO's availability to support relevant institutions to promote decent work and economic growth. He concluded by stressing the need for participants to own and make good use of the knowledge gained in the event toward attaining the SDG 8.

### Attendance Form

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