



**2009 ANNUAL MEETING OF THE NATIONAL CONTACT POINTS  
REPORT BY THE CHAIR**

**16-17 June 2009**

*This Report by the Chair of the Annual Meeting of the National Contact Points held on 16-17 (morning) June 2009, has been finalised in light of comments received under written procedure by 18 September 2009. The report is now derestricted and will be incorporated in the 2009 edition of the "Annual Report on the OECD Guidelines for Multinational Enterprises". Submissions from stakeholders at the consultations on 16 June 2009 and a summary of the discussions of the OECD Conference on Corporate Responsibility of 15 June 2009 will also be included in this publication.*

## I. Overview

Every year, the National Contact Points (NCPs) of the OECD Guidelines for Multinational Enterprises (“the Guidelines”) meet to review their experiences with promoting the Guidelines. They also engage in consultations with the Business Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC), and with non-governmental organisations (NGOs), notably OECD Watch, to seek their input on how to further enhance the effectiveness of the Guidelines.

In addition, a back-to-back Roundtable with practitioners is organised to assist NCPs to better understand emerging issues and policy developments relevant to the Guidelines. This year’s event, held on 15 June 2009 and organised under the auspices of the OECD Investment Committee in co-operation with three other OECD Committees,<sup>1</sup> was devoted to the theme of “Consumer Empowerment and Responsible Business Conduct.” The Guidelines are the sole existing government-endorsed international instrument for corporate responsibility to address consumer interests. Participants discussed the role of the Guidelines in encouraging responsible behaviour, notably on supply chains, energy consumption and climate change, and financial protection and education.

This report reviews activities to promote and implement the Guidelines undertaken by adhering governments over the June 2008 – June 2009 period. It is based on individual NCP reports and other information received during the reporting period and the results of this year’s Annual NCP Meeting. The report is divided into five additional sections: Section II – Institutional Arrangements; Section III – Information and Promotion; Section IV – Specific Instances; Section V – Activities related to OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones; and Section VI – Considerations for Future Actions.

This year’s implementation cycle of the Guidelines witnessed the outbreak of an unprecedented financial and economic crisis and a severe drop of confidence in global business. This led to renewed calls for enforcement of the standards of business ethics contained in leading international corporate responsibility instruments together with considerably less complacency with their shortcomings. In this context, the strategic role of the OECD Guidelines continued to enjoy high level expressions of support, including in the G8 and UN contexts. Simultaneously, NCP activities have come under greater scrutiny, and demands for an update of the Guidelines, ten years after the 2000 Review, have become more pressing.

The NCPs reports show that NCPs have been listening to stakeholders’ expectations of their performance in raising the profile and effectiveness of the Guidelines. Several NCPs report institutional changes designed to make more resources available to the promotion of the Guidelines and to raise the NCPs’ capacity to offer good offices in the mediation or conciliation of specific instances. This also responds to an OECD Council recommendation adopted in January 2009.<sup>2</sup> Several NCPs also report changes to increase stakeholder inclusiveness and procedural transparency in their activities, thus emulating some of the emerging practices identified in last year’s survey of NCP performance. The Dutch and UK NCPs report considerable effort in making their recent structural reforms work. Canada and Norway’s comprehensive reviews of their corporate responsibility policies confirmed the strategic role of the Guidelines. Individual efforts to raise the awareness, visibility and use of the Guidelines and of the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones continued in various forms.

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<sup>1</sup> The Committee on Consumer Policy, the Environment Policy Committee and the Committee on Financial Markets.

<sup>2</sup> In Subparagraphs b) and c) of document C (2008)170, the Council “welcomed NCP’s increased efforts to further the effectiveness of the Guidelines for MNEs and encouraged adhering governments to ensure that NCPs have adequate resources to sustain these efforts.”

Although the number of specific instance requests was lower this past year than in the 2007-2008 implementation cycle of the Guidelines, this does not appear to signal a decline in support for the specific instances facility. With 25 new cases raised, the total number of requests since the 2000 Review exceeded the 200 mark. Of these, 146 have been accepted for consideration and 114 have been concluded or closed. While a majority of the new cases continue to relate to employment and industrial relations under Chapter IV of the Guidelines, some also involved financial actors and environmental issues covered by Chapter V. Consultations between NCPs on cases involving multiple requests also seem to have become smoother and more productive. But most importantly perhaps, some of the recently concluded or actively reviewed cases are exemplary of the role that the Guidelines can play in addressing investment disputes. In addition, a large majority of the new specific instances were raised in non-OECD countries (of which 8 in non-adhering countries).

Adherence to the OECD Declaration on International Investment and Multinational Enterprises, including the Guidelines, has continued to expand. Peru became the 41<sup>st</sup> adherent to the Declaration, and the review of Morocco's application has been launched with the aim to complete it within the forthcoming year. At their request, Jordan and Serbia have also been invited to adhere to the OECD Declaration subject to a review of their investment policies.

The Guidelines also garnered increased visibility within the context of the OECD Investment Committee's work on the financial sector, the horizontal Water project, the investment policy review of India, OECD contribution to the work of the Special Representative of the United Nations Secretary-General on Business and Human Rights, co-operation with the UN Global Compact and with other OECD Committees.

The Annual Meeting held on 16-17 June 2009 was devoted mainly to NCP performance. While noting the progress made in fulfilling their duties, NCPs felt that still more could be done to further the effectiveness of the Guidelines. They agreed that the next implementation cycle should continue to focus on ways to improve NCP performance. In addition, with the 10<sup>th</sup> Anniversary of the 2000 Review approaching, they discussed the merits of starting preparations for launching an update of the Guidelines at their 2010 Annual meeting. NCPs confirmed their readiness to actively contribute to this process. They also welcomed the confirmation that the voluntary peer review of the Dutch NCP will soon be launched.

The NCPs were subsequently informed that at the 2009 OECD Ministerial Council Meeting of 24-25 June 2009, Ministers "welcomed further consultation on the updating of the OECD Guidelines to increase their relevance and clarify private sector responsibilities."

## **II. Innovations in NCP structure and procedures**

Taking into account the structural changes that occurred in the June 2007-June 2008 period, current NCP structures now consist of:

- 17 NCP single government departments;<sup>3</sup>
- 11 NCP multiple government departments;<sup>4</sup>

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<sup>3</sup> Argentina, Australia, Czech Republic, Egypt, Germany, Greece, Luxembourg, Ireland, Israel, Italy, Mexico, New Zealand (with a Liaison Group consisting of government, business and trade unions representatives), Poland, Slovak Republic, Spain, Switzerland and United States.

<sup>4</sup> Brazil, Canada, Chile (under current plans), Hungary, Japan, Iceland, Korea, Slovenia, Portugal, Turkey, and United Kingdom.

- 1 bipartite NCP;<sup>5</sup>
- 9 tripartite NCPs (involving governments, business, and trade unions);<sup>6</sup>
- 1 quadripartite NCP (involving governments, business, trade unions and NGOs);<sup>7</sup> and
- 1 mixed structure of independent experts and government representatives.<sup>8</sup>

Compared with 2000, when the NCP mechanism under the revised Guidelines was created, the inclusion of stakeholders into NCP structures has markedly expanded.<sup>9</sup> The number of NCPs with tri- or quadri-partite organisations has increased, and advisory committees or permanent consultative bodies involving non-government partners have become widespread in countries with government-based NCP structures. Meetings with business, trade unions and civil society have also become more frequent. While several NCPs seem to prefer more informal channels of communication, this year's reports underscore NCPs' commitment to respond to enquiries about the functioning of the Guidelines and to be more transparent about their activities.

The following institutional changes are reported to have been adopted or to be under active consideration:

- *Canada* has transferred the role of the NCP chair and co-ordinator from the Investment Trade Policy Division to the Director General, Trade Commissioner Service - Client Services Bureau to promote more effectively the Guidelines abroad. In addition, Canada foresees the establishment a Centre of Excellence to encourage the Canadian extractive sector companies to implement voluntary performance guidelines, such as the OECD Guidelines, and the Office of the Extractive Sector Counsellor ("Counsellor") to work in close synergy with the Canadian NCP to assist stakeholders in the resolution of corporate responsibility issues pertaining to the activities of these companies abroad (see Box 1).

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<sup>5</sup> Romania's NCP is comprised of government and business representatives.

<sup>6</sup> Belgium, Denmark, Estonia, France, Latvia, Lithuania, Luxembourg, Norway, and Sweden. Several of these also have multiple governmental department NCPs.

<sup>7</sup> Finland.

<sup>8</sup> In 2007, the Dutch NCP has been changed from an interdepartmental office to a mixed structure consisting of four independent experts and four advisors from four ministries.

<sup>9</sup> The report by the Working Party of the Investment Committee "Review of NCP Performance: Key Findings" analyses the structural changes that have occurred since the 2000 Revision of the Guidelines.

### **Box 1. Canada's New CSR Strategy for the Extractive Sector**

On March 26, 2009 the Government of Canada announced the adoption of a new strategy named Building the Canadian Advantage: A CSR Strategy for the Canadian International Extractive Sector. The new strategy is based on the results of extensive consultation with stakeholders which began with a series of "National Roundtables on Corporate Social Responsibility and the Canadian Extractive Sector in Developing Countries," held in 2006. The Roundtables were a consultative process which engaged industry, civil society and the public in a solutions-oriented discussion on how to enable the Canadian global extractive sector to better identify and manage the social and environmental risks of their operations. In March 2007, the Advisory Group for the National Roundtables, which was composed of non-governmental experts drawn from across stakeholder groups (civil society, labour, industry, investment sector and academics), released a report containing numerous recommendations to the government.

There are several components to the new strategy. One such component involves supporting initiatives to enhance the capacities of developing countries to manage the development of the extraction industry and to benefit from these resources to reduce poverty.

Another component of the strategy is the development of a Centre of Excellence within an existing institution outside of government. The purpose of this Centre is to encourage the Canadian international extractive sector to implement voluntary performance guidelines, such as the OECD Guidelines, by disseminating high-quality information for clients in industry, civil society and government, at home and abroad.

A further component of the strategy involves the establishment of the Office of the Extractive Sector Counsellor ("Counsellor") to assist stakeholders in the resolution of corporate responsibility issues pertaining to the activities of Canadian extractive sector companies abroad.

The Counsellor and the NCP will operate as two separate and distinct bodies. Canada's NCP for the OECD Guidelines will continue to be responsible for promoting the effective implementation of the Guidelines across all industry sectors, as well as reviewing any specific instances which it receives, including those in the extractive sector. The NCP will remain the primary authority with respect to the OECD Guidelines. The Counsellor and the NCP will ensure that overlapping activities are closely co-ordinated.

More information can be found on the strategy at: [www.csr.gc.ca](http://www.csr.gc.ca)

- *Denmark* has established an open 'Guidelines-group' as a liaison between interested NGOs and members of the Danish Contact Point to facilitate the exchange of views and ideas on the promotion of the Guidelines.
- In *Estonia*, the NCP functions are being moved to the Ministry of Economic Affairs and Communications to improve engagement with enterprises.
- *France* is exploring the institutional relations between the French NCP and other leading social responsibility organisations, notably the French branch of Global Compact.
- In *Germany*, a Working Party on the OECD Guidelines composed of representatives of Federal Ministries, business organisations, employee organisations/trade unions and selected NGOs meets once a year under the chairmanship of a senior official of the Federal Ministry of Economics and Technology to discuss all Guidelines-related issues. In addition, the participating ministries - the Federal Foreign Office, the Federal Ministry of Justice, the Federal Ministry of Finance, the Federal Ministry of Labour and Social Affairs, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the Federal Ministry for Economic Co-operation and Development - meet at regular intervals to discuss (a) current issues relating to the OECD Guidelines; (b) how to improve the dissemination of these Guidelines; and (c) the working methods of the National Contact Point.

- *Japan* has established a consultative body comprised of representatives from the Japanese business and labour communities.
- *Mexico* completed in March 2009 the reorganisation of their NCP when the Directorate General for Foreign Investment (DGFI) within the Ministry of the Economy took over the office for the implementation and operation of the NCP.
- *New Zealand* plans to increase the membership of its Liaison Group to include a broader representation of stakeholders.
- In *Peru* the forthcoming Peruvian NCP will be led by the Board of Directors of PROINVERSION, the Peruvian Investment Promotion Agency, which is composed of five Ministers headed by the Minister of Economy and Finance. PROINVERSION's Executive Office will act as Peru's NCP Secretariat through the Investment Facilitation and Promotion Division.
- *Portugal's* NCP is now composed of the Portuguese Investment Agency (AICEP) and the Directorate-General for Economic Activities (DGAE). AICP is in charge of promotional activities on the Guidelines while DGAE is in charge of the functioning of the specific instance facility.
- *Slovenia* has decided to divide the structure of its NCP. The Slovenian NCP will be mainly responsible for promotional and awareness activities while an interdepartmental body composed of five ministries will be responsible specific instances.

Smoother and more productive consultations among NCPs stand out as significant development during the reviewed period. In particular, the Dutch and Irish NCPs report working closely together with assistance from Norway and the United States, on a recent case involving a major pipeline laying project in Ireland. Since 2000, NCPs report having engaged in joint consultations on 25 specific instances.

### **III. Recent developments in information and promotional activities**

The June 2000 Decision of the OECD Council calls on NCPs to undertake promotional activities. During the reporting period, NCPs continued to engage in various activities designed to enhance the value of the Guidelines. This section summarizes the main activities described in the individual NCP reports.

#### ***III.a Selected promotional activities***

In addition to the activities reported in paragraphs 17 and 18 below, promotional developments worth underlining include:

- *Argentina – Co-operating regionally.* The Argentinean Contact Point promoted the Guidelines at regional consultations on the “Protect, Respect, and Remedy Framework” developed by the UN Special Representative on Business and Human Rights John Ruggie.
- *Denmark – CSR Action Plan.* This Action plan, adopted in May 2008, which introduced statutory requirements for large businesses operating in Denmark, renewed *inter alia* the government's commitment to the promotion of responsible business conduct standards of the Guidelines.
- *Egypt – Promoting the Guidelines in the Middle East and North Africa.* Egypt acted as a regional representative for the Guidelines. The Egyptian NCP website was launched in the early summer of 2008 featuring the Guidelines in both English and Arabic and other information relevant to

stakeholders in Egypt. A half-day workshop was organised in mid 2009 the business community, the Egyptian Trade Union and national NGOs.

- *Finland – Continued focus on promotion.* The Finnish Committee on CSR has continued to take a proactive role to progress CSR by raising awareness among all types and sized enterprises in order to prevent breaches of the Guidelines in advance. The Finnish CSR Committee's activities included dissemination of information about the OECD Guidelines
- *France – Under the French Presidency of the European Union,* a conference titled 'Social Responsibility and Enterprises' was held in Paris on the 30<sup>th</sup> of October 2008. Partnership and transparency were the main themes of the conference, as well as the need for European leadership in the field of social responsibility. The OECD Secretariat gave a speech *on the importance of the implementation of social responsibility* initiatives and the supporting role of the Guidelines.
- *Germany – Promoting social responsibility in Asia.* At a conference held in Potsdam in March 2009, the German government – together with EU Commissioner Vladimir Spidla and the labour and employment *ministers* of key ASEM member states – underscored the need for greater corporate responsibility in Europe and Asia. The OECD Guidelines were highlighted and discussed in depth as one of the most important international instruments for implementing social responsibility. A handbook, sponsored by the German NCP in collaboration with the Working Party on the OECD Guidelines, is being prepared to provide German companies with specific instructions on how to comply with the OECD Guidelines in commercial activities abroad.
- *Israel – Targeting business.* Israel's NCP is conducting a thorough reconstruction of the OECD-related part of the Ministry's website in order to make the site more NCP-oriented. It is also developing new steps to raise awareness of the Guidelines in the business community through government support programs and networks.
- *Italy – Assessing performance.* In February 2009, the NCP launched a proposal for two research projects on the topics of the OECD Guidelines and enterprise performance. These two projects have since been assigned to the Bocconi University in Milan and to the LUISS University in Rome.
- *Japan – The importance of networking.* With a view to promoting corporate responsibility and the OECD Guidelines, the Japanese NCP established the co-operation with the local office of UN Global Compact, the local office of ILO in Tokyo and an NGO engaging in the promotion of Global Reporting Initiative (GRI). As a result, in March 2008, the Japanese NCP made a presentation to Japanese CSR business representatives at a seminar organised by the local office of UN Global Compact. The presentation covered NCP activities as well as the Guidelines.
- *Netherlands – Thinking globally.* The Dutch NCP has worked with the Dutch Agency for International Business and Co-operation (EVD) to provide information on the Guidelines and guidance on their implementation in emerging markets for companies considering foreign operations. Stakeholders were given the opportunity to comment on the ongoing specific instance procedures (SIs) and communication activities. Furthermore, an interview with Mr. De Waal on Dutch national television about the National Contact Point and its object and purpose was broadcast in April 2009. A member of the Dutch NCP actively participated at the March 2009 OECD consultations on the application of the Guidelines to the financial sector.
- *Norway – Maximising impact through strategic thinking.* In January 2009, the Norwegian Government published a White Paper titled *Corporate Social Responsibility in a Global*

*Economy*, in which the Government evaluated possible models for reorganising the NCP and ensuring a more comprehensive CSR strategy as well as the incorporation of the Guidelines. The Government's Consultative Forum on CSR organises 4-6 meetings annually; the one meeting held in April 2009 was devoted to the OECD Guidelines; the OECD Secretariat was invited as a guest (see Box 2).

#### **Box 2. Norway's White Paper: Corporate Social Responsibility in a Global Economy**

The Norwegian government's white paper, *Corporate Social Responsibility in a Global Economy*, released on January 23, 2009 represents a comprehensive national tool to mobilise business, investors and supporting organisations around the issue of responsible business conduct. Instead of creating a new set of corporate social responsibility standards for Norwegian firms, the government of Norway chose to rely on leading international corporate responsibility frameworks, such as the OECD Guidelines and NCP mechanism, the UN Global Compact, and the Global Reporting Initiative, as a base for its own expectations regarding the behaviour of Norwegian enterprises and its guidance as to how these expectations can be fulfilled. The white paper is a key component of this effort, presenting corporate responsibility as a vehicle both to maintain home country economic competitiveness and to generate host country development and reasserting the Norwegian government's strong support for international corporate responsibility efforts.

The report supports corporate responsibility efforts by cataloguing the available resources and tools beginning with a discussion of the government's own responsibilities and expectations regarding Norwegian businesses. The white paper then offers a user-friendly overview of the existing tools and frameworks that can guide business behaviour and then goes further, delving into emerging topics, such as human rights or the international business operations in conflict zones.

The White Paper is designed to be a living document to be improved over time by incorporating periodic feedback from stakeholders, the Parliament, other countries and international organisations. The paper represents a welcome assertion of support for international frameworks, such as the OECD Guidelines, and provides a helpful tool for all businesses, investors, and organisations who aim to encourage responsible international business behaviour.

Source: Norwegian Ministry of Foreign Affairs, *Corporate social responsibility in a global economy*, Report, No.10 (2008-2009) to the Storting.

- *Switzerland* introduced an expanded website on the Guidelines in mid-2008.
- *Turkey – Mobilising business*. A major gathering with four Turkish business associations was organised to inform them about the Guidelines. This successful experience will be repeated with other stakeholders in the near future.
- *United Kingdom*. In June 2008, the UK National Contact Point Steering Board presented a paper setting out the communications strategy to raise awareness of the OECD Guidelines. The paper proposed a phased approach, with phase one targeting government officials, followed by business, NGOs, Trade Unions and other key organisations.

*Other promotional activities undertaken by NCPs during the reporting period include:*

- Outreach to companies via contacts or presentations to individual companies or business associations (Brazil, Canada, Chile, Italy, Japan, Korea, Netherlands, Poland, Sweden, United Kingdom).
- Consultations and organisation of meetings with national partners (Australia, Brazil, Canada, Chile, Czech Republic, Denmark, Egypt, Germany, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Poland, Romania, Sweden, United Kingdom).



- Newsletters, articles in the press or other promotion through the media (various NCPs).
- Participation in conferences organised by non-governmental actors (Argentina, Australia, Canada, Chile, Finland, Greece, Italy, Poland, Romania, Turkey, United Kingdom, United States).
- Development of promotional material and mailings (Austria, Australia, European Commission, Japan, New Zealand, Norway, United Kingdom).
- Website development (Argentina, Australia, Brazil, Egypt, Italy, Japan, Poland, Romania United Kingdom).

*Promotional activities within governments include:*

- Promotion through presentations to government departments or agencies by high-level officials (Australia, Canada, Chile, Norway, Turkey, United Kingdom).
- Promotion with and training of embassy and consular staff (Australia, Canada, Germany, Japan, Norway, Romania, Spain, Switzerland, United Kingdom, United States). In December 2008 the UK's Foreign and Commonwealth Office (FCO) sent a guidance note (e-gram) on the Guidelines and human rights to its overseas posts to assist them in the handling of any complaints they may receive on the behaviour of UK companies overseas. The UK NCP has continued to work with the FCO to produce a toolkit providing overseas posts with guidance for business on the Guidelines and human rights.
- Trade and Investment Promotion missions or activities (Canada, Germany, Japan, Lithuania, Netherlands, Norway, Romania, Slovenia, Sweden).
- Promotion through overseas development agencies (Canada, Netherlands).
- Answering questions from Parliaments, Ombudsmen or other government bodies (Canada, European Commission, Germany, Japan, Norway, Sweden, United Kingdom). Promoting the Guidelines to foreign embassies (several NCPs).

### ***III.b Investment promotion, export credit and investment guarantee agencies***

Adhering governments have continued to explore ways of ensuring that their support for the Guidelines finds appropriate expression in credit and investment promotion or guarantee programmes. Table 1 summarises the links that have been established between the Guidelines and such programmes. Twenty-eight NCPs report that such links exist.

**Table 1. The OECD Guidelines and Export Credit, Overseas Investment Guarantee and Inward Investment Promotion Programmes**

Australia	Export credit and investment promotion	Australia's Export Finance and Insurance Corporation (EFIC) promotes corporate social responsibility principles on its website, including the OECD Guidelines. The Guidelines are hosted on the Australian NCP's website. Links to the Australian NCP's website are provided on the Foreign Investment Review Board and the Austrade websites.
Austria	Export credits	Oesterreichische Kontrollbank AG, acting as the Austrian export credit agency on behalf of the Austrian Federal Ministry of Finance, is actively promoting corporate responsibility principles and standards. On its website, extensive information on CSR issues, including the current text of the Guidelines, is available.
Belgium	Export credit and investment guarantees	The Belgian Export Credit Agency mentions the OECD Guidelines in its investment guarantees and all export credit guarantees.
Canada	Export Credits	The Export Development Canada (EDC) promotes corporate responsibility principles and standards, including the recommendations of the Guidelines. EDC has linked its website with that of Canada's NCP. Guidelines brochures are distributed. Dialogue on CSR with key stakeholders is maintained.
Chile	Investment promotion	The Foreign Investment Committee is the agency which promotes Chile as an attractive destination for foreign investment and international business.
Czech Republic	Investment promotion	There is a special agency called "Czech Invest" operating in the Czech Republic which provides information on the Czech business environment to foreign investors. It has prepared an information package (which includes the Guidelines) that is passed to all foreign investors considering investing within the territory of the Czech Republic. The Czech NCP (at the Ministry of Finance) co-operates closely with Czech Invest.
Denmark	Export credits	When applying for export credits, the Danish Eksport Kredit Fonden informs exporters about the OECD Guidelines and encourages exporters to act in accordance with the OECD Guidelines.
Estonia	Investment promotion	The Estonian Investment Agency has published a description of the Guidelines and added a link to the Estonian NCP website.
Finland	Export promotion	This programme, adopted in July 2001, introduces "environmental and other principles" for "export credit guarantees". It calls the "attention of guarantee applicants" to the Guidelines.
France	Export credits and investment guarantees	Companies applying for export credits or for investment guarantees are systematically informed about the Guidelines. This information takes the form of a letter from the organisation in charge of managing such programmes (COFACE) as well as a letter for companies to sign acknowledging that they are aware of the Guidelines (" <i>avoir pris connaissance des Principes directeurs</i> ").
Germany	Investment guarantees	A reference to the Guidelines is included in the application form for investment guarantees by the Federal Government. The reference also provides a link to information of the Guidelines, in particular the Internet address for the German translation of the Guidelines.
Greece	Investment promotion	The <i>Guidelines</i> are available on the portal of the Ministry of Economy & Finance ( <a href="http://www.mnec.gr">www.mnec.gr</a> ), as well as on the websites of the Invest in Greece Agency ( <a href="http://www.investingreece.gov.gr">www.investingreece.gov.gr</a> ) and of the Export Credit Insurance Organization (ECIO) ( <a href="http://www.oaep.gr">www.oaep.gr</a> ).

Hungary	Investment promotion	The site of Investment and Trade Development Agency has links to the Ministry for National Development and Economy, EXIMBANK, MEHIB, and other ministries where important OECD documents on bribery, anti-corruption, export credits are available. Cross links support the quick search for relevant OECD documents.
Israel	Investment Promotion Centre	The site of Israel's Investment Promotion Centre has a direct connection to the Israeli NCP web site where the OECD Guidelines are available electronically.
Italy	Export credits	The Italian NCP is in regular contact with SACE (the Italian association in charge of insuring export credit) and contributes to its activities.
Japan	Trade-investment promotion	The Guidelines (basic texts and Japanese translation) are available on the websites of the MOFA, MHLW, and METI Japan. The Japan External Trade Organization (JETRO) website, the ASEAN-Japan Centre website and the Nippon Export and Investment Insurance (NEXI) website are also linked to the summary, full texts of the Guidelines, introduction of the Japanese NCP activity including its procedures and promotion.
Korea	Trade-investment promotion	OECD Guidelines can be found at the MKE (Ministry of Knowledge Economy) website ( <a href="http://www.mke.go.kr">www.mke.go.kr</a> ). MKE promotes trade and investment.
Lithuania	Investment promotion	Lithuanian Development Agency" operates in the Republic of Lithuania and provides information on the Lithuanian business environment to foreign investors. It has prepared an information package that is passed to all foreign investors considering investing within the territory of Lithuania. The Lithuanian NCP (at the Ministry of Economy) co-operates closely with the Lithuanian Development Agency". Investment Promotion Programme for the period of 2008-2013 was adopted by the Government on 19 <sup>th</sup> of December 2007. The goal of the programme is to improve investment environment in Lithuania in general and to establish an efficient system for the promotion of direct investment, focusing on long term development of economy and the prosperity of the society. Whole text of the Investment promotion Programme can be found at the web page of the Ministry of Economy: <a href="http://www.ukmin.lt/en/investment/invest-promotion/index.php">http://www.ukmin.lt/en/investment/invest-promotion/index.php</a>
Mexico	Investment Promotion	The Mexican NCP is located within the Directorate General for Foreign Investment in the Ministry of Economy, which is responsible for the negotiation of BIT's and for Mexico's participation in Investment Committee's in different international organisations. The guidelines can be found on the website. Mexico's investment promotion agency - PROMEXICO - works in close co-operation with this Department.
Netherlands	Export credits and investment guarantees	Applicants for these programmes or facilities receive copies of the Guidelines. In order to qualify, companies must state that they are aware of the Guidelines and that they will endeavour to comply with them to the best of their ability.
New Zealand	Export Credit promotion	New Zealand's Export Credit Office (ECO) mentions the OECD MNE Guidelines on its website. The ECO also provides a link to both the OECD Guidelines and the New Zealand NCP's website.
Poland	Investment promotion	The Polish NCP is located in the investment promotion agency (PAIIZ). The Polish Information and Foreign Investment Agency helps investors to enter the Polish market and find the best ways to utilise the possibilities available to them. It guides investors through all the essential administrative and legal procedures that involve a project; it also supports firms that are already active in Poland. PAIIZ provides rapid access to the complex information relating to legal and business matters regarding investments, helps in finding the appropriate partners and suppliers, together with new locations.
Portugal	Exports and Investment Promotion	AICEP – Portugal Global is a Business Development Agency responsible for the promotion of exports, the internationalisation of Portuguese companies, especially SMEs and for inbound foreign investment. The Guidelines are part of the information given to all companies.

Romania	Romanian Agency for Foreign Investments (ARIS)	<p>The Romanian NCP is located within the Romanian Agency for Foreign Investments (ARIS). The RNCP's webpage was developed starting from the Romanian Agency for Foreign Investment central site. The Guidelines (basic texts) are available electronically on the sites of the MFA (<a href="http://www.mae.ro">www.mae.ro</a>) and the Romanian Agency for Foreign Investments (ARIS) (<a href="http://www.arisinvest.ro">www.arisinvest.ro</a>). The Guidelines and the relevant decisions of the OECD Council have been translated in the Romanian language. Other useful documents posted on the RNCP's web page include:</p> <ul style="list-style-type: none"> <li>• Policy framework for Investment;</li> <li>• OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones.</li> </ul> <p>Romanian Agency for Foreign Investment edited, among other specific promotional materials, the brochure entitled "Frequently Asked Questions - An Overview", including a separate chapter on Romanian National Contact Point and OECD Guidelines for Multinational Enterprises.</p>
Slovenia	Promotion and awareness of OECD Guidelines	<p>The Slovenian NCP is established within the Ministry of Economy of the Republic of Slovenia. The promotion and use of the OECD Guidelines for Multinational Enterprises is already a part of Slovenian policies. Slovene NCP has just been reconstructed and will perform various promotional activities mostly in second half of the year 2009 (e.g. translation into Slovene language, first public appearance, printing and distribution of Guidelines).</p>
Slovak Republic	Investment promotion	<p>NCP is established at the Ministry of Economy of the Slovak Republic. The Guidelines are promoted in Slovak language at Ministry's webpage. The Ministry of Economy is funding and supervising an agency for investment and trade development (SARIO) that promotes both business environment and investment opportunities. The investors entering the Slovak republic who had been awarded with governmental incentives are to commit themselves to keep the Guidelines (part of the awarding decision).</p>
Spain	Investment guarantees	<p>The CESCE (Export Credit Agency) that manages investment guarantees, COFIDES (Corporation for Development Finance) and ICO (the Official Credit Institute) provide Guidelines brochures to applicants for support and investment guarantees.</p>
Sweden	Export credits	<p>The Swedish Export Credits Guarantee Board provides all its customers with information on the rules on environment, the rules on bribery, the OECD Guidelines for MNE's and the Swedish Partnership for Global Responsibility.</p>
Switzerland	Export credits insurance	<p>The Swiss Export Risk Insurance (SERV) promotes corporate responsibility principles. On its website, it provides information regarding the Guidelines and their implementation mechanism (<a href="http://www.serv-ch.com">www.serv-ch.com</a>).</p>
Turkey	FDI	<p>The Turkish NCP is located within the General Directorate of Foreign Investment (Treasury) which is the authorised body for investment policy making. The Treasury's website provides information on the Guidelines.</p>
United Kingdom	Export credits and investment insurance	<p>Links connect the Export Credits Guarantee Department's website with that of the UK National Contact Point. In addition, ECGD refers to the Guidelines in its publicly available Case Impact Analysis Process document.</p>
United States	Export and import credits and investment guarantees	<p>The Export-Import Bank and the Department of Commerce co-operate with the NCP on the provision of information on the Guidelines to applicants for their programmes in support of US business activities abroad.</p>

### **III.c OECD Investment Committee work**

As a result of the continuous high political profile of the OECD Guidelines, and renewed NCP commitments to make a more effective use of the Guidelines worldwide, the Committee continued to actively promote the Guidelines and support peer learning on a number of issues.

*Promoting responsible investment in infrastructure.* Timed for release at the Istanbul 5th World Water Forum of March 2009, the OECD developed the “Checklist for Public Action,” a practical guidance for governments wishing to engage the private sector in water infrastructure based on the OECD Principles for Private Sector Participation in infrastructure. The Checklist highlights the role of the OECD Guidelines in encouraging responsible business conduct in critical sectors such as water (water is a vital good with important economic, social, environmental and political repercussions).

*Clarification of the financial sector’s responsibilities.* As a follow-up to the 2007 Roundtable and the attention given to the responsibilities of the financial sector in the economic crisis, the Investment Committee resumed its reflection on the application of the OECD Guidelines to financial institutions, notably in their capacity as lenders or investors to multinational enterprises. Representatives of the Equator Principles, the IFC Environmental and Social Performance Requirements and the UN Principles for Responsible Investment shared their experiences with these three leading financial initiatives and share their views on the supporting role of the OECD Guidelines. OECD Watch submitted a written contribution on the application of the Guidelines to the financial sector. The OECD Guidelines for Pension Fund Governance approved in May 2009 highlighted the relevancy of the OECD Guidelines as a reference for public disclosure of relevant information.

Outreach continued to elevating the Guidelines’ profile. The OECD Secretary-General launched the Chinese edition of the third OECD Investment Policy Review of China in Beijing in March 2009. This publication was devoted to public policies to promote responsible business conduct in China and by Chinese enterprises operating abroad. A special session of the Investment Committee was also organised in the same month to discuss the results of the first investment policy review of India. This review, which benefited from the participation of high-level Indian government officials, highlighted the OECD Guidelines as a benchmark for responsible business conduct in this key emerging non-OECD country.

The contribution of the OECD Guidelines in fostering and promoting responsible business conduct was also discussed over the year among G8 and G5 countries participating in the Working Group on Investment of the Heiligendamm Dialogue Process (HDP). The OECD Guidelines were identified, together with the UN Global Compact and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy as the main international voluntary government-endorsed corporate responsibility instruments. The Italian G8 Presidency and the German Government have also promoted the OECD Guidelines as an element of a “Global Standard for Market Transparency and Integrity” and a “Charter for Sustainable Economic Activity” under consideration by the G8 and G20 respectively.

*Co-operation with other leading corporate responsibility instruments or bodies.* Drawing on the suggestions made at the OECD-ILO High-Level Conference held in Paris on 23-24 June 2008, the OECD Secretary-General discussed during the fall with ILO Director General the list of areas for future co-operation developed by the Investment Committee on the OECD Guidelines and the ILO Tripartite Declaration on Multinational Enterprises and Social Policy. The G8 reiterated its support for building of the strengths of these two instruments to foster the positive contribution of international business to social progress.<sup>10</sup> The ILO will be one of the leading organisations to be associated with the OECD planned event

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<sup>10</sup> Conclusions of the G8 Social Summit, Rome, March 31, 2000.

in Bangkok on 2-3 November 2009 on responsible business conduct. The Committee also continued to encourage closer relations with the UN Global Compact. The preparations of the 2009 OECD Corporate Responsibility Roundtable was organised in close co-operation with the OECD Committee on Consumer Policy, the Committee on Financial Markets and the Environment Policy Committee. The OECD Secretariat also kept AMSDE informed about this event.

In addition, the OECD Investment Committee and its Working Party continued to provide a privileged forum for exchanging experiences on the implementation of the Guidelines, notably with regard to the areas identified for future action in the 2008 Annual Report on the Guidelines.<sup>11</sup>

### **III.d Other promotion by the OECD**

In a key note speech delivered to the G8 on 12 May 2009,<sup>12</sup> the OECD Secretary-General summarised the views he has expressed on several occasions<sup>13</sup> since the beginning of the financial and economic crisis on the need to draw on the OECD Guidelines and other OECD integrity instruments to restore confidence in the global economy and avoid the recurrence of a similar crisis in the future. The OECD Deputy-Secretary General Aart de Geus also made key note remarks on the role of the OECD Guidelines in promoting socially responsible behaviour at a High-Level ASEM-CSR Conference organised by Germany in Potsdam in March 2009.

The Secretariat presented recent developments relating to the NCP specific instance facility at Professor Ruggie's consultations on Non-Judicial Remedies for Corporate Human Rights Impacts held in Boston in November 2008. At the 2009 Annual NCP Meeting, a member of the UN Secretary-General's Special Representative John Ruggie on business and human rights' team highlighted the strategic directions of Professor Ruggie's work in operationalising the "Protect Respect and Remedy Framework" approved last year the UN Human Rights Council. Professor Ruggie's 2009 Report [A/HRC/11/13] welcomes recent innovations in NCP governance structures but also re-states his view that this unique mechanism is not used as effectively as it could in protecting human rights.

At the margins of the 2008 and 2009 Annual NCP events, the Chair of the Investment Committee convened two meetings of the "Friends of OECD Guidelines for Multinational Enterprises" to discuss ways to expand the influence of the Guidelines. In November 2008, the OECD Observer published an article by Paul Hohnen showing that the OECD Guidelines are being widely used by companies seeking to be recognised as leaders in responsible business practice. This article was based on joint research conducted by the OECD and Vigeo, the leading European corporate responsibility rating agency, on the corporate practices of leading international companies. Rights and Accountability in Development (RAID) released a comprehensive review of the UK National Contact Point (NCP) in association with the Corporate Responsibility (Core) Coalition and the Trade Union Congress (TUC) which also highlights the benchmark value of this instrument and the unique features of the specific instance facility.

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<sup>11</sup> For further details refer to pages 23-24 of the 2008 Annual Report of the OECD Guidelines for Multinational Enterprises which can be accessed at [www.oecd.org/daf/investment/instruments](http://www.oecd.org/daf/investment/instruments).

<sup>12</sup> The "Global Standard of the 21<sup>st</sup> Century", Remarks by the Angel Gurría, OECD Secretary-General, Rome, 12 May 2009.  
[http://www.oecd.org/findDocument/0,3354,en\\_2649\\_34487\\_1\\_119802\\_1\\_4\\_1,00.html](http://www.oecd.org/findDocument/0,3354,en_2649_34487_1_119802_1_4_1,00.html)

<sup>13</sup> Business ethics and OECD principles: What can be done to avoid another crisis? Remarks by Angel Gurría, OECD Secretary-General, delivered at the European Business Ethics Forum (EBEF), Paris, 22 January 2009.

Officers of the Investment Committee and its Secretariat accepted invitations to promote the Guidelines at several international meetings over the period. Selected promotional events attended and activities undertaken include:

- The Chair of the Investment Committee was invited to make key note presentations on the Guidelines at various events, notably the Workshop "Zukunftsfähiges Wirtschaften mit gesellschaftlicher Verantwortung und sozialer Innovation", organised in Vienna by the Austrian Economic Chamber the Conference in November 2008, the Conference "Enterprises and Human Rights" organised in Vienna by Bundesarbeiterkammer and Amnesty International Austria in March 2009 and the Conference, the Global Standard of the XXI Century organised by the Aspen Institute Italia in Rome in May 2009.
- In October 2008, the Secretariat made a presentation on the role of the OECD Guidelines in promoting responsible business conduct at a conference organised in Paris by the French Presidency of the European Union entitled "Le partenariat et la transparence au Coeur de le Responsabilité Sociale des Entreprises".
- The Secretariat presented the Investment Committee work on the application of the OECD Guidelines to the financial sector at a the 27<sup>th</sup> session of UNCTAD Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR) held in Geneva in fall 2009.
- In May 2009, the Chair of the Investment Committee Working Party made a presentation on the OECD Guidelines at an ISO International Workshop on the Role of Government in Social Responsibility organised at the margins of the 7th ISO Social Responsibility Plenary Meeting held in Quebec City in May 2009. The OECD Secretariat participated in the First Congress on International and Mexican initiatives, instruments and standards on Social Responsibility organised at Monterrey University by the Chair of the Mexican Standard on Social Responsibility in October 2008. The OECD became a member of the ISO 26000 Chair Advisory Group.
- In April 2009, the Secretariat was invited to speak before the Norwegian's Consultative Forum on CSR chaired by the Norwegian State Minister for Foreign Affairs. The Secretariat also participated in April 2009 at Chatham House workshop sponsored by the government of Norway to consider the feasibility of an internationally sponsored mechanism to help resolve conflicts in cases where companies are accused of serious breaches of good environmental practices.
- In May 2009, the Secretariat met with Eurotradia International, an association of high level French executives to discuss the role of the OECD Guidelines in defining the so-called "license to operate".

Since March 2006, the OECD Investment Newsletter, published three times a year, has kept the larger investment policy community and other stakeholders informed about ongoing Investment Committee work on the Guidelines. In addition, the Secretariat answered numerous queries about the Guidelines from the media, universities and other interested parties, and continued to improve the OECD website dedicated to the Guidelines.

#### **IV. Active use of the “specific instance” facility**

##### ***IV.a Number of specific instances***

207 requests to consider specific instances have been filed with NCPs since the June 2000 review. Individual NCP reports indicate that the following numbers of specific instances have been filed: Argentina (6), Australia (3), Austria (5), Belgium (12), Brazil (15), Canada (7), Chile (6), Czech Republic (5), Denmark (3), Finland (4), France (12), Germany (10), Hungary (1), Ireland (2), Israel (1), Italy (5), Japan (5), Korea (7), Mexico (3), Netherlands (19), New Zealand (1), Norway (5), Peru (1), Poland (3), Portugal (1), Romania (1), Spain (2), Sweden (3), Switzerland (11), Turkey (3), United Kingdom (20), and United States (27).

Annex 3 shows that 146 specific instances have been actively taken up and considered to date by NCPs.<sup>14</sup> 114 of these have been concluded or closed. Most specific instances dealt with Chapter IV (Employment and Industrial Relations). A number of cases also involved violation of human rights in the resources sector and, more recently, complaints relating to the activities of the financial sector. The only Guidelines chapter that has not been referenced in the context of a specific instance is Chapter VIII (Science and Technology).

##### ***IV.b Selected specific instances described in NCP reports***

*Australia* – In July 2007, the Australian NCP received a request regarding alleged non-observance with several provisions of the OECD Guidelines by mining company BHP Billiton operating via Cerrejon Coal in Colombia. The Australian NCP consulted with the Swiss and UK NCPs in relation to this specific instance. This instance was suspended pending release of the report commissioned by the mining company’s management and shareholders to review the firm’s social engagement. The social review has since been released and the company has publicly responded positively to all of the recommendations in the report. The company appointed an independent facilitator in August 2008, and by December 2008 an agreement was reached between the company and the residents of Tabaco in regard to legacy issues and a way forward. There are five other communities for which an agreement is yet to be reached, but the process of consultation is proceeding.

*Brazil* – The Brazilian NCP has received two complaints concerning two banks, Unibanco and ABN-AMRO Real, brought by the Brazilian labour union, “Central Única dos Trabalhadores” (CUT). In both cases, the Brazilian NCP has sent a list of questions in accordance with its specific instance procedures.

*Ireland* – In August 2008, the Irish NCP received a complaint regarding the operation of a gas project on the west coast of Ireland. The complaint came from a local community group, supported by NGOs, who alleged breaches of the OECD Guidelines, Chapter II (General Policies) and Chapter V (Environment). As the operating company is headquartered in the Netherlands, the Dutch NCP was duly contacted. On the 19<sup>th</sup> of February 2009, following close work between the Irish and Dutch NCP, the case was deemed to be admissible. However, in an unrelated initiative the Irish Government undertook active mediation with the Community Groups and the concerned Consortium. The NCPs suspended their process for fear of compromising the mediation but in April 2009, the two NCPs resumed their work on the case as the Ministerial efforts stalled. This ongoing case has thus far involved bilateral meetings with the Consortium, the Complainants and relevant Government departments as well as the co-operation with the

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The number of specific instances actively taken up by NCPs is the number of specific instances listed in Annex 3, adjusted for specific instances that are listed more than once on the Annex table because more than one NCP was involved and more than one reported on the specific instance in the Annex table.



US and Norwegian NCPs which have also been closely involved and informed of progressive developments.

*United Kingdom* – In December 2008, a final statement was published by the UK NCP on the specific instance concerning the activities of G4S in Nepal, Mozambique, Malawi and the Democratic Republic of Congo. The alleged breaches of Chapter II (General policies) and Chapter IV (Employment and Industrial Relations) were brought to the OECD in December 2006 by the trade union representatives of Union Network International. The UK NCP accepted the complaint and commenced mediation between the two parties in an effort to reach a voluntary resolution. The result of the independent mediation was an exemplary success as G4S and UNI undertook specific commitments with regard to the issues presented in Nepal and DRC. In connection with Mozambique and Malawi, the parties have agreed to a process to allow them to work more closely together on a number of particular issues at the national level. The aim of this process is to both protect the rights and interests of G4S employees and to build and strengthen the local relationships between G4S and the unions which represent its employees. The case was covered in an edition of a monthly newsletter that is put together by Business in the Community (BITC) for the All Party Parliamentary Group on Corporate Responsibility. Furthermore, the Trade Union Congress (TUC) published a press release in December 2008 which was circulated to its members. TUAC and UNI also published information/articles following the conclusion of this case on their respective websites. This specific instance shows that the UK NCP provided a high quality mediation service with the aim of assisting the parties to come to their own settlement.

## **V. Implementation of the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones**

Many adhering countries continued to promote awareness of the OECD Risk Awareness Tool on NCP websites or other relevant web pages, providing links to the document (e.g. Australia, and German internet site of the Federal Ministry of Economics and Technology) and recommending its use for companies operating in weak governance zones (Canada). The tool is explicitly mentioned in the guidance on the guidelines and human rights that the UK Foreign and Commonwealth Office (FCO) sent to its overseas posts to assist them in the handling of any complaints they may receive on the behaviour of UK companies overseas. The Norwegian White Paper on Corporate Social Responsibility in a Global Economy includes reference to the OECD Risk Awareness Tool, recognising that it can be of help for companies in assessing and handling risks and dilemmas which they encounter in areas with weak governance. The Swiss National Contact Point discussed on various occasions with Swiss multinational enterprises ways to raise awareness and disseminate the tool.

BIAC, TUAC and a number of NGOs have asked the OECD to undertake further work for management and implementation of the Tool. The need for more detailed guidance for companies operating in areas where human rights abuses are taking place was also highlighted during the joint meeting on “Company Responsibilities in Countries with Human Rights Challenges” organised by the Conference Board’s European Council on Corporate Responsibility and the Business Humanitarian Forum held in Geneva on 23-24 October 2008.<sup>15</sup>

In response to these requests, the OECD Investment Committee agreed to intensify efforts to use the OECD as a platform to operationalise the OECD Guidelines and the Risk Awareness Tool. The NEPAD-OECD Expert Roundtable on Investment in Transport Infrastructure, held in Kampala, Uganda on 10-11 December 2008, served as the first opportunity for selected experts and representatives of host

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<sup>15</sup> The OECD Secretariat was invited to speak at this meeting. The report is available at <http://www.bhforum.org/pdf/BHF-CBE%20Meeting%20Report,October%2023-24%202008.pdf>.

countries, international organisations, development agencies, academia, and private companies to engage in a dialogue on ethical dilemmas companies are likely to face while carrying out infrastructure projects.

The Investment Committee continued to engage with the Development Assistance Committee (DAC) on the development of a pilot project on the implementation of the OECD Risk Awareness Tool in the extractive industries sector. In December 2008, a discussion was organised in co-operation with the Secretariat of the newly launched International Network on Conflict and Fragility (INCAF) - held in Paris a discussion on the subject of "Tackling the Natural Resources Trap in the Democratic Republic of Congo".

As a follow-up to the 2007 G8 Heiligendamm Declaration on Growth and Responsibility in the World Economy, which acknowledged the potential of certification systems to increase transparency and good governance in the extraction and processing of mineral raw materials, the German Federal Institute for Geosciences and Natural Resources has made use of the the OECD Risk Awareness Tool and the OECD Guidelines to develop a set of indicators for measuring companies' performance as part of the implementation of the pilot project on Certified Trading Chains (CTC) in Rwanda's mineral sector.

The International Conference on the Great Lakes Region (ICGLR) expressed interest in using the OECD Guidelines and OECD Risk Awareness Tool in support of its efforts to curb the illegal exploitation of natural resources in the region as a result of the ICGLR's first expert meeting held on 2-3 April 2009 in Bujumbura in which the Secretariat of the Investment Committee was invited to participate.<sup>16</sup> The ICGLR is particularly interested in co-operation with the OECD for the implementation of the 2006 Protocol against the illegal exploitation of natural resources with regard to: (a) the development of guidelines towards the harmonisation of the regional legal framework against the illegal exploitation of natural resources; (b) the elaboration of a regional certification mechanism; and (c) the promotion of due diligence procedures to enhance transparency and accountability in the extractive sector. The Investment Committee, in consultation with the DAC, will consider how it can best respond to this request.

With particular regard to due diligence, the UK NCP noted the relevance of the OECD Risk Awareness Tool in both the final statements for Das Air (para. 54-55) and Afrimex (para. 67-70) specific instances, which were published in July and August 2008 respectively. The UK NCP found that both Das Air and Afrimex performed insufficient due diligence on the supply chain. In its recommendations, the UK NCP drew attention to the OECD Risk Awareness Tool and recommended that Afrimex should integrate it in its corporate policies. In December 2008, the UN Security Council also called on member states to ensure that companies under their jurisdiction perform due diligence procedures to ensure that importers, processing industries and consumers of Congolese mineral products under their jurisdiction exercise due diligence on their suppliers and on the origin of the minerals they purchase.<sup>17</sup>

OECD work on due diligence in the extractive sector in the coming year will be carried out in co-operation with the ICGLR and the Task Force on the illegal exploitation of natural resources in the Great Lakes Region<sup>18</sup> as part of the project on the implementation of the OECD Risk Awareness Tool in the

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<sup>16</sup> The letter to the OECD by the International Conference on the Great Lakes Region is reproduced in Annex 5.

<sup>17</sup> UNSC Resolution 1857, 22 December 2008 on the situation concerning the Democratic Republic of the Congo.

<sup>18</sup> The "Task Force" on the illegal exploitation of natural resources in the Great Lakes Region was set up as an informal group to foster exchange of information on current initiatives, identify gaps and make recommendations for decision-making bodies where possible. It held its first meeting in February 2009. The Task Force, initially composed of the United Nations, the United States and the European Commission and EU member states, now includes other interested countries and international organisations. For the

extractive industry. The Task Force has recommended that the OECD be invited by its Members to provide the umbrella for this exercise. Roundtables with relevant stakeholders on due diligence measures in the electronics and information and communications technologies [ICT] sector and the coltan-tantalum and cassiterite supply chain will be organised in fall 2009 and a working group hosted by the OECD will be set up to undertake preparatory work. Experts from home and host countries (ICGLR), donors, academics, private sector and civil society organisations will be invited to participate and submit contributions.<sup>19</sup>

It is also envisaged to make use of the newly created OECD DAC-hosted International Network on Conflict and Fragility (INCAF) and the NEPAD-OECD Investment Initiative for multi-stakeholder consultations on the implementation of the Risk Awareness Tool. Useful links will be established with the work of other OECD bodies (such as the Working Party on Export Credits and Credit Guarantees and the Working Group on Bribery).

In addition, the OECD intends to assist companies more actively in turning universal principles of ethical conduct into local practices, appropriate management and compliance systems and interpret the OECD Guidelines in weak governance situations. This work should contribute in simplifying and clarifying the plethora of available operational tools and provide more effective web-based practical guidance.

## **VI. Considerations for future action**

Given the high level of support that the Guidelines have as a tool to rebuild trust and confidence in global business and given the recent progress made during the reporting period, NCPs generally agreed that the best use of the year remaining until the 10<sup>th</sup> Anniversary of the 2000 Revision would be to concentrate energies on the following three priorities:

*Further improvement of NCP performance.* The Annual Meeting showed once more how important “peer learning” is for NCP performance and why it should be actively pursued. NCPs welcomed the plans presented by the Dutch NCP for conducting a “peer review” of its performance in the coming months and several of them declared their intention to participate in this exercise. NCPs noted that various areas have been proposed for further reflection to increase the effectiveness of the NCP mechanism including parallel proceedings, the relationship between the Guidelines and national laws, the role of parent companies, the responsibilities of joint-venture partners, confidentiality requirements and representation of stakeholders.

The NCPs agreed that they should continue to exchange information on lessons learned from specific instances and promotional activities on the Guidelines. A number of NCPs reiterated the importance of following through last year’s OECD Council recommendation to adherent countries to allocate adequate resources to their NCPs.

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time being, the Office of the Special Representative for the Great Lakes Region of the European Union (EUSR) is acting as the “Task Force” Secretariat.

<sup>19</sup> The Chair has noted that since the Annual Meeting, the L’Aquila G8 Summit has provided further political support for this work. Paragraph 131 c) of the G8 Leaders Declaration: Responsible Leadership for a Sustainable Future of 8 July 2009 specifically “encourages all firms operating in the extractive sector and in weak governance zones to adopt international corporate social responsibility guidelines, such as the OECD Guidelines on Multinational Enterprises.” In this respect and with reference to the Great Lakes Region, the G8 Declaration also “welcomes the efforts of the International Conference on the Great Lakes Region to tackle illegal exploitation of natural resources and encourages the OECD, the United Nations and the Global Compact to work with the Conference and engage with key stakeholders to further develop practical guidance for business operating in countries with weak governance.”

The NCPs welcomed the intervention by the Deputy-Director of the UN Global Compact (UNGC). They agreed that individual NCPs might consider whether the synergies between the UNGC “integrity measures” and the “specific instance facility” could be further enhanced to improve the implementation of both instruments. They also welcomed the intention of the OECD and UN Global Compact and their Secretariats to update the 2005 UN-OECD document entitled “The UN Global Compact and the OECD Guidelines for Multinational Enterprises: Complementarities and Distinctive Contributions.”<sup>20</sup>

In addition, NCPs welcomed the Investment Committee’s ongoing work on the application of the Guidelines to the financial sector and its willingness to assist NCPs on other matters as appropriate.

*Outreach.* The rise in the number of specific instances in non-adhering countries (8 out of 18 cases in 2008-2009) presents challenges for the operation of the specific instance facility. This also means that non-adherent countries need to become better aware of the benefits of the Guidelines and be more closely involved in their implementation. NCPs welcomed the Investment Committee’s intention to continue to include the subject of responsible business conduct in its future investment policy reviews (IPRs) with enhanced engagement countries (as with the recent IPRs of China and India). They also welcomed the OECD’s intention to organise a major dialogue event on the Guidelines in Bangkok on 2-3 November 2009 in co-operation with the UN Asia-Pacific Commission, the UN Global Compact and the ILO, and the Global Reporting Initiative.

*Updating the Guidelines.* As a living instrument, the Guidelines need to be kept up-to-date. Furthermore, the 2000 Council Decision on the Implementation Procedures of the Guidelines provides that this Decision should be periodically reviewed and that the Investment Committee shall make proposals for this purpose. With the 10<sup>th</sup> anniversary of the 2000 Review approaching, NCPs generally felt that this is an appropriate time to consider the merits of updating the Guidelines. They recommended that the OECD Investment Committee use the coming period to generate a list of substantive and procedural issues that have arisen from experience with the Guidelines over the past ten years with a view to defining the terms of reference for any future update of the Guidelines. They also confirmed their readiness to actively contribute to this process. Shortly after the Annual Meeting, the NCPs were informed that at the 2009 OECD Ministerial Council Meeting of 24-25 June 2009, Ministers had “welcomed further consultation on the updating of the OECD Guidelines to increase their relevance and clarify private sector responsibilities.”