

Chapter 1

Annual Report presented by the Chair at the June 2012 meeting of NCPs

Every year, the National Contact Points (NCPs) of the OECD Guidelines for Multinational Enterprises (“the Guidelines”) meet to review their experiences in performing and promoting the implementation of 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. This report reviews NCP activities as well as other implementation activities undertaken by adhering governments over the June 2011-June 2012 period.

1.1. Innovations in NCP structures and procedures

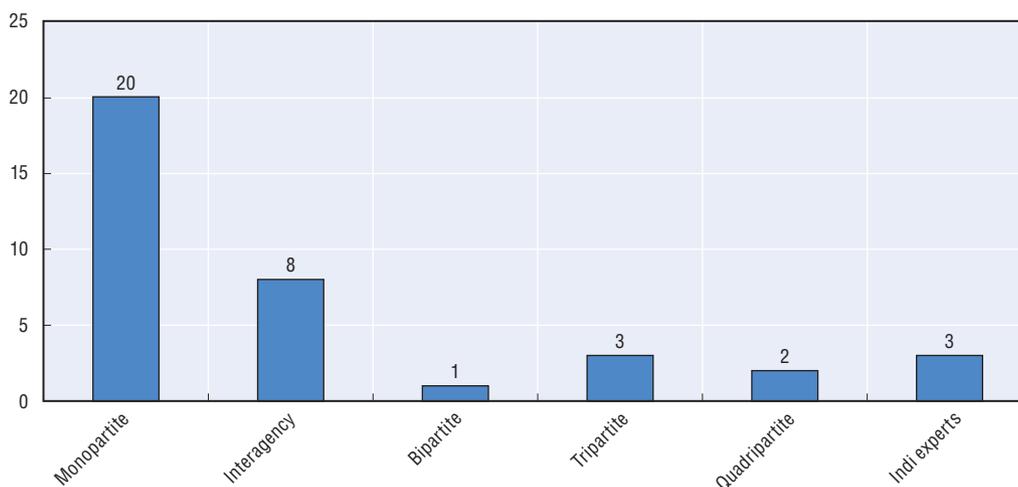
Overview

In light of the new Common Reporting Framework developed for this year's reporting period, NCPs have been invited to provide information on their internal structure based on six possible options:

- Monopartite: the NCP is composed of one or more representatives of one Ministry.
- Interagency: the NCP is composed of one or more representatives of two or more Ministries.
- Bipartite: the NCP is composed of one or more representatives of Ministry/Ministries and of representative/s of business association/s or trade union/s.
- Tripartite: the NCP is composed of one or more representatives of Ministry/Ministries, business association/s and trade union/s.
- Quadripartite: the NCP is composed of one or more representatives of Ministry/Ministries, business association/s, trade union/s and non-governmental organisation/s.
- Independent expert body: the NCP is composed only of independent experts.

Information received shows that the most common structure chosen by NCPs is the monopartite structure (adopted by Argentina, Australia, Austria, Chile, Colombia, the Czech Republic, Estonia, Germany, Greece, Hungary, Israel, Italy, Mexico, Morocco, New Zealand, Peru, Poland, the Slovak Republic, Spain, the United States), followed by the interagency option (Brazil, Canada, Japan, Korea, Portugal, Slovenia, Switzerland, the United Kingdom), the tripartite (Belgium, France, Sweden), quadripartite (Finland and Latvia) and bipartite (Romania). Finally, three NCPs opted for a structure composed of independent experts (Denmark, the Netherlands and Norway).

Figure 1.1. NCP structure



Source: OECD Investment Division.

Newly established NCPs

Among recently established NCPs, it should be noted that:

- Morocco's NCP, which is located in the *Agence Marocaine de Développement des Investissements* (AMDI), has adopted a monopartite structure. The current structure intends to allow the NCP to adequately promote the OECD *Guidelines*. At the same time, there are consultations being held at the governmental level to duly consider possible structural innovations in order to reinforce NCP efficiency with regard to the handling of specific instances.

Box 1.1. The National Contact Point of Colombia

On 8 December 2011, Colombia became the 43rd adherent to the OECD Declaration on International Investment and Multinational Enterprises. As a new adherent, Colombia also committed to establish an NCP responsible for promoting the observance of the *Guidelines*.

The NCP was officially created on 13 June 2012. Located in the Ministry of Trade, Industry, and Tourism, it has a monopartite structure and a multi-stakeholder advisory board with four members from the private sector, NGOs, labour unions and academia. This board also oversees NCP activities.

The Ministry of Trade, Industry, and Tourism has allocated resources to hire one person to head the NCP. In addition, public funds have been secured to design and publish promotional materials. Public funds are being used to conduct promotional activities in Bogota and other cities around the country. In the future, based on the type and volume of specific instances, more resources could be made available to the NCP should the work on specific instances require it.

Innovations in NCP structures and procedures

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

- *Austria*: following the 2011 Update, a wide consultation process on the future organisation of the Austrian NCP involving all relevant institutions, social partners and stakeholders was launched. As a result of this process, a new unit was created within the Federal Ministry of Economy, Family and Youth (BMWFJ) that took over the functions of the Austrian NCP on 1 March 2012. In addition, the former NCP Advisory Committee was re-organised.
- *Brazil*: the NCP is currently composed of 9 ministries (Finance; Foreign Affairs; Labour and Employment; Planning, Budget and Management; Justice; Environment; Science and Technology; Development, Industry and Trade; and Agriculture) and the Central Bank. A proposal regarding the restructuring of the Brazilian NCP is under consideration. The restructure would potentially involve removing the Ministry of Agriculture from the Inter-Ministerial Group and the inclusion of the Office of the Comptroller General and the Secretariat for Human Rights.
- *Czech Republic*: it is envisioned that the NCP's current monopartite structure will be formally transformed into a quadripartite structure.
- *Denmark*: the Danish Government has proposed a new law to strengthen the current NCP. The law is in process in Parliament and is expected to come into force by 1 November 2012. The present tripartite NCP will become a mix of Independent Expert

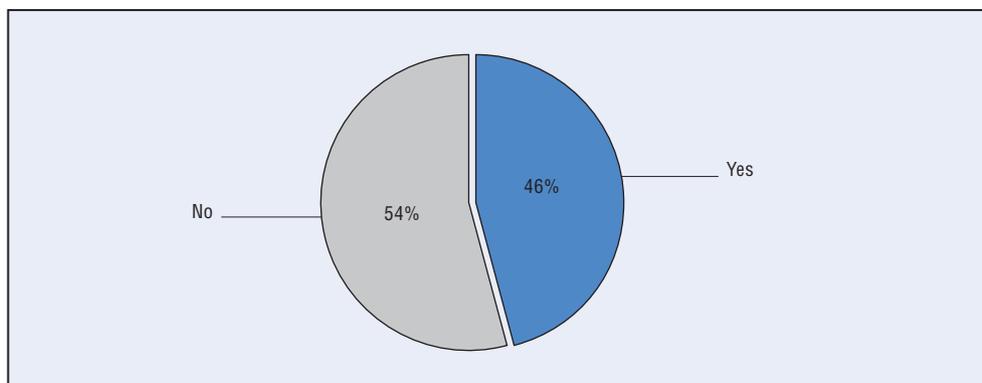
Body and Tripartite body without Ministerial representation. In particular, all members will be appointed by the Minister of Business and Growth, and will include representatives of the Confederation of Danish Industry, the Danish Confederation of Trade Unions, the Danish 92 Group, and will also include an expert with relevant CSR insight. Though there will be no formal advisory body, the law will oblige the NCP to consult with relevant expert organisations on a case-by-case basis.

- *Spain*: in light of the 2011 Update, the NCP considered modifying its structure. The new institutional set is currently under approval. It will be an interagency NCP, located in the State Secretary of Commerce. It will include the Ministry of Economy and Competitiveness; Foreign Affairs and Co-operation; Industry, Energy and Tourism; and the Government Council for Corporate Social Responsibility. The NCP will also include an advisory body, including two representatives from the business sector, two from trade unions and two from the NGO sector. The oversight body will be the Ministry of Economy and Competitiveness.
- *European Commission*: at present, the European Contact Point operates as an *ad hoc* network of OECD-*Guidelines* and (CSR) relevant departments within the Commission. This network would make up the core of any formal structure at a later stage, possibly including a board or inter service group including at least the Directorates General for Enterprise and Industry, Employment, Internal Market, Environment, Development, External Action, Justice and Trade (and possibly open to others interested as driven by content). It may also consider quadripartite format, taking advantage of synergies with ongoing CSR initiatives that involve stakeholders, EU member states and relevant OECD work that is related to the *Guidelines*.

The role of advisory and oversight bodies

Almost half of all NCPs have either an advisory or an oversight body, with the advisory body being the most frequent option. Out of the 37 reporting NCPs, 14 have an advisory body, and 3 additional ones have an oversight body, with Colombia, Romania, and the United Kingdom having a body performing both advisory and oversight functions.

Figure 1.2. **Focus on advisory and oversight bodies**



Source: OECD Investment Division.

In general, the presence of an advisory body with representatives of other government agencies can be useful to NCPs, allowing them to improve the overall co-ordination of government action in the field of responsible business conduct. It can also help NCPs handle specific instances more effectively, as it allows them to make use of a wide variety of professional skills of other government bodies. The inclusion of stakeholders (whether business, trade unions, or NGOs) can also help NCPs in their task of promoting the *Guidelines* and identifying areas of interest with respect to the proactive agenda.

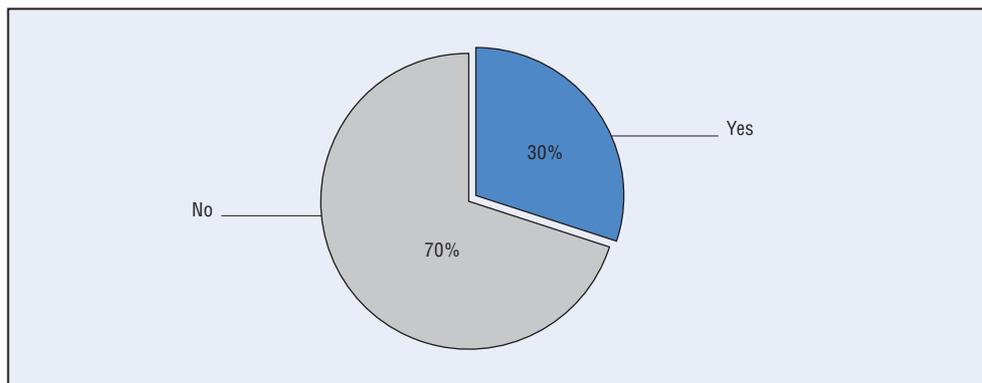
Selected examples of the advisory bodies' structures and functions are as follows:

- Austria's new NCP Steering Committee is chaired by a senior official of the BMWFJ and includes representatives of the Federal Chancellery, the Federal Ministry of Labour, Social Affairs and Consumer Protection, the Federal Ministry for European and International Affairs, the Federal Ministry of Finance, the Austrian Federal Chamber of Labour, the Austrian Trade Union Federation, the Federation of Austrian Industries, the Austrian Federal Economic Chamber, the Austrian Chamber of Agriculture, an Austrian-based member organisation of OECD Watch, as well as one external expert in the field of extrajudicial dispute resolution. It held its constituting session on 3 May 2012.
- Chile's is in the process of defining a new structure.¹ The NCP had access to the expert opinion of an Advisory Body until the end of 2011. This Advisory body was composed of representatives from different Ministries and Agencies of the Government, NGOs, private sector and labour organisations. The NCP was not dependent on the Advisory Body.
- Germany's NCP holds regular meetings with the "Ministerial Group on the OECD *Guidelines*" (as well as the Working Party on the OECD *Guidelines*), composed of representatives of Federal Ministries, business organisations, trade unions and civil society NGOs to discuss: a) current issues related to the *Guidelines*; b) how to improve the dissemination of the *Guidelines*; and c) the working methods of the NCP. The Working Party on the OECD *Guidelines* meets usually once a year under the chairmanship of a senior official of the Federal Ministry of Economics and Technology to discuss all *Guidelines*-related issues.
- Israel has an interagency advisory body, which includes representatives from the Ministries of Foreign Affairs, Treasury, Justice, and Environmental Protection, as well as additional governmental entities invited on a case-by-case basis.
- Italy NCP's Advisory Committee has consultative tasks and is composed of several Ministries (Foreign Affairs, Environment, Economy and Finance, Justice, Labour and Welfare, Agriculture and Forest), the Department of International Trade (MED), the Conference of Regions, representatives of national trade unions (CGIL, CISL, UIL) and business associations (Confindustria, Confapi, CNA, Confartigianato), the Italian Association of Chambers of Commerce (Unioncamere), and the National Council on Consumers (CNUC).
- The United States NCP's Stakeholder Advisory Board is comprised of 14 members that represent business, organised labour, academia, and environmental and human rights groups. It will provide recommendations on promotion of the *Guidelines*, the proactive agenda, and operations of the NCP office. The US NCP also chairs a monthly meeting of the US NCP Interagency Working Group (IWG), comprised of other relevant US Government agencies, to consult on technical and specific instance-related issues.

Human resources and budget

Following the 2011 Update of the *Guidelines*, and despite the current international crisis that is affecting several OECD and non-OECD countries, 30% of surveyed National Contact Points are considering obtaining additional human or financial resources.

Figure 1.3. **Potential future increase in human or financial resources**



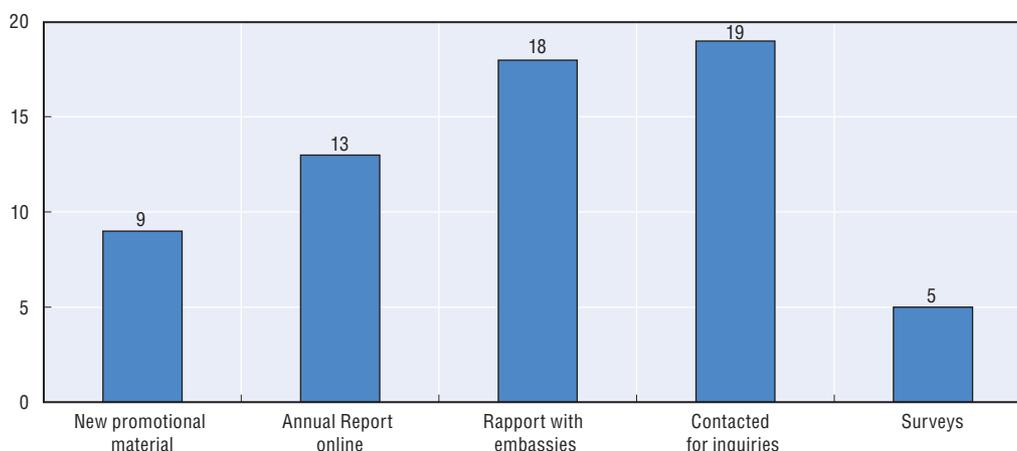
Source: OECD Investment Division.

1.2. Information and promotion activities

In light of the 2011 Update, NCPs have been charged this year with informing stakeholders, businesses, and government representatives of the updates in the *Guidelines* and the developments related to NCP structures, functions, and services. To do this, NCPs have updated their websites, enhanced their web presence, published and distributed brochures and informational handouts, and organised and attended numerous events that have presented opportunities for promoting the *Guidelines* and for developing relationships with stakeholders and enterprises:

- All NCPs provide online information on the *Guidelines*.

Figure 1.4. **Highlights on communication and promotion activities**



Source: OECD Investment Division.

- The *Guidelines* are available in the following languages: *Czech, Dutch, English, Finnish, French, German, Greek, Hebrew, Hungarian, Italian, Japanese, Korean, Norwegian, Polish, Portuguese,² Slovak, Slovene, Spanish,³ and Swedish.*
- NCPs that have produced or are producing new pamphlets and other promotional media: *Canada, Colombia, Germany, Hungary, Italy, New Zealand, Norway, Poland, and the United States.*
- NCPs with annual reports available online: *Australia, Canada, Estonia, Hungary, Israel, Italy, the Netherlands, New Zealand, Norway, Poland, Portugal, Switzerland, and the United Kingdom.*
- NCPs that have collaborated with embassies: *Australia, Canada, Colombia, France, Germany, Greece, Israel, Italy, Japan, Morocco, Norway, Portugal, Romania, Spain, Sweden, Switzerland, the United Kingdom, and the United States.*
- NCPs that have received inquiries from stakeholders: *Brazil, Canada, Chile, France, Germany, Greece, Hungary, Italy, Japan, Morocco, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, the United Kingdom, and the United States.*
- NCPs that have conducted or collaborated on surveys: *Canada, New Zealand, Norway, Spain, and the United Kingdom.*

Selected promotional activities

- *Argentina's* NCP organised an event at the Ministry of Foreign Affairs on 24 November 2011 to promote the *Guidelines* among relevant Argentine governmental agencies, trade unions, NGO's, business associations, and other stakeholders.
- *Australia* has made copies of the *Guidelines* available to major business bodies, union organisations, and other stakeholders. All foreign investors that submit proposals which have to be approved by the Australian government are given advice on their obligations under the *Guidelines*.
- The official launching of the *Colombian* NCP took place on 13 June 2012. It presented an opportunity for all Colombian stakeholders to discuss the *Guidelines* and learn from the experience of other NCPs, including Canada, the United Kingdom, and the Netherlands.
- *Denmark's* NCP presented the *Guidelines* at a seminar for Danish lawyers in December 2011. It also gave a guest lecture on the *Guidelines* at the University of Copenhagen in April 2012 and contributed to the Danish presidency's EU conference on business and human rights.
- *Finland's* NCP held a high-level seminar on the updated *Guidelines* in April 2012, which included a keynote speaker from the OECD and representation from the business, labour, and NGO sectors. Human rights were a highlighted topic at the seminar.
- *Germany* has made a *Guidelines* leaflet and additional information on the *Guidelines* available to all of its 80 Chambers of Industry and Commerce, 61 German bilateral Chambers of Industry and Commerce abroad, 19 Offices of the Delegates/Representatives of German Industry and Commerce and their 39 subsidiary offices worldwide. An introduction to the *Guidelines* and a download of the leaflet are available on all German Chambers of Industry and Commerce websites. Companies with a concrete investment interest in non-adhering countries are also informed about CSR. In addition, the *Guidelines* are mentioned in major chamber publications on foreign investment topics. In December 2011, the NCP presented information about itself and the updated *Guidelines* at the International Conference on CSR held by the German Ministry of Labour and Social Affairs.

- Hungary's NCP promoted the *Guidelines* in an interview in a Hungarian daily paper organised by the NCP for the Deputy State Secretary for international affairs. The NCP also issued a brochure in Hungarian giving a short explanation of the *Guidelines*. The brochure is to be accessible to all relevant stakeholders in printed and electronic format.
- Israel's NCP has published and disseminated brochures focusing on different aspects of the *Guidelines*. The NCP has a long term promotional plan for the *Guidelines* that includes integrating a lecture about the *Guidelines* into academic and professional courses for future and current managers, publishing articles in professional magazines, and presenting the *Guidelines* to relevant companies through one-on-one meetings or site presentations.
- Japan's NCP volunteered to be the first subject of a peer learning/review under the updated *Guidelines*, with participation by the NCPs of Germany, Mexico, the Netherlands, Norway, the United Kingdom, and the United States. The review was conducted from 17-19 April 2012, and it provided an opportunity for Japanese business, labour unions, and NPOs to learn more about the *Guidelines* and their implementation procedures. Representatives of TUAC and OECD Watch also joined some sessions that were open to stakeholders.
- Korea's NCP held its sixth Sustainability Management Conference in November 2011 to raise awareness of the *Guidelines* and encourage compliance.
- Latvia's Employers' Confederation (LDDK), a stakeholder representative of Latvia's NCP, has co-ordinated with the UN Global Compact Local Network to promote Global Compact principles and to encourage companies to report on CSR. LDDK, together with other organisations from the public and private sectors including NGOs, signed a Memorandum of Understanding based on relevant policy documents including the OECD *Guidelines*.
- Mexico's NCP updated its website early this year in order to facilitate research into its functions and activities by stakeholders, partner organisations, and the public.
- Morocco's NCP published an electronic newsletter in English, French, and Spanish promoting the *Guidelines* to more than 1 500 enterprises, notably multinational enterprises operating in various sectors including finance, industry, telecommunications, information, and tourism.
- New Zealand's NCP recently researched New Zealand Internet pages for references to the *Guidelines* in order to request from the organisations mentioning the *Guidelines* to update their websites in light of the 2011 Update. The NCP regularly releases media statements promoting the *Guidelines*, the most recent of which was sent to 42 multinational enterprises headquartered in New Zealand and to ten relevant NGOs. The statement was also picked up by business organisations, law firms, unions, and local news websites.
- The Netherlands' NCP has appointed a communication manager to co-ordinate the promotional activities of the NCP. The Communication manager is placed at the independent national CSR knowledge centre MVO Nederland in order to make use of the centre's outreach programmes involving companies, sector associations, business and other stakeholders. In co-operation with the NCP members, the communication manager prepares a communication strategy focusing on promotion of the *Guidelines* to Dutch companies via intermediary business organisations such as sector associations and the Dutch Agency for International Business and Cooperation (EVD).

- Norway's NCP has varied and intensified its promotional media since the new independent structure with Secretariat was established in March 2011. Based on the negative findings of a survey on knowledge about the *Guidelines* among Norwegian companies, the NCP scaled up information activities, launched a new website, a new periodical newsletter, and made an informational film for distribution among business with the aim of increasing further awareness of the *Guidelines* and the NCP. In addition, the NCP and Secretariat conducted two open meetings with all stakeholders, held numerous presentations and lectures in Norway and abroad. Case scenario and a dilemma board game for presentations to students was also developed. The Norwegian NCP was also asked to chair the NCP delegation to the OECD NCP Peer Review of Japan this past April.
- Peru's NCP, in October 2011, developed a brochure titled "Peru in the OECD", which includes information about Peru's tasks as an adherent to the *Guidelines*. The NCP published and distributed this brochure to participants from both the public and private sectors in meetings and activities for investment promotion. Such events have included a tax workshop as well as a business summit for Chinese/Latin co-operation.
- Poland's NCP is in the process of creating a comprehensive online database where interested parties may find information about legal acts and practice in the field of CSR.
- Slovenia's NCP has established a partnership with JAPTU (Public Agency of the Republic of Slovenia for Entrepreneurship and Foreign Investments) to promote the *Guidelines* to foreign investors. The NCP is developing its web presence and is planning a seminar this fall aimed at promoting the *Guidelines* to the Slovene business community, worker organisations, NGOs and other interest parties.
- Spain's NCP has joined a new working group of the State Council of Corporate Social Responsibility (CERSE), where it has presented the *Guidelines* to representatives from public administration, business, trade unions, and NGOs. The NCP has distributed brochures detailing the revised *Guidelines*, making them available to the Spanish Confederation of Enterprise Organisations (CEOE), the union CC.OO, the Spanish Confederation of Consumers, and other interested parties.
- Switzerland's NCP published an article in German and French in the monthly journal *Die Volkswirtschaft/La vie économique*. All major modifications of the updated *Guidelines* are laid out and explained in this publication. The article moreover illustrates the work of the Swiss NCP on specific instances and the major challenges in the field of CSR for the future. This article was integrated and widely distributed in a special edition of *Die Volkswirtschaft/La vie économique* for the high-level 50th year celebrations of the OECD in Fribourg, Switzerland in October 2011.
- The United States' NCP has updated and expanded the content of its website in line with recommendations from the 2011 Update and the revision of the US NCP procedures. The NCP also produced and distributed a fact sheet summarising the *Guidelines* and the role and function of the NCP.
- The European Commission's relevant departments have hosted the High-Level Group on CSR and the Multi-Stakeholder Forum and *ad hoc* events with stakeholders.

Many events that NCPs attended this year were organised by stakeholders:

- Brazil's NCP promoted the *Guidelines* at a specially organised sessions at a CUT trade union meeting, in February 2012, at the Ethos International Conference, jointly with a representative of the Ministry of Economic Affairs of the Netherlands, and at a side event of the UN Conference Rio + 20, both in June 2012.
- Colombia's NCP attended the Latin-American Forum on the Fight against Transnational Corruption in March 2012, engaging with the private sector and civil society organisations in order to explain Chapter VII of the *Guidelines*.
- Germany's NCP participated in the international conference "Rights and Accountability – The Way Ahead for Business and Human Rights", which was organised by the University Duisburg-Essen and NGOs, and where the NCP took part in a working group concerning the *Guidelines*.
- Japan's NCP has regularly promoted the *Guidelines* through speaking at events organised by different stakeholders including the three major business associations in Japan, namely Keidanren, Japan Association of Corporate Executives (Keizai Doyukai) and Japan Chambers of Commerce and Industry (JCCI) as well as Rengo. Japan's NCP was also a guest speakers at events organised by the UN Global Compact Japan Network and the Sustainability Forum Japan.
- Morocco's NCP participated in a training workshop in January 2012 that was organised by the International Federation of Organisations of Metal Workers with trade union delegates from Morocco and Tunisia. The workshop presented an opportunity to promote the *Guidelines* to business representatives who were present.
- Norway's NCP hosted two open meetings with all stakeholders, including Ministers, CEOs of major businesses and NGOs during the reporting cycle. It also co-hosted an NCP and Extractive Sector Event in London in March 2012. The event was organised by the Institute for Human Rights and Business and International Council on Mining and Metals. Other examples include lectures at the University of Oslo, Law Faculty, two presentations at the University of Tromsø on the *Guidelines* and indigenous peoples, lecture at BI Norwegian Business School that included development of a dilemma training board game for students, lecture entitled "Responsible Business in rough Places" at the Norwegian School of Economics, lecture at the University of Singapore which included a case scenario approach and key note presentation the Global Compact Nordic Oslo meeting. In addition to the promotional activities of the NCP, the Norwegian CSR Ambassador participated in several events organised by stakeholders in Norway and abroad to support the promotion in Norway of the *Guidelines*.
- The United States' NCP attended several events organised by stakeholders this year, including participation on a panel on the *Guidelines* at a conference organised in November 2011 in San Francisco by Business for Social Responsibility, a briefing to business representatives at the Washington International Business Council in October 2011, and a briefing to civil society representatives at a March 2012 meeting of the Tuesday Group (Washington-based sustainable development and human rights NGOs).

An important aspect of NCPs' evolving functions this year has been tracking awareness of the *Guidelines* among enterprises and capturing progress on the implementation of the *Guidelines*. Several NCPs have made progress with *Guidelines* awareness surveys, collaborating with other NCPs on methodology in order to improve accuracy:

- Canada's Department of Foreign Affairs and International Trade conducted a survey in early 2012 regarding companies' awareness and implementation of CSR standards, including the *Guidelines*. Natural Resources Canada is presently conducting research on CSR, including data related to knowledge of the *Guidelines* by Canadian extractive industries operating abroad.
- Spain's NCP plans on conducting a new survey on *Guidelines* awareness among Spanish companies investing abroad that would indicate potential progress since the last survey the NCP conducted in 2009/10.
- Norway's NCP conducted a survey to gauge *Guidelines* awareness among 600 Norwegian enterprises in June 2011. The survey showed that 48% of participants had some form of international business relations and that nine out of ten of such companies were unfamiliar with both the *Guidelines* and the NCP. The survey showed that awareness was highest among large companies of 500 employees or more, with 30% of such companies having knowledge of the NCP and its national grievance mechanism. To conduct this survey, the Norwegian NCP collaborated with the Spanish NCP, and it has shared its methodology with other NCPs, including the UK NCP, which subsequently conducted a similar survey.

NCPs are also making headway in achieving political recognition for the *Guidelines*, as governments and government officials have made increasing reference to the *Guidelines* when discussing CSR:

- Germany's NCP, on the occasion of the country's national alignment, promoted the *Guidelines* as the most advanced CSR instrument in the EU-Statement for the UN Working Group on Human Rights and Transnational Corporations and Other Business Enterprises. At the NCP's initiation, the *Guidelines* were similarly referred to in a speech made by Chancellor Angela Merkel on the occasion of the Annual Report 2011 of the Global Compact.
- The Netherlands NCP's improved promotion strategies for the *Guidelines* have coincided with government endorsement. The Dutch government explicitly states that the *Guidelines* are the reference for responsible business conduct abroad.
- Switzerland's NCP is working on achieving political recognition of the *Guidelines* in government agencies. High level Swiss Government representatives have referred to the *Guidelines* on several occasions this year in Switzerland and abroad, and the Swiss Export Risk Insurance (SERV) has provided information about the *Guidelines* and their implementation mechanism on its website.

Investment promotion, export credit and investment guarantee agencies

As shown in Table 1.1, 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 1.1. 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 (including the OECD Guidelines) on its 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. EDC also produces an annual GRI report.
Chile	Investment promotion.	The Foreign Investment Committee is the agency that 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 that 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 co-operates closely with Czech Invest.
Denmark	Export credits.	When applying for export credits, the Danish Eksport Kredit Fonden informs exporters about the Guidelines and encourages compliance.
Egypt	Investment promotion.	The General Authority for Investment and Free Zones (GAFI) is the Egyptian investment promotion agency. GAFI was formerly under the Ministry of Investment, but in March 2011 it moved under the direct supervision of the Cabinet. ENCP maintains close ties with GAFI, and both bodies distribute brochures on the 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 credit guarantees and investment insurance.	Finland's Export Credit Agency, Finnvera, calls the attention of guarantee applicants to the Guidelines through its webpages and CSR report.
France	Export credits and investment guarantees.	Firms applying for export credits or investment guarantees are systematically informed of the Guidelines through the insurance application form supplied by the body in charge of managing these programmes (COFACE), which applicants are asked to sign and in which they must declare, inter alia, that they have "read and understood the OECD Guidelines".
Germany	Investment guarantees.	Companies applying for investment guarantees are referred to the Guidelines directly on the application form. In the application process, they have to confirm awareness of this reference by signature. The reference also provides a link to further information on the Guidelines.
Greece	Investment promotion.	The Guidelines are available on the website of the Ministry for Development, Competitiveness, Infrastructure, Transport and Networks (www.mindev.gov.gr/?p=6732). The "Invest in Greece Agency SA", the General Secretariat of Consumers Affairs, and the Export Credit Insurance Organization (ECIO) have links to the Ministry.
Hungary	Investment promotion.	Important OECD documents on bribery, anti-corruption, and export credits are available on the websites of EXIMBANK, MEHIB, and different ministries. Cross links support the quick search for relevant OECD documents.
Israel	"Invest in Israel" – Investment Promotion Center.	The website of Israel's Investment Promotion Center has a direct link to the Israeli NCP website where the OECD Guidelines are available electronically. The NCP works in close co-operation with the Investment Promotion Center.
Italy	Export credits.	The Italian NCP works with SACE (the Italian Agency for export credit). In its CSR strategy SACE engaged to promote the Guidelines among business operators and stakeholders. The Italian NCP also involved SIMEST (Company for Export Financial Support), INVITALIA (Inward Investments Agency), and ITALIA (Outward Investments Promotion Agency, formerly called ICE) in its activities. These organisations have published the Guidelines on their websites and are disseminating them among enterprises asking for public financial support. Together with the Guidelines, the ECAs are promoting the Risk-Awareness Tool in Weak Governance Zones.
Japan	Trade-investment promotion.	The Guidelines (basic text and Japanese translation) are available on the websites of the Ministry of Foreign Affairs (MOFA); Ministry of Health, Labour and Welfare (MHLW); and the Ministry of Economy, Trade and Industry (METI). While they do not directly refer to the Guidelines, several Japanese organisations, such as the Japan Bank for International Cooperation (JBIC), the Japan International Cooperation Agency (JICA), and Nippon Export and Investment Insurance (NEXI), refer to other related OECD instruments on their websites.
Korea	Trade-investment promotion.	The Guidelines can be found on the MKE (Ministry of Knowledge Economy) website (www.mke.go.kr). MKE promotes trade and investment.
Latvia	Investment promotion.	The summary of the Guidelines and the text are available on the website of the Ministry of Foreign Affairs of Latvia: www.mfa.gov.lv/lv/Arpolitika/Ekonomiskas-attiecibas/Starpt-ekon-org/OECD/4258/ . The Guidelines are also available on the following webpages: www.lddk.lv (Employers' Confederation of Latvia), www.ilgtspejasindeks.lv (Special website for the Sustainability Index) and www.liaa.gov.lv/lv/eksportetajiem/eksporta_tirgi/noderiga_informacija/ (Latvian Investment and Development Agency).

Table 1.1. The OECD Guidelines and export credit, overseas investment guarantee and inward investment promotion programmes (cont.)

Lithuania	Investment promotion.	The "Invest Lithuania" Agency (www.businesslithuania.com) 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 (located at the Ministry of Economy) co-operates closely with the "Invest Lithuania" Agency. Investment Promotion Programme for the period of 2008-13 was adopted by the Government on 19 December 2007. The goal of the programme is to improve Lithuania's investment environment in general and to establish an efficient system for the promotion of direct investment, focusing on long term economic and social development. The entire text of the Investment Promotion Programme can be found on the webpage of the Ministry of Economy: www.ukmin.lt/en/investment/invest-promotion/index.php .
Mexico	Investment promotion.	The Mexican NCP is located within the Directorate General for Foreign Investment in the Ministry of Economy, which is responsible for Mexico's participation in the Investment Committee and in different international organisations, among other activities. 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 Dutch business 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. Applicants for the PSI programme have to prepare a CSR policy plan based on the OECD Guidelines (www.oesorichtlijnen.nl/aan-de-slag/maak-mvo-beleid/).
New Zealand	Export credit promotion.	New Zealand's Export Credit Office (ECO) mentions the OECD MNE Guidelines on its website. ECO also provides a link to both the OECD Guidelines and the New Zealand NCP's website. The New Zealand Overseas Investment Office website provides these links as well.
Norway	Guarantee Institute for Export Credits (GIEK).	GIEK has developed its own social responsibility policy which is posted on its website. For more information please see: www.giek.no/giek_en/default.asp?menu=610&page=277&cells=0 .
Peru	Investment promotion.	The Peruvian NCP is located in the Investment Promotion Agency- PROINVERSION, which provides foreign investors with guidance services and information relating to the Peruvian business environment including information on the OECD Guidelines and the NCP's activities.
Poland	Investment promotion.	The Polish NCP is located in the investment promotion agency (PAIIZ). PAIIZ helps investors to enter the Polish market and to capitalise on business opportunities in Poland. It guides investors through all essential administrative and legal procedures a project involves; it also supports firms that are already active in Poland. PAIIZ provides rapid access to complex information relating to legal and business matters regarding investments, and it helps business find appropriate partners, suppliers, and 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 in-bound foreign investment. The Guidelines are included in the information given to all companies.
Romania	Trade and foreign investment promotion.	The Romanian NCP is located within the Romanian Centre for Trade and Foreign Investment Promotion. The NCP's webpage was developed starting from the investment promotion central site. The Guidelines (basic texts) are available electronically on the site of the Romanian Centre for Trade and Foreign Investment Promotion (www.romtradeinvest.ro). Other useful documents posted on the RNCP's webpage include: Policy framework for Investment; OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones.
Slovenia	Promotion and awareness of the Guidelines.	The Slovenian NCP is established within the Ministry of Economy of the Republic of Slovenia. The promotion and use of the Guidelines are established in Slovenian policies. Foreign investors that apply for public tender must declare that the recipient of the co-financing will abide by the OECD Guidelines for Multinational Enterprises and the principles laid down in the Declaration on International Investments and Multinational Enterprises.
Slovak Republic	Investment promotion.	The Slovak NCP is established at the Ministry of Economy of the Slovak Republic. The Guidelines are promoted in the Slovak language on the Ministry's webpage. The Ministry of Economy is funding and supervising an agency for investment and trade development (SARIO) that promotes both the business environment and investment opportunities. Investors investing in the country who have already been awarded governmental incentives must commit to comply with the Guidelines.
Spain	Export credits and investment guarantees.	CESCE (the export credits body which manages investment guarantees) and COFIDES (a development funding corporation) provide all applicants for aid or investment guarantees with copies of the Guidelines (in both paper and electronic format).
Sweden	Export credits.	The Swedish Export Credits Guarantee Board provides all customers with information on the rules on environment and bribery, the Guidelines, and the Swedish Partnership for Global Responsibility.
Switzerland	Export credits insurance.	The Swiss Export Risk Insurance (SERV) promotes corporate responsibility principles. On its website, it provides information about the Guidelines and their implementation mechanism (www.serv-ch.com).
Turkey	FDI.	The Turkish NCP is located within the General Directorate of Incentive Implementation and Foreign Investment (Ministry of Economy), the authorised body for investment policy-making. Translation of the updated Guidelines was sent to related institutions. The final version of the translation will be published on the website of the Ministry.
United Kingdom	Export credits and investment insurance.	The Export Credits Guarantee Department's (ECGD) website contains links to the website of the UK National Contact Point.
United States	Export and import credits and investment guarantees.	The Export-Import Bank of the United States provides information on the Guidelines to applicants for their programmes in support of US business activities abroad.

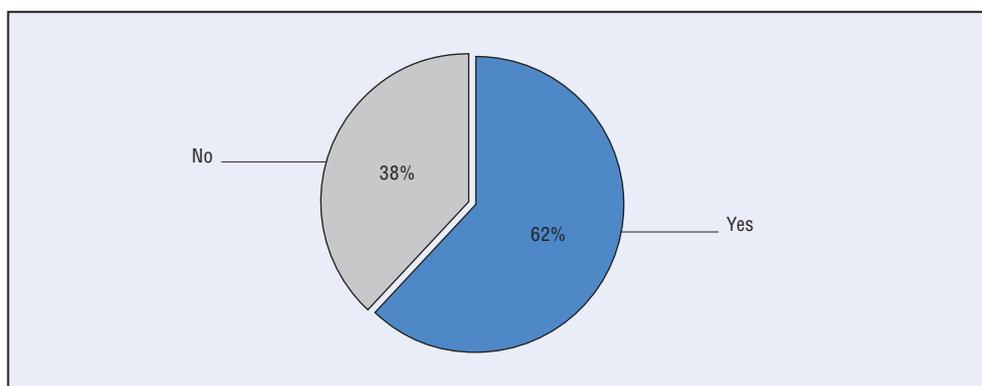
Source: OECD Investment Division.

1.3. Specific instances

Internal procedures to handle specific instances

The majority of NCPs (23 out of 37) responded positively to the question of whether they developed internal procedures to handle specific instances. Within this majority, 12 have already revised their existing procedures or aligned their newly developed procedures to the 2011 OECD Procedural Guidance. The remaining 11 are planning to do so.

Figure 1.5. **NCP procedures for handling specific instances**



Source: OECD Investment Division.

Among the 14 NCPs that do not currently have internal procedures to handle specific instances, 5 stated that they are already holding internal and stakeholder consultations to discuss content and details of the procedures they will adopt. Regarding communication and availability of NCP procedures to handle specific instances, 21 out of 23 NCPs have made their procedures available online in their national language/s. Some NCPs have made an English translation available as well.

Recent trends and developments on specific instances

300⁴ requests to consider specific instances have been raised with NCPs since the June 2000 review. Between June 2011 and June 2012, the new specific instances raised required an initial assessment and the offer of good offices.

Individual NCP reports indicate that the following total numbers of specific instances have been raised since 2000: Argentina (11), Australia (6), Austria (5), Belgium (14), Brazil (22), Canada (12), Chile (7), the Czech Republic (5), Denmark (3), Finland (4), France (19), Germany (14), Hungary (1), Ireland (2), Israel (2), Italy (7), Japan (5), Korea (8), Luxembourg (3), Mexico (3), the Netherlands (23), New Zealand (2), Norway (9), Peru (3), Poland (3), Portugal (1), Romania (1), Spain (2), Sweden (3), Switzerland (17), Turkey (3), the United Kingdom (26), and the United States (44).

24 specific instances were concluded in this reporting period: 12 that were pending as of June 2011 and 12 that were received and concluded in this reporting period.

Regarding outcomes (Annex I), NCPs issued 13 final statements, while in 11 specific instances NCPs considered that the initial assessment was sufficient to conclude the procedures. Among the latter, it should be noted that 3 specific instances were concluded by a transfer to another NCP after initial assessment.

Results were communicated to parties and made public on the relevant NCP websites.⁵

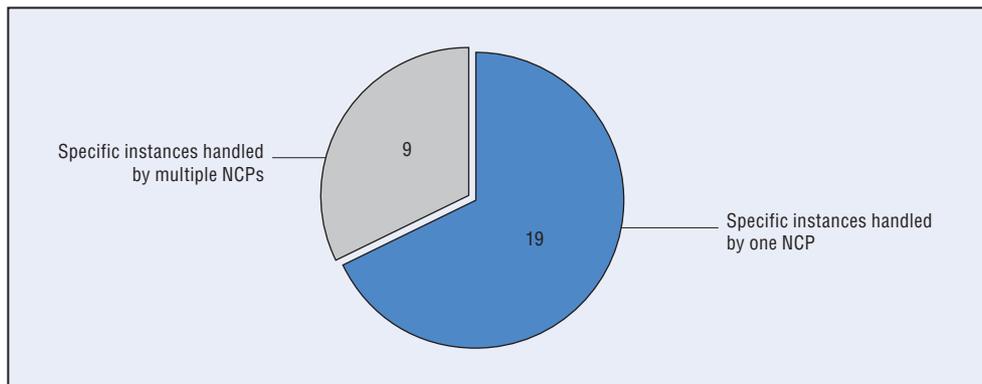
Focus on new specific instances

In the reporting period, 28 new specific instances were raised:

- 12 are under initial assessment.
- 4 are in the “assistance to parties” phase.
- 12 are concluded (8 after initial assessment, 4 with a final statement).

Overall, 16 NCPs were involved in these specific instances and in light of increasingly complex issues, co-operation and communication among the NCPs has increased. In one third of cases reported this year, NCPs co-operated or are currently co-operating.

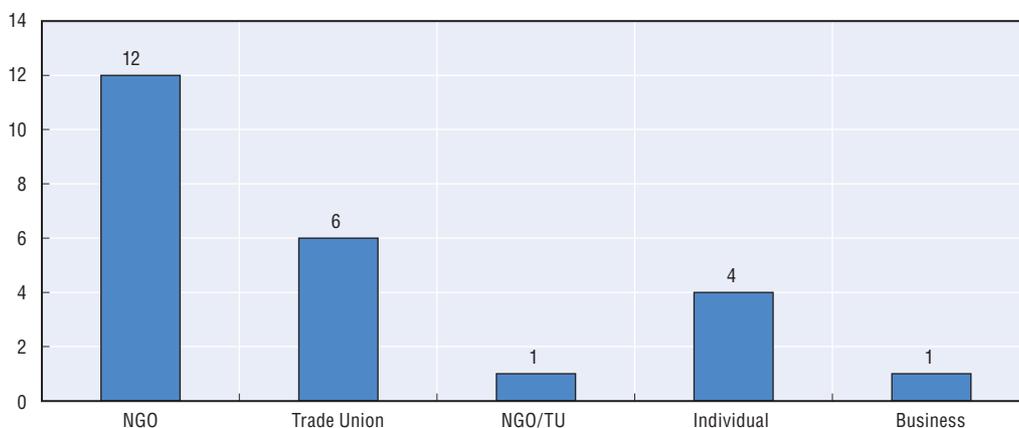
Figure 1.6. **NCP co-operation on specific instances**



Source: OECD Investment Division.

Regarding the source of the request to consider an alleged non-observance of the Guidelines, the majority of specific instances originated from NGOs, followed by Trade Unions and individuals. In the reporting period, two requests were jointly raised by NGOs and Trade Unions and one request was raised by an enterprise.

Figure 1.7. **Source of specific instances**

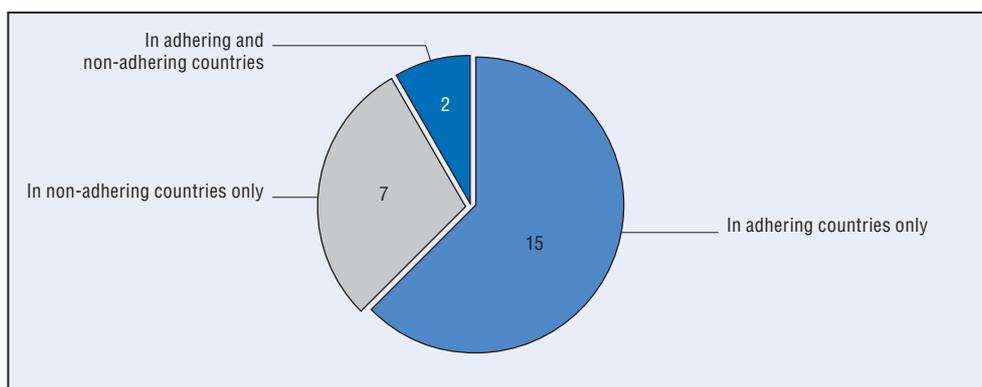


Note: Out of the 28 new specific instances, 4 of them were either transferred to another NCP or handled by two NCPs.
Source: OECD Investment Division.

Of the newly raised specific instances, 15 cited alleged non-observance of the *Guidelines* exclusively in adhering countries; 7 in non-adhering countries and 2 concerned both adhering and non-adhering countries. The non-adhering countries and territories concerned by the corporate activities reported to NCPs as allegedly not being consistent with the *Guidelines* were: Algeria, Cameroon, India, Kosovo, Mongolia, Nigeria, RDC, Western Sahara, and Yemen.

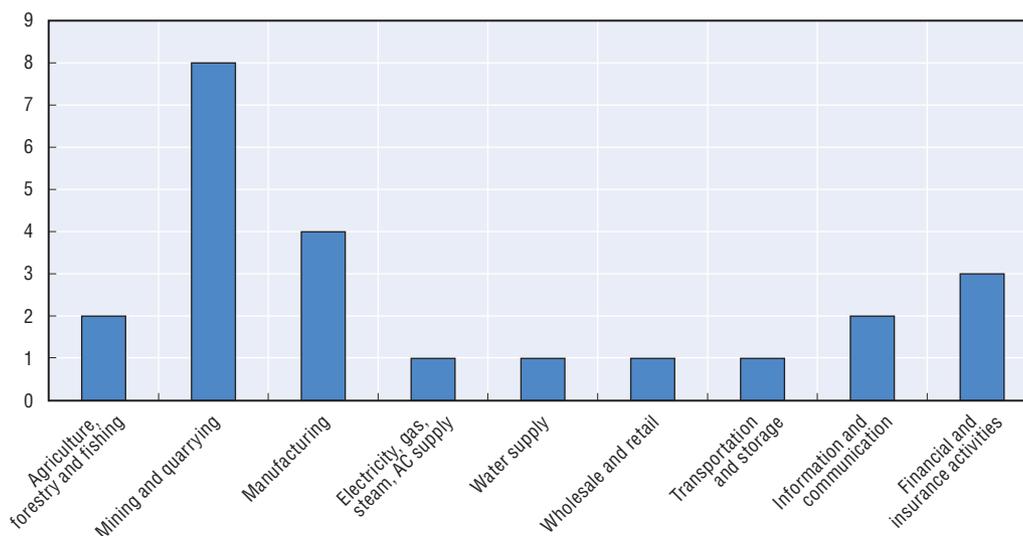
Concerning industrial sectors, 9 areas were interested by new specific instances in the 2011-12 period, with a strong concentration on the Mining and quarrying sector, followed by Manufacturing and the Financial and insurance sectors. The Information and communication sector, as well as the Agriculture, forestry and fishing one, were mentioned in 2 specific instances each.

Figure 1.8. Location of specific instances



Note: Out of the 28 new specific instances, 4 of them were either transferred to another NCP or handled by two NCPs.
Source: OECD Investment Division.

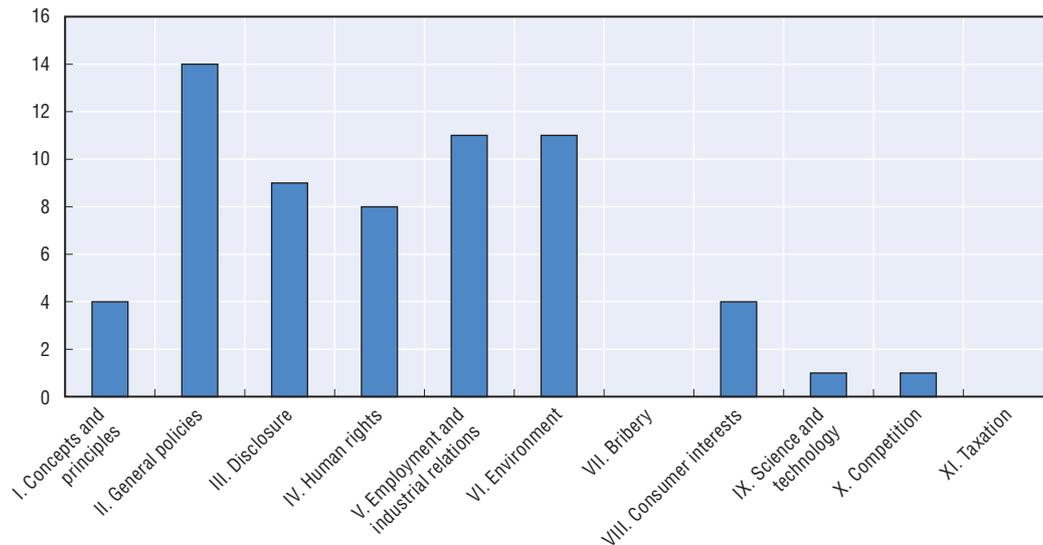
Figure 1.9. Industrial sectors indicated in specific instances



Note: One new specific instance was reported as non related to any industrial sector.
Source: OECD Investment Division.

In the reporting period, NCPs were called to examine requests that addressed, on average, three chapters of the *Guidelines*. The most frequently addressed chapters were: General policies, Employment and industrial relations, and Environment. The newly introduced chapter on Human Rights was cited in 8 of the 28 new specific instances.

Figure 1.10. **Chapters of the *Guidelines* most frequently cited in specific instances**



Source: OECD Investment Division.

1.4. Peer learning/review of Japan's NCP⁶

Japan was the first NCP to volunteer for a peer learning/review under the updated *Guidelines*. The NCPs from Germany, Mexico, the Netherlands, Norway, the United Kingdom, and the United States conducted the exercise, which took place in Tokyo on 17-19 April 2012.⁷ Representatives of TUAC and OECD Watch joined some sessions which were open to stakeholders.

The review team welcomed the leadership role of Japan's NCP in promoting the *Guidelines* in Asia and its commitment to actively engage with stakeholders to further the use of the *Guidelines* by Asian companies.

Also, in agreement with the Japanese NCP, the review team developed a set of recommendations, and highlighted lessons learned, in three different areas: a) institutional arrangements; b) promotion; and c) the functioning of the specific instance facility, particularly regarding budget provisions. The present section summarises the team's main findings.

Institutional arrangements

The Japanese NCP is an interagency body composed of the Ministry of Foreign Affairs (MOFA), the Ministry of Economy, Trade and Industry (METI) and the Ministry of Health, Labour and Welfare (MHLW). MOFA hosts the NCP and co-ordinates the work on the *Guidelines*, METI supports business activities in overseas markets, and MHLW provides advice on labour issues.

An Advisory Body, the NCP Committee of Japan, was created in 2008 to assist the Japanese NCP. It consists of the NCP itself, the Japan Business Federation (Keidanren), which is a member of BIAC, and the Japanese Trade Union Confederation (Rengo), which is a member of TUAC. The Committee meets regularly, in principle four times per year.

Structure of Japan's NCP

The current NCP structure seems appropriate in assigning each member Ministry a specific role depending on its specific competency. At the same time, the *Guidelines* touch upon numerous and complex RBC issues and their implementation procedures can be demanding, particularly in light of the results of the 2011 Update.

The Japanese Government, through its various Ministries, offers a wide range of skilled professionals who could provide additional beneficial inputs to the NCP's activities. Either the creation of an informal NCP sub-committee body for a permanent exchange of information and mutual support or the inclusion of other Ministries as members of the NCP could be actively considered by the Japanese authorities.

Functional equivalence

The Japanese NCP's efforts to fulfil its functions according to the criteria established by the Procedural Guidance of the *Guidelines* are going in the right direction. In order to facilitate the enhancement of its public profile and its activities in relation to the *Guidelines*, the NCP is invited to enhance web-communication on its current activities. In this regard, it could look at the approach to communication from the new OECD dedicated website on the *Guidelines*. Japan's NCP is also invited to consider the possibility of making its Annual Report available on this website, as well as circulating it more widely within the Japanese government.

Relationship with stakeholders and international organisations

The Japanese NCP has succeeded in the challenging task of developing good and stable relations with a wide range of national stakeholders and relevant international initiatives. Such co-operation is recognised as a key contributing factor to the effectiveness of the NCP activities and as such, the performance of Japan's NCP in this regard should be highly commended.

In providing practical support to the NCP for raising awareness of the *Guidelines*, business associations are fundamental partners. It would then seem appropriate to increase their active involvement in the NCP Committee, for example by inviting the Japanese Association of Business Executives (Keizai Doyukai) and the Japanese Chambers of Commerce and Industry to become members.

Information and promotion

The Japanese NCP developed a specific two-page brochure on the updated *Guidelines* and the Japanese NCP. Also, in 2011, it completed the Japanese translation of the *Guidelines* official text, updated its Procedural *Guidelines*, and made available both the Japanese and English versions on its website (www.mofa.go.jp/mofaj/gaiko/csr/housin.html).

In the last two years, the Japanese NCP was often invited as a guest speaker to various meetings organised by stakeholders, mainly at the national level. The NCP also took care of keeping the embassies network duly informed, and it responded to several enquiries about the *Guidelines*.

Guidelines information and promotion – focus on non-adhering countries

The Japanese NCP has made a great effort to developing appropriate printed material and to promote the *Guidelines* in non-adhering countries. It managed to take part in several international meetings, including one such meeting in Viet Nam, and it developed an inclusive process to actively involve the embassies network.

Given the role of Japan as a major source of FDI in Asia, the Japanese NCP is therefore encouraged to actively pursue these activities with a sustained degree of commitment and energy.

Co-operation with stakeholders to promote the use of the Guidelines

Co-operation is important to maximise the positive impact of each promotional event. One possible avenue for enhancing this impact would be to develop, in close co-operation with stakeholders, a clear list of priority issues and target countries. This would also help increase coherence between the various promotional events of stakeholders and provide a basis for mutual assistance in this regard.

Results of promotion

Because of their traditional concern for RBC, Japanese enterprises are a fertile soil for the *Guidelines*. There is a paradox, however, in the fact that the *Guidelines* seem to be less known than other leading initiatives. Japan might therefore consider the feasibility of undertaking a survey on knowledge and use of the *Guidelines* by Japanese multinational enterprises. This could provide a useful tool for increasing the effectiveness of the promotional activities of Japan's NCP.

The specific instances facility

A stronger involvement of business and social partners in the NCP promotional activities would also be highly beneficial in developing and sharing the right message concerning the NCP's role, as a venue for constructive dialogue and dispute prevention on RBC issues.

Japan's NCP has so far accepted four specific instances, all concerning employment and industrial relations issues. It is co-operating with the United States on one specific instance which concerns environment and rights of indigenous people and which was raised in the United States. Three specific instances relate to the activities of Japanese companies in non-adhering countries (Malaysia, the Philippines, and Indonesia). One specific instance was recently completed and the results of the procedures are available on the OECD website.⁸

Core criteria for functional equivalence

The Japanese NCP should be commended for actively using the Japanese concept of “*Sampo Yoshi*” (triple satisfaction; to the customer, to society and to the company) in the promotion of the *Guidelines*. It may also wish to use the concept as an aid in dealing with specific instances. The Japanese NCP is encouraged in this context to continue to highlight that the over-reaching framework of the *Guidelines* is based on internationally recognised standards.

In light of the 2011 Update, the Japanese NCP may also wish to continue to draw on other NCP experiences with the implementation of the new guiding principles for implementation in specific instances. In particular, it may consider further ways to enhance the application of these principles.

Mediation

The Japanese NCP is to be commended for its willingness to play a positive and active role at all stages of the specific instances procedures.

Mediation is a complex and critical issue for NCPs and an NCP's ability to create trust and the enabling environment necessary for dialogue and mediation is key. Sharing experiences during the field visit was highly beneficial to all participants. It was agreed that special efforts should be deployed, notably at the OECD, to build the mediation capacity of NCPs.

Parallel proceedings

The Japanese NCP has paid due attention not to interfere with existing judicial proceedings and did not receive any complaints in this regard from any of the parties involved in the four specific instances it handled thus far.

For the future, the NCP is invited to assess the provision in its *Procedural Guidelines* that states that specific instances related to concluded judicial proceedings will not be examined. It is recommended that such cases should still be taken into consideration for a possible initial assessment in light of the possibility, *inter alia*, that they might present aspects not treated at the legal level.

Transparency and confidentiality

The Implementation Procedures of the *Guidelines* provide that NCPs should consult with stakeholders on the public release of information provided in a specific instance, but it is within the NCP's discretion to make the final decision on the content of the final statement or report.

The review team welcomed the intention of the Japanese NCP to be as transparent as possible as provided by the Japanese *Procedural Guidelines*. It also invited the Japanese NCP to release its future statements or reports not only on the OECD website but also on its own website.

Resources and budget

MOFA officials are in charge of the *Guidelines* implementation as well as of representing the Japanese government at the OECD Investment Committee. The NCP does not have an exclusive budget earmarked for its activities. Neither does it have any full-time member of staff exclusively allocated to activities related to the *Guidelines*.

The Japanese NCP is to be commended for remarkable achievements so far with limited available resources. The review team felt that the increased workload that could result in the future from the implementation of the 2011 Update could most likely justify an increase in the resources allocated to the Japanese NCP.

1.5. Outreach: Co-operation with India

In light of the recent and important developments in the field of CSR in India, Mr. B. Chatterjee, Director-General and CEO of the Indian Institute of Corporate Affairs, was invited to make a key note presentation to NCPs at their June meeting. This section presents the main points he made on that occasion.

The Government of India is currently formulating a CSR strategy that targets national development goals. Whereas India's GDP growth rate is very encouraging, it needs to be maintained for at least the next two decades to address the large existing poverty pockets. For this reason, India is looking at a multifaceted approach to development, where CSR based on synergies between the government; civil society and companies has a key role.

In July 2011, the Indian Ministry of Corporate Affairs released the *National Voluntary Guidelines on Social, Environmental and Economic Responsibilities* (NVGs). NVGs, developed through a multi-stakeholder consensus building process that lasted over two years, look at Business Responsibility as a holistic concept integrated with core business⁹ and are applicable to large and small businesses, including Indian companies operating abroad.

The NVGs are aligned with the frameworks and instruments developed by the main international organisations active in the field of RBC, in particular the UN, ISO, ILO and the OECD. Concerning the latter, both the Indian and OECD *Guidelines* aim to promote the positive contribution by enterprises to economic, environmental and social progress (the OECD worldwide, the NVGs for companies operating in India and Indian companies operating abroad); have a voluntary character and are not legally enforceable; and converge on fundamental issues, such as the following:

- Human rights: both refer to the International Bill of Human Rights and to national laws.
- Labour: both promote fundamental rights at work as recognised in the ILO Declaration on Fundamental Principles and Rights at Work from 1998, with the difference that the Indian *Guidelines* do not specifically mention them.
- Environment: both include pollution control, resource management, and intellectual property rights, underlining the importance of taking into account environmental impacts.
- Consumer interests: both *Guidelines* instruct adherence to required standards.
- Disclosure: emphasised by both *Guidelines*.

On the point of disclosure, the Indian Government is currently defining a framework that will help companies with disclosing their CSR projects. Such framework will be compatible with the requirements set in the Companies Bill, which is expected to be approved by the end of 2012. The Bill bears a specific importance for the CSR national strategy, as it currently contains a provision, namely Clause 135, which:

- Seeks to provide that every company having a specified net worth, turnover or net profit during any financial year shall institute a Corporate Social Responsibility Committee of its Board.
- Sets that the composition of such Committee shall be included in the Board's Report.
- Provides that the Board shall endeavour to ensure that at least two per cent of average net profits of the company made during three immediately preceding financial years shall be spent on such policy every year.
- Sets that if the company fails to spend such amount the Board shall give in its report the reasons for not spending.

The Indian Government is also developing a clear set of criteria according to which companies' plans and projects will be able to be classified as Responsible Business. Those criteria are as follows: the impact made by CSR activities should be quantified to the best possible extent with reference to base line surveys; objectives should be clear and a specific budget allocated; concerning project management, strong support is given to outsourcing the projects and their evaluation to NGOs and specialised agencies.

The Government of India's support of the practical development of companies' CSR projects is not limited to the setting of reference criteria. The Indian Institute of Corporate Affairs is planning to create a National CSR Hub to undertake advocacy, research, promotion and development activities. The Hub will serve several purposes. It will at once be a database on all CSR projects and initiatives of companies; an accreditation centre of external independent agencies/specialists/consultants for project review; and a training and think tank centre, with which Governments adhering to the OECD *Guidelines* are looking forward to co-operating.

Participants highly appreciated Mr. Chatterjee intervention and particularly welcomed the opportunity to further exchange views on responsible business conduct issues, as this dialogue is not only a key element for the promotion of a level playing field among enterprises but also for the proper functioning of the specific instances mechanism. They welcomed the prospect of a high level conference to be organised in Spring 2013 on these subjects.

1.6. The OECD supporting role

Resource document on useful instruments and initiatives for the updated Guidelines

In the 2011 Chair Report to Council on the results of the 2011 Update, the need for further work in several areas was highlighted, starting with the preparation of a resource document on instruments and initiatives useful to clarifying the *Guidelines*. It was acknowledged that the number of such instruments and initiatives far surpassed the possibility for introducing explicit references to all of them in the revised text of the *Guidelines*. It was therefore agreed that, as part of follow-up work on the updated *Guidelines*, a resource document needed to be prepared.

Meant primarily to be useful to enterprises, the resource document, adopted in March 2012 by the Working Party of the Investment Committee, presents descriptions and links to relevant reference instruments and initiatives and is intended to remain a flexible document.¹⁰

Common reporting framework

In accordance with the Procedural Guidance,¹¹ NCPs must report annually to the Investment Committee on the nature and results of their activities to further the effectiveness of the *Guidelines*, including reporting on implementation activities in specific instances.

NCPs submit their information by filling a standard questionnaire developed by the OECD Secretariat. This framework was designed by the Secretariat to assist NCPs in preparing their national reports, which then provide the basis for preparing the Chair's Annual Report to the OECD Council on the Activities of the NCPs.

For the 2011-12 reporting cycle, the Secretariat developed a new Framework to reflect changes introduced with the 2011 Update to the *Guidelines* and related Procedures. In particular, the questionnaire comprises both quantitative and qualitative questions and it is built around three main sections, i.e. institutional arrangements, promotion and

communication activities and specific instances. Concerning the latter, a template to collect basic information on each specific instance as well as a set of specific questions – developed according to the three phases for the handling of requests, i.e. initial assessment, assistance to parties and conclusion of procedures – were introduced.

Following the first implementation of the new Reporting Framework and comments made by NCP delegations at their June meeting, a slightly revised set of questions will be prepared for the 2012-13 reporting cycle.

Website dedicated to the Guidelines

In light of the 2011 Update, which has confirmed the importance of promotional activities by NCPs for furthering the effectiveness of the *Guidelines* and of the related OECD supporting role, NCPs have agreed on a set of projects aimed at reinforcing OECD communication tools.

The development of a website dedicated to the *Guidelines* has emerged as a priority. At present, the information on the *Guidelines* is provided on the OECD Investment website. In addition to reproducing the text of the *Guidelines* in various languages, the current site includes the annual Chair's Report on the Implementation of the *Guidelines* as well as the proceedings and supporting documentation of OECD Corporate Responsibility Roundtables. The final statements of NCPs are also posted on this website.

There is general agreement that a more visible, elaborated and self-standing website with a separate URL identification is needed to support the work on the *Guidelines*. This new website on the *Guidelines* will be designed to become a central point for information on all matters relating to this instrument and a cross reference point to appropriate national links. It will provide detailed information on NCP institutional arrangements and implementation procedures and will present information on the inter-linkages between the *Guidelines* and other leading corporate responsibility instruments. It will also provide up-to-date information on the activities of adhering governments and stakeholders for raising awareness of the *Guidelines* and supporting the proactive agenda.

Database on specific instances

Following the revision of the "Procedural Guidance" in 2011, NCPs are now expected to make the results of every specific instance procedure publicly available, taking into account the need to protect sensitive business and other stakeholder information. This clearly requires some adjustments in the way the information on the outcome of the specific instances has been presented until now. Moreover, even prior to the 2011 Update, the desirability of developing a more detailed database on specific instances was acknowledged in support of peer learning and capacity building.

In particular, the database structure approved by the Investment Committee and NCP delegates in the first half of 2012 will allow users to extract up-to-date information on the role played by NCPs and will further enhance the transparency and public accessibility of their activities. The database will be designed as a tool to:

- Disseminate up-to-date and accurate information on specific instances, as communicated by NCPs.
- Provide access to aggregated data on specific instances, highlighting main issues and trends.
- Support co-operation among NCPs, by providing access to useful information, e.g. identification of which NCP to contact for consulting on similar issues.

1.7. Weak governance zones and conflict-affected and high-risk areas

In addition to the promotional activities on the *Guidelines*, adhering governments (and the European Commission) have continued to report activities to raise awareness and promote the use of the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones: Austria, Belgium, Canada, Colombia, Finland, Israel, Italy, Japan, New Zealand, Norway, Portugal, Romania, Switzerland, the United States. This past year's activities on weak governance zones and conflict-affected areas have mainly focussed on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (hereafter "the Guidance").

Due diligence guidance for responsible supply chains of minerals from conflict-affected and high-risk areas

This Guidance is the first example of a collaborative government-backed multi-stakeholder initiative on responsible supply chain management of minerals from conflict and high-risk areas, providing a common set of government-backed expectations throughout the supply chains of tin, tungsten, tantalum and gold. It is also a good example of how the due diligence and supply chain provisions of the updated OECD *Guidelines* (based on the second pillar of and the United Nations Framework "Protect, Respect and Remedy" and the Guiding Principles for its Implementation) can be translated into operational terms in a given context (conflict-affected and high-risk areas) and with regard to specific risks of adverse impacts associated with particular sectors and products (minerals) thus making a concrete contribution to the OECD *Guidelines*' proactive agenda.

On 25 May 2011, the Council adopted a Recommendation inviting adhering governments to the Declaration to actively disseminate information on the Guidance and promote its use. The thirty-four OECD governments and eight non-OECD governments (Argentina, Brazil, Colombia, Latvia, Lithuania, Morocco, Peru and Romania) have adhered to this Recommendation.

Over the period June 2011-June 2012, adhering governments to the Recommendation (Australia, Canada, Finland, Germany, Israel, Japan, Korea, Latvia, New Zealand, Norway, Switzerland) reported various measures to promote the Guidance (publication on governments or NCP websites, brochures, translation, special events...). The US Under-Secretaries of State Hornats and Otero issued a statement promoting the Guidance as a means of performing due diligence, including for fulfilment of related statutory obligations in the United States. The Norwegian NCP referenced the Guidance in its final statement for the specific instance regarding Intex when it recommended that Intex include "the potential for engagement in conflict-affected areas as part of the due diligence process".¹²

New Supplement on Gold

In addition to the Supplement on Tin, Tungsten and Tantalum adopted in December 2010, a new Supplement on Gold was finalised in Spring 2012. A Drafting Committee composed of representatives of OECD and partner countries, industry and civil society organisations contributed to the elaboration of due diligence recommendations tailored to the various actors in the gold supply chain (gold miners, exporters, refiners, gold traders and recyclers, bullion banks, manufacturers and jewellers and other downstream users). The Supplement benefited from input received from the public through an online consultation held from 5 December 2011 until 13 January 2012. It was endorsed by the OECD-hosted working group on gold on 2 February 2012 and approved by the OECD

Investment Committee and Development Assistance Committee on 6 April 2012 and adopted on 17 July 2012 by the OECD Council as part of the Revised Recommendation on the Due Diligence Guidance.

The successful finalisation of the Supplement has already translated into significant buy-in and ownership over results. Gold industry and trade organisations such as World Gold Council, London Bullion Market Association, the Responsible Jewellery Council, Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) and most recently the Dubai Multi-Commodities Centre's (DMCC) have developed standards and tools that will operationalise the Supplement on Gold within their specific segments of the supply chain.

Implementation of the Guidance

The Council Recommendation instructs the Investment and Development Assistance Committees to monitor the implementation of the Recommendation on Due Diligence Guidance. The pilot implementation phase of the Supplement on Tin, Tungsten and Tantalum began in July 2012 while the implementation programme on the new Supplement on Gold was launched in May 2012. OECD, partner countries, industry and civil society organisations have embarked on a reflection exercise for establishing a transparent and accountable governance structure for this process to move forward. A multi-stakeholder “Interim Governance Group” is being set up with the mandate to design a proposal for a new governance for the OECD-hosted due diligence initiative. It is expected that the proposal will be submitted for consideration to the next joint plenary forum on due diligence implementation scheduled for November 2012.

Launch of the implementation programme of the Supplement on Gold

The first meeting of the OECD-hosted multi-stakeholder forum on implementation of due diligence in the gold supply chain was held on 2-3 May 2012, with more than 200 representatives from OECD and partner countries, the gold industry and civil society participating. Participants agreed that the implementation programme would include three general activities: i) reporting on the measures taken by companies to implement due diligence and engaging in a peer learning process to share experiences and identify good practices to overcome common challenges; ii) within the context of the implementation of the Busan Partnership for Effective Development Cooperation, sharing experiences and seeking feedback on country-specific projects led by interested host-governments designed to set up secure pipelines of responsibly-produced gold and economically viable opportunities for artisanal mined gold; and iii) raising awareness and building capabilities on due diligence implementation in key partner non-OECD countries (such as India, the United Arab Emirates).

Tracking progress in the implementation of the Supplement on Tin, Tantalum and Tungsten (3Ts)

Since August 2011, 100 companies and industry associations, both upstream and downstream in the 3Ts supply chain, have volunteered to participate in the implementation phase of the 3T Supplement and to report to the joint OECD-ICGLR-UNGoE Forum on implementation of due diligence in the Great Lakes Region. By engaging in a “learning by doing” process, participating companies “know and show” how to implement due diligence

Box 1.2. Participants that disclosed their participation in the pilot implementation phase of the Supplement on Tin, Tantalum and Tungsten

	Companies		Industry associations
Downstream industry	Alcatel Lucent	Oracle	AIAG (Automotive Industry Action Group) EICC and GeSI (Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative) IPC (Association Connecting Electronics Industries)
	Alpha (Cookson)	Panasonic Corporation	
	AMD	Research in Motion	
	Boeing Company	Royal Philips Electronics	
	Circuit Connect	Plansee Group Service GmbH	
	Epic Technologies	Siemens AG	
	Flextronics	Texas Instruments	
	Ford Motor Company	TriQuint	
	Foxconn	UNISEM	
	Freescale	United Technologies Corporation	
	General Electric Company		
	Hewlett-Packard		
	KEMET		
	Lockheed Martin Corporation		
	Nokia		
	Northrop Grumman		
	Upstream industry	Africa Smelting Group Sprl	
A.M.R. Mugote et frères		G.M.C. Sprl	
AMUR II		Huaying Comptoir	
ANEMISA		KM Kasado	
ANEMNKI		La Découverte	
C.D.M.C.		Metachem	
Chemaf Sprl		Minerals Supply Africa	
CMM		Minserve	
COMIDER		Comptoir Nguma	
COMIMPA		Phoenix Metals	
COPAMIK		REMEX Minerals Ltd.	
Cronimet		RWANDA RUDNIKI Ltd.	
Cuba Kairenga		SOMIMA	
Ets KALINDA		Tinco Investments Ltd.	
Ets Munsad Minerals		TTT Mining	
Ets Panju		Volcano	
FECOMIRWA		Wolfram Mining and Processing Ltd.	

Source: OECD Investment Division.

by sharing experiences, lessons learned and tools used to implement due diligence. They are also building their due diligence capabilities that will help them meet relevant reporting obligations and the expectations of customers, regulators and the public at large.

Findings from the first and second reporting cycles presented at the second and third meetings of the ICGLR-OECD-UN GoE joint forum on implementation of due diligence in the tin, tantalum and tungsten supply chains, respectively held on 29-30 November 2011 and 3-4 May 2012,¹³ show that where implemented (notably in the Katanga province of the Democratic Republic of the Congo and Rwanda), due diligence has contributed to the creation of islands of mineral traceability, innovative models for responsible sourcing (e.g. closed pipe or vertically integrated supply chains), improved mining sector governance and increased exports and taxes collected by host governments. The attitude of upstream companies is gradually shifting from general reluctance to carry out due diligence without a viable market to sell their minerals to constructive engagement to restore trust and build confidence of buyers with a view to creating demand for their minerals. The decision by the Government of the DRC in September 2011 to integrate the OECD Due Diligence

Guidance into the DRC national legal framework and the follow-up action taken to suspend the activities of two non-OECD compliant exporters in May 2012 in the Kivu provinces partially explain change in local corporate patterns.

On the downstream side of the supply chain, regulatory pressure has been the main driver for due diligence implementation so far. Downstream companies are currently focusing on emerging practices and tools that would enable them to overcome the main challenges related to due diligence implementation because of the breadth (*i.e.* a large number of transactions involving 3Ts) and the depth (the number of supplier tiers between the participating company and the smelter) of their supply chains.

The OECD Secretariat has continued to actively promote the Guidance by organising or participating in various workshops, conferences and seminars, including the joint ICGLR-OECD joint regional workshop on due diligence for responsible mineral supply chains (10 November 2011), the annual Precious Metals Conference hosted by the London Bullion Market Association (September 2011), the Dubai City of Gold Conference (November 2011), the 2012 Mining Indaba in Capetown (February 2012), the “Extractives Workshops” hosted by the Electronics Industry Citizenship Coalition and the Global e-Sustainability Initiative (September 2011 and April 2012) and the meeting of the International Task Force against the illegal exploitation of natural resources co-ordinated by the EU (March 2012).

Notes

1. The new structure of the Chilean NCP is currently under consideration. Therefore, there are still some details under discussion.
2. Available versions were published by Brazil and Portugal.
3. The OECD is producing a single Spanish version of the *Guidelines* in co-operation with Spanish speaking NCPs.
4. Specific instance counts are based on the information provided in the Annual NCP Reports by 37 of the adhering countries to the *Guidelines* (Colombia and Tunisia have adhered to the *Guidelines* in recent months).
5. Exceptions to this common behaviour were statements related to specific instances received prior to the 2011 Update of the *Guidelines* and handled according to the 2000 Implementation Procedures. It should also be noted that some NCPs make public the results of both the initial assessment, stating that the specific instance requires further examination, and the following final statement.
6. The complete Report is available at www.oecd.org/investment/guidelinesformultinationalenterprises/ncps.htm.
7. The field visit was preceded by an intense preparatory work (background notes, questionnaires addressed to the reviewed NCP and to national stakeholders) developed by Japan's NCP, in co-operation with the OECD Secretariat.
8. www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises.
9. In particular; the NVGs contain 9 principles: Principle 1: Ethics, Transparency and Accountability; Principle 2: Providing Goods and Services that are sustainable over entire Life Cycle; Principle 3: Well-being of Employees; Principle 4: Being Responsive towards Stakeholders, especially the disadvantaged; Principle 5: Respecting and Promoting Human Rights; Principle 6: Protecting and Restoring the Environment; Principle 7: Responsible Policy Advocacy that enhances Public Good; Principle 8: Supporting Inclusive Growth and Development; and Principle 9: Providing Value to Customers responsibly.
10. www.oecd.org/daf/internationalinvestment/guidelinesformultinationalenterprises/ResourceDocumentWeb.pdf.
11. Section D.

12. See Final Statement, Complaint from the Future In Our Hands (Fioh) against Intex Resources ASA and the Mindoro Nickel Project, the Norwegian National Contact Point for the OECD *Guidelines for Multinational Enterprises*, 28 November 2011, p. 47, available at www.regjeringen.no/upload/UD/Vedlegg/ncp/intex_final.pdf.
13. The upstream and downstream reports from the first cycle, along with the meeting agenda and background materials, are available on the webpage for the second meeting of the ICGLR-OECD-UNGoE joint forum, available at www.oecd.org/daf/investment/mining. The upstream and downstream reports from the second cycle, along with the meeting agenda and background materials, are available on the webpage for the third meeting of the ICGLR-OECD-UNGoE joint forum, available at www.oecd.org/daf/investment/mining.