Informal Ministerial Meeting on Responsible Business Conduct

AGENDA

26 June 2014
OECD Château – Room C
Paris, France
The OECD Guidelines for Multinational Enterprises are recommendations on responsible business conduct addressed by governments to multinational enterprises operating in or from adhering countries. They are the most comprehensive set of recommendations on responsible business conduct promoted by governments in existence today, covering all major areas of business ethics, including information disclosure, human rights, employment and industrial relations, environment, bribery and corruption, consumer interests, science and technology, competition, and taxation. The Guidelines are also the only government-backed international instrument on responsible business conduct with a unique implementation mechanism.

mneguidelines.oecd.org

The Global Forum on Responsible Business Conduct (the Global Forum) was launched by the OECD in 2013 to strengthen international dialogue on responsible business conduct and to enhance the synergies between corporate responsibility instruments on all levels, including the OECD Guidelines for Multinational Enterprises. The Global Forum is the first multi-stakeholder platform for integrating corporate responsibility questions into the global economic agenda. Governments, businesses, trade unions and civil society come together to provide insights and exchange views on how to do well while doing no harm in an effort to contribute to sustainable development and enduring social progress.
Background

Significant advances in theory...

As the global recovery gains momentum, improving the business climate is crucial to addressing the downside risks to that recovery. Without responsibility, accountability, and transparency, markets simply cannot function well. As such, the convergence in international standards and principles on what constitutes responsible business conduct (RBC), centred around the 2011 OECD Guidelines for Multinational Enterprises (the OECD Guidelines) and the 2011 UN Guiding Principles for Business and Human Rights, is a welcome development. This convergence has resulted in a more predictable business environment and has advanced the common understanding and expectations on how business should avoid and address risks and how governments can support and promote responsible practices. These advancements are also echoed in the evolution of national RBC approaches, notably in government policies of major emerging economies and new investment frontiers.

...but implementation remains a challenge.

However, turning ideas into practice is another matter entirely. The April 2013 Rana Plaza tragedy in Bangladesh and similar accidents are a wake-up call about the urgent need to address significant responsibility gaps in supply chains, processes of production and distribution, manufacturing, and throughout the entire value chain. There is no room for complacency. Governments, businesses, trade unions and civil society need to act collectively so that advances in theory are reflected on the ground.

Leading by Example

Against this backdrop, this informal Ministerial Meeting will be an opportunity to discuss how to integrate RBC principles throughout government policies to protect internationally recognised fundamental rights and to ensure good governance, fair regulations, and transparency. There is a need for a more co-ordinated approach within and between governments to promote good business practices. Ministers will also discuss how to work toward a global level-playing field, while at the same time calling on businesses to acknowledge that their freedom to operate globally also carries a responsibility for their impact locally. Competing on the least common denominator has resulted in failure to provide even the most basic safety conditions for workers. This is not an acceptable status quo.

Reference Documents

- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Investment Treaty Law, Sustainable Development and Responsible Business Conduct: A Fact Finding Survey
12:00 – 12:15 Opening Remarks

Welcoming Remarks
- Angel Gurría, Secretary-General, OECD

Opening Remarks by Co-Chairs
- Arnaud Montebourg, Minister for the Economy, Industrial Renewal and Digital Affairs, France
- Lilianne Ploumen, Minister of Foreign Trade and Development Co-operation, Netherlands

12:15 – 13:30 Promoting Global Responsibility

Working Lunch

Objectives
- To discuss ways to collectively promote responsible business conduct and a level-playing field worldwide, particularly important in a world where highly internationalised value chains have now become the norm.
- To give direction to a more co-ordinated approach within and between governments to promote good business practices, including between development co-operation agencies and institutions.
- To explore opportunities offered by regional and bilateral investment treaties and free trade agreements, either recently concluded or currently under discussion, to promote responsible business conduct.
- To discuss the important role of National Contact Points of the OECD Guidelines for Multinational Enterprises in promoting responsible business conduct worldwide.

Topic 1: Promoting Responsibility for a Global Level-Playing Field

Chair
- Arnaud Montebourg, Minister for the Economy, Industrial Renewal and Digital Affairs, France

Topic 2: Policy Coherence for Responsible Business Conduct

Chair
- Lilianne Ploumen, Minister of Foreign Trade and Development Co-operation, Netherlands

Indicative Discussion Questions
> As a first measure against the race to the bottom at the expense of social and environmental dimensions, how can effective implementation of existing local laws be ensured?

> How does the government make clear the distinction between its responsibilities and those of business? How does it communicate this to business and other relevant stakeholders?

> How can governments co-ordinate within agencies, as well as internationally, to ensure that expectations on what responsible business entails are well-understood? What is the role of development co-operation agencies and institutions in this process?

> Should responsibility-related considerations be increasingly included in regional and bilateral investment treaties and free trade agreements? Could this also be done for conditions for grants, public procurement, and government-backed lending, financing and insurance?
13:30 – 13:45  Break

13:45 – 14:45  Rana Plaza Aftermath: Responsible Supply Chains in the Textiles and Garment Sector

**Objectives**
- To discuss the initiatives taken by governments to support the due diligence process enterprises operating in the textiles sector need to undertake in order to make the supply chains more responsible.
- To give direction for next steps.

**Chair**
- Arnaud Montebourg, Minister for the Economy, Industrial Renewal and Digital Affairs, France

**Indicative Discussion Questions**
> How can governments work together to avoid risks and adverse impacts in the textile and garment sector? What is the role of governments of importing countries in comparison to the governments of manufacturing countries of textiles and garments in regulating this sector?

> In the face of resource constraints, how should governments engage with private initiatives that might be responding to the need for more regulatory oversight in this sector? How can governments incentivise more companies to do more, including signing on to leading initiatives?

> What tools can help governments create an enabling framework to promote and incentivise responsible sourcing in the textiles garment sector (e.g. public procurement, access to finance, insurance, donor support, infrastructure investment)? Specifically, can both governments and businesses do more to ensure that fair prices and fair wages are paid?

14:45 – 15:45  Responsibility in the Extractives Sector

**Objectives**
- To discuss issues in the extractives sector, long recognised as one of the most challenging sectors in the global responsibility field.
- To discuss priorities for the OECD as the OECD is currently working on new guidance for stakeholder engagement in the extractives sector and has also led efforts in the implementation of responsible mineral supply chains.

**Chair**
- Lilianne Ploumen, Minister of Foreign Trade and Development Co-operation, Netherlands

**Indicative Discussion Questions**
> How can governments promote transparency and accountability in the extractives sector? What is the current state of play regarding national and international efforts to promote reporting on payments and receipts by companies and governments in relation to extractive industries?

> How are governments promoting due diligence and increased engagement by companies in responsible sourcing of minerals from conflict-affected and high-risk areas? What are the incentives to do so? What other minerals and/or areas of high-risk should be targeted in such work?
How should governments engage with extractive industries to ensure that no risks or adverse impacts to stakeholders occur in the course of operations? How should they manage potential benefits that an extractive operation brings, such as increased fiscal flows and employment opportunities, with potential risks to and lack of support from local communities, especially in light of significant repercussions for businesses and local governments from the lack of adequate stakeholder engagement?

15:45 – 16:00 Conclusions by the Co-Chairs and the OECD Secretary General