



**STATEMENT BY THE NATIONAL CONTACT POINTS FOR THE OECD GUIDELINES ON
MULTINATIONAL ENTERPRISES**

ONE YEAR AFTER RANA PLAZA

PARIS, 25 JUNE 2014

This statement was adopted by National Contact Points on 25 June 2014 during their 15th Meeting. It will be presented to the informal Ministerial Meeting on Responsible Business Conduct organised on the occasion of the Second Global Forum on Responsible Business Conduct.

The tragedy at Rana Plaza in Bangladesh in April 2013, which took away 1,135 lives and caused injury and suffering to many more, confronted the international community with the gravest failure of the textiles and garment supply chain in securing the safety of workers. Shortly afterwards on 25 June 2013, we called for immediate, global and collective action and pledged to meet our responsibilities under the OECD Guidelines for Multinational Enterprises (“the OECD Guidelines”) in this sector.¹

Significant steps have been taken since to address the challenge in Bangladesh: those undertaken by the Bangladesh government under the *Bangladesh National Tripartite Plan of Action on Fire Safety and Structural Integrity*; those adopted by the multilateral policy community, *ILO Better Work Program*, the *EU-US-Bangladesh-Sustainability Compact*; and supply chain initiatives such the *Bangladesh Accord on Fire and Building Safety* and the *Alliance for Bangladesh Worker Safety*. Compensation schemes for the victims have also been set up both nationally -- *Prime Minister’s Relief and Welfare Fund* -- and internationally --the *Rana Plaza Donors Trust Fund*.

These are examples of the strong mobilisation that is needed at all levels and by all stakeholders to tackle the increased complexity of global contractual relationships.²

¹ <http://mneguidelines.oecd.org/NCPStatementBangladesh25June2013.pdf>

² In addition, the joint Communiqué of France and the Netherlands and the Remarks of the OECD Secretary-General on “Boosting Social and Environmental Standards in International Trade”, 31st March 2014, identified for the textile and garment sector, concrete ways through which global and collective responsibility can be shared and mutually reinforced. Development cooperation agencies, for example, the German Development Agency (GIZ; Agence Française de Développement (AFD), and the Dutch Multi-stakeholder Action Plan on the textile sector, have also strengthened their activities on Bangladesh.

In the Rana Plaza aftermath, we have engaged at the national level with enterprises sourcing textiles and garments from Bangladesh as well as trade unions and other stakeholders. Our first priority has been to recall the application of the Guidelines to the textiles and garments supply chains and other “business relationships”. The OECD Guidelines are, with the UN Guiding Principles on Business and Human Rights (UN Guiding Principles), the leading government-endorsed corporate responsibility instrument to incorporate risk-based due diligence along supply chains.

We have also examined with practitioners the due diligence measures that should be put in place upstream to effectively implement the OECD Guidelines along the textiles and garment contractual chain. This is essential if the infringement of the fundamental rights of workers is to be prevented, reduced or remediated downstream, be it in Bangladesh or other countries. In particular:

- ✓ The French NCP released³, at the request of the French Minister of Trade, a comprehensive report on the challenges and solutions at hand for building a safer and more responsible textiles and garment supply chain. The report contains recommendations for multinational enterprises, governments and consumers on the observance of the Guidelines. This report includes mapping of the supply chain, risk assessment, audits, traceability, labelling, communication, transparency, and remediation. The French NCP is closely following up its implementation and is actively promoting its recommendations beyond the textiles and garments brands.
- ✓ The Italian NCP, adopted an “Action Plan for Bangladesh” to promote responsible business conduct in the textile and garment supply chain through due diligence processes, multi-stakeholders’ initiatives and international framework agreements (agreements between MNEs and global trade union federations). One of the outcomes is a report containing operational recommendations on the observance of the Guidelines for the textile and garment supply chain. The Italian NCP will continue this effort with a follow-up action in partnership with enterprises and all relevant actors in the textile and garment sector and will pursue and enlarge its action in other sectors.
- ✓ The Belgium NCP⁴ highlighted the need for a comprehensive approach to due diligence and responsible supply management and called Belgium firms’ to sign the *Bangladesh Accord on Fire and Safety*. The Belgium NCP also supports initiatives from sectoral organisations or companies with the objective to improve respect for the human rights and workers’ working conditions at national and international level. It will continue to monitor the situation closely with all the parties concerned.
- ✓ Working sessions have been organised, notably by the NCPs of Canada, Denmark, France, Germany, the Netherlands and the United Kingdom, as well as by the Ministry of Foreign Affairs of Sweden and the U.S. Department of State on the responsibilities of States and enterprises under the OECD Guidelines and the UN Guiding Principles.

In terms of future action, we strongly encourage all actors in Bangladesh to fulfil the commitments they have undertaken over the past year. In view of the urgency of the compensation of the Rana Plaza victims, we encourage involved companies, in cooperation with concerned stakeholders, to consider providing compensation to the victims through legitimate, reliable, and effective initiatives, such as the Rana Plaza Trust Fund, and collaborate with structured organisations operating in Bangladesh and with its government.

³ <http://www.tresor.economie.gouv.fr/File/398811>

⁴ http://economie.fgov.be/fr/binaries/Rapportenaanbeveling_20140207_EN_tcm326-242683.pdf

Our efforts, however, should not be limited solely to Bangladesh. Business have, on several occasions, asked the OECD to provide guidance on the due diligence provisions of the OECD Guidelines along the textiles and garments supply chain. Recent NCP contributions are particularly relevant in this respect. We welcome the organisation of the ILO-OECD Roundtable at the end of September 2014 that will explore the potential need of a proactive agenda that would reinforce and complement the initiatives already underway in the sector to achieve more responsible supply chains and better respect for workers' rights and aspirations for improved living and working conditions.

We especially welcome the Secretary-General's initiative in convening, with the strong support of France and the Netherlands, an informal Ministerial Meeting on Responsible Business Conduct on the occasion of the Second Global Forum on Responsible Business Conduct. These discussions are needed to address serious governance gaps in the international ecosystem of responsibility. We look forward to the results of these important events and reiterate our commitment to the development of a robust global and collective responsibility agenda.