This note is submitted for discussion under item 4d of the agenda at the meeting of the Working Party on the Guidelines on 20-21 September 2000.

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Outreach to Non-Member Economies
December Information Meeting

(Note by the Secretariat)

1. This note sets out a possible scenario for an information meeting with non-Member economies on the OECD Guidelines for Multinational Enterprises. The purpose of such a meeting would be to pursue a dialogue with non-Member economies, and, as stated in the concluding remarks of previous consultations with them in February, 2000, to make the Guidelines better known in non-Member economies [see DAFFE/IME(2000)9]. The meeting could be held in Paris on Friday 15 December, back to back with CIME and WPG meetings. It would be desirable to hold consultations with BIAC, TUAC, and NGOs in the same week.

2. Consistent with the Council Decision on the Guidelines, the ideas developed at the December meeting could also be used as part of a broader initiative on the Guidelines and other aspects of the Declaration in the future. These meetings would complement initiatives by adhering countries in their relations with non-member economies on Guidelines and the Declaration.

Objectives

3. The objectives of such a meeting would be as follows:

- Informing, and responding to questions from, an audience that may not be familiar with the Guidelines and other investment instruments;
- Dialogue - encouraging two-way communication on the Guidelines and Declaration;
- Promotion - an opportunity to promote the Guidelines and the OECD Declaration with an important audience;
- To complement efforts at the national level to inform social partners and the interested public about the Guidelines and Declaration;
- Setting the stage for future events.

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1 See Decision of the Council on the OECD Guidelines for Multinational Enterprises [DAFFE/IME/WPG(2000)9], also at: http://www.oecd.org/daf/investment/guidelines/decision.htm. The 3rd tiret of the preamble to the Decision reads: “Council...Recognising that, since operations of multinational enterprises extend throughout the world, international co-operation on issues relating to the Declaration should extend to all countries”. Paragraph 3 of the Decision pertaining to CIME states: “The Committee may decide to hold exchanges of views on matters covered by the Guidelines with representatives of non-adhering countries.”
Participation

4. As at the previous round of consultations, a number of delegations could each assume responsibility for a brief presentation on an aspect of the Guidelines that may be of particular interest to non-Member countries.

5. BIAC, TUAC, and NGOs all contributed to the 2000 Review and are familiar with roles expected of them as a result of the Review. These roles are outlined in the Council Decision, as well as the Procedural Guidance and Commentaries, and it would be desirable for social partners to participate at the meeting, particularly if consultations with them are to take place during that same week. In addition, BIAC, TUAC, and NGOs could each be requested to make a brief presentation on their role vis-à-vis the Guidelines, including with respect to non-Members.

6. Finally, it may be recalled that para C.5 of the Procedural Guidance for NCPs concerning specific instances in non-adhering economies reads: “If issues arise in non-adhering countries, [the NCP will] take steps to develop an understanding of the issues involved, and follow these procedures where relevant and practicable”. Thus it will be important to encourage the participation of non-Members themselves, as well as presentations from non-Member economies that do adhere to the Guidelines on their experiences with them. Participation from representatives of non-Member economies familiar with investment promotion or investment framework issues will be particularly encouraged.

Documentation

7. The meeting could draw on consultations with non-Members that occurred during the Review: DAFFE/IME(2000)1 outlined invitees, an agenda, as well as a brief “issues paper” which in the case of the December meeting could summarise the results of the Guidelines review and include background information for the use of participants on other themes.

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Delegates are invited to comment on (i) the draft agenda as presented in Annex I, together with annotations in the box; (ii) the draft list of non-Member participants in Annex II; (iii) the participation of other individuals and organisations (e.g. international organisations).
Annex I

Draft Agenda

Meeting with non-Member Economies on the OECD Guidelines for Multinational Enterprises
Friday, 15 December 2000

Introduction

1. The Guidelines and the OECD Declaration on International Investment and Multinational Enterprises


Session I

The Revised OECD Guidelines for Multinational Enterprises

1. The Text of the Guidelines

2. Implementation Procedures of the Guidelines
   a. National Contact Points (NCPs)
   b. Committee on International Investment and Multinational Enterprises (CIME)
   c. Business and Industry Advisory Committee (BIAC), Trade Union Advisory Committee (TUAC), and other Non-governmental Organisations (NGOs)

Session II

Non-Member Economies and Guidelines

1. The Role of the Guidelines in the Investment Process

2. The Guidelines, the OECD Declaration, and Non-Member Economies

Concluding Remarks
Box. **Annotations to the Proposed Agenda**

**Introduction**

The introduction would be largely informative, with briefings for non-Member economies of the results of the Review in their broader context. It could comprise two sections, as follows:

1. The Guidelines and the OECD Declaration on International Investment and Multinational Enterprises

The first presentation could comment on the relationship between the Guidelines and the other elements of the Declaration, recalling the Ministerial statement in June which encouraged non-Members to adhere to the Declaration. It would expand on the general philosophy and balanced approach to international investment issues embodied in the OECD Declaration. A brief overview of the dynamics of the two-year Review process which began with the Budapest meeting in 1998 and culminated in this year’s Ministerial meeting on 26-27 June 2000, could also be a part of this presentation.

The second presentation could comment on the key features and distinctiveness of the Guidelines, noting their non-binding nature, the fact that they are government-backed, that they enjoy the support of a wide variety of social partners, and that there are important implementation procedures associated with them. This could also include the purposes of the Guidelines, particularly in the context of the Declaration, as well as government responses and encouragement of international investment by multinational enterprises

**Session I - The Revised OECD Guidelines for Multinational Enterprises**

This first main session will offer an opportunity to get into further detail about both the text and implementation procedures, soliciting reaction and comments from non-Members. Sections could be organised as follows:

1. The Text of the Guidelines
2. Implementation Procedures of the Guidelines
   a. National Contact Points (NCPs)
   b. Committee on International Investment and Multinational Enterprises (CIME)
   c. Business and Industry Advisory Committee (BIAC), Trade Union Advisory Committee (TUAC), and other Non-governmental Organisations (NGOs)

The first part of this session could highlight features of the Guidelines text that are new or have been considerably revised/updated. Thus the employment and environment chapters could be expected to figure prominently, as well as the chapter on general policies (including provisions on human rights and the “supply chain”), and combating bribery. Language dealing with small- and medium-sized enterprises (SMEs), non-adhering economies, and sustainable development could also warrant discussion during this session.

The number of subjects involved in the second part of this session on implementation procedures suggests that it should be addressed in three subsections. The first of these on NCPs could feature action or prospective action that is expected by NCPs on the national level on the Guidelines. It is not expected to be focused on “specific

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2 See para. 27 of Ministerial Statement “Shaping Globalisation”, 27 June 2000, at http://www.oecd.org/media/release/nw00-70a.htm, the final sentence of which reads: “OECD will encourage non-Members to adhere to the Declaration on International Investment and Multinational Enterprises”.

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instances” as outlined in the Procedural Guidance, but could rather note the importance of institutional arrangements, information and promotion. The second part of the session on the CIME would explain CIME responsibilities for the implementation procedures as outlined in the Council Decision. A brief discussion of the geographical scope of the instrument could also be a part of this discussion, which would be expected to include feedback from non-Member economies as well.

The third part of this session on BIAC, TUAC, and NGOs could involve social partners themselves. They would be invited to make brief presentations on aspects of their role in implementing the Guidelines, with particular emphasis on non-Members. This would lead naturally into the fourth session on the prospective role of non-Member economies themselves with respect to the Guidelines.

**Session II - Non-Member Economies and the Guidelines**

This session would focus on non-Members and the Guidelines, under two headings:

1. The Role of the Guidelines in the Investment Process
2. The Guidelines, the OECD Declaration, and non-Member Economies

The first part of the session would be a discussion in general terms, emphasising that as far as non-Members are concerned, the Guidelines will be most effective where non-Member governments are willing partners in the processes associated with them. It could also be expected to address questions related to the Guidelines and Declaration through the prism of the entities with an interest in the instruments, and how they and non-Members can work together to aid this process. This would include addressing how MNEs and other social partners see the revised Guidelines and other elements of the Declaration in the context of its contribution to an enhanced investment climate for non-Members. Links between the provisions of the Guidelines and investment promotion efforts by non-Members could also be explored.

The second part of this session would focus on more practical matters associated with non-Members and the Guidelines, including with respect to CIME’s responsibilities under the Council Decision to the possibility of holding exchanges of views on matters covered by the Guidelines with representatives of non-Members. Other aspects of the relationship between non-Members and the Guidelines in this context would include addressing the responsibility of NCPs to respond to enquiries from non-Member governments, and to develop an understanding of the issues involved, and where relevant and practicable follow the procedures outlined for implementation in specific instances as noted in the Procedural Guidance.

Possibilities for participation by non-Members in the work of the OECD with respect to the Guidelines and other investment instruments could be addressed in this session. As noted in footnote 2, above, at their June Ministerial meeting, OECD Ministers stated that “OECD will encourage non-Members to adhere to the Declaration on International Investment and Multinational Enterprises.” Other possibilities for non-Members to associate themselves with the work of the CIME and WPG could also be explored.

**Concluding Remarks**

The informal consultations with non-Members in February resulted in a paper [DAFFE/IME(2000)9] that reported on the results of the meeting. Similarly the results of the December meeting could be posted on the OECD website, and would also seek to identify opportunities for intensifying the dialogue with non-Members in the future.
Annex II

Non-Member Economies Invited to the February Informal Consultations on the Guidelines with the Extended CIME Bureau

(Economies indicated in bold were participants)

Bulgaria
China
Colombia
Costa Rica
Egypt
Estonia
Ghana
Hong Kong, China
India
Indonesia
Israel
Jamaica*
Latvia
Lithuania
Malaysia
Morocco
Pakistan
Peru
Philippines
Romania
Russia
Singapore
South Africa
Senegal
Slovenia
Chinese Taipei
Thailand
Tunisia
Uganda
Ukraine
Venezuela
Vietnam
Zambia
Zimbabwe

* Mr. Patrick Robinson (Jamaica), Judge at the International Criminal Tribunal for Former Yugoslavia, attended in his personal capacity.