This document reproduces a first outline for a UK NCP information booklet prepared by the UK delegation. Comments from other delegations would be welcome.
OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

DRAFT UK NATIONAL CONTACT POINT INFORMATION BOOKLET

Extract from Statement by the Right Honourable Richard Caborn MP, Minister for Trade, at OECD Ministerial Conference: 27 June 2000:

"We believe the revised guidelines can have a strong positive impact on Multinational Enterprises’ (MNEs) contributions to economic, environmental and social progress. This agreement will help ensure that the benefits of foreign investment are felt more widely, particularly in developing countries. The guidelines are the only multilaterally endorsed and comprehensive code of conduct for business that governments are committed to promoting. The guidelines express the shared values of OECD members which are the source of most of the world’s direct investment flows and home to most MNEs. The revised guidelines will complement and reinforce private sector efforts to define and implement responsible business conduct.

The UK is particularly pleased that, as a result of the review, the guidelines have been widened in scope to reinforce the core elements of the sustainable development agenda. We particularly welcome new elements covering the elimination of child and forced labour, promotion of human rights (a key UK objective), and the raising of MNE’s environmental performance.

The UK will primarily promote the guidelines through the UK National Contact Point (NCP), the clarified role of NCPs defined in the revised guidelines will assist our efforts. The UK will actively participate in future OECD discussions to promote best practice in NCPs.”

UK GOVERNMENT VIEW ON THE GUIDELINES

The Guidelines form an integral part of the UK Government’s policy towards corporate social responsibility. There is a growing expectation, not just from Government, that businesses should take account of the impact that they have on the societies in which they operate. By better understanding and improving their impact on society, businesses can create "win-win” situations. Communities will obviously benefit if business operations take more account of the needs of society. Many businesses have found that Corporate Social Responsibility can be linked to improved business performance through, for example, enhanced brand reputation, stronger links with stakeholders and better staff recruitment and retention.

[....AND State how the Government will be implementing through the UK NCP and what its role is. Refer to details of how to raise specific issues].
OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

What are they?

The Guidelines are a voluntary framework of "principles of good conduct" for international companies in their cross-border business activities, designed to help ensure that Multinational Enterprises (MNEs) act in harmony with the policies of countries in which they operate and with societal expectations. The Guidelines aim to prevent misunderstandings and build an atmosphere of confidence and predictability between business, labour, governments and society as a whole.

The Guidelines, first issued in 1976, are reviewed periodically. The latest review was launched in 1998 as part of a regular updating process to reflect changing social, economic and political conditions, and to achieve more effective implementation and wider dissemination. The revised texts were formally agreed at the OECD Ministerial on 27 June 2000.

- They are the only comprehensive, multilaterally-endorsed code of conduct for MNEs;
- They establish principles covering a broad range of issues in business ethics including employment and industrial relations, environment, information disclosure, competition, financing, corruption, taxation, and science and technology;
- They are designed to prevent misunderstandings and build an atmosphere of confidence and predictability between business, labour, governments and society as a whole;
- They are supported by OECD governments, who are committed to promoting their observance;
- They are supported by both the business community and trade union federations (The advisory bodies to the OECD - the Business and Industry Advisory Council and Trade Union Advisory Council - have endorsed the principles of the guidelines and have an active role in applying them.);
- Other Non-Governmental Organisations have also been heavily involved in the latest review of the guidelines and will have a greater input into their implementation than previously;

The following gives a brief factual summary of the texts of the guidelines and responsibilities of National Contact Points (NCPs). The summary is necessarily general and for a more comprehensive understanding of how the guidelines relate to a particular issue, or to ensure that an enterprise is fully aware of the areas covered, we strongly recommend obtaining a copy of the full texts available from the UK NCP (contact details at end of booklet).

General points about the Guidelines

Obeying domestic law is the first obligation of business. The guidelines are not a substitute for, nor should they be considered to override, local law and regulation. They are not intended to place an enterprise in a situation where it faces conflicting requirements between the Guidelines and domestic laws.

They are voluntary for enterprises.
They are intended to promote corporate behaviour in a positive way. Although there are provisions in specific cases for NCPs to make recommendations to enterprises, the main objective is to raise awareness of OECD governments' expectations so as to assist MNEs in shaping their own governance policies.

Co-operation between business, unions, NGOs, and individuals is essential to their effective implementation.

They are globally applicable, but there may well be difficulties in dealing with issues raised in non-adhering countries, particularly as they will not have NCPs.

The guidelines are not aimed at introducing differences in treatment between MNEs and domestic enterprises. They reflect good practice for all.

THE TEXTS

GENERAL POLICIES

This chapter sets out general areas for good corporate behaviour including contributing to sustainable development and respecting human rights.

DISCLOSURE

These provisions cover the public dissemination by MNEs of reliable and relevant information on their activities.

EMPLOYMENT AND INDUSTRIAL RELATIONS

A number of areas are covered in this chapter including provisions on rights to employee representation; non-discrimination; forced labour; and child labour.

ENVIRONMENT

These recommendations cover issues such as MNEs environmental management systems and the environmental impact of their actions.

COMBATING BRIBERY

These provisions reflect the OECD Convention and Recommendations on Bribery and Corruption criminalising bribery and corrupt practices. The Convention is available from......

CONSUMER INTEREST

Language in this chapter seeks to ensure that MNEs have respect for consumer rights including those on quality and safety of products.

SCIENCE AND TECHNOLOGY

These recommendations recognise that MNEs can have a significant role to play in improving local knowledge without compromising their intellectual property rights.
COMPETITION
MNEs should show respect for competition rules and not act in an anti-competitive manner.

TAXATION
This chapter covers MNE tax payments and provision of information for tax purposes.

ROLE OF NATIONAL CONTACT POINT (NCP)
These provisions require adhering countries to establish visible, accessible, transparent and accountable NCPs to promote, handle enquiries and discuss with concerned parties all matters covered by the guidelines. They also require NCPs to co-operate with each other and meet annually to share experiences and report on activities.

The texts then set out how NCPs will contribute to the resolution of issues relating to the guidelines and require each NCP to submit an annual report to the OECD.

ROLE OF OECD COMMITTEE ON INTERNATIONAL INVESTMENT AND MULTILATERAL ENTERPRISES (CIME)
This OECD Committee, comprising all OECD members and observers, has overall responsibility for the Guidelines. It clarifies their interpretation, considers NCP reports, and also deals with concerns about the operation of NCP. It has the authority to make recommendations for improving the Guidelines and the functioning of NCPs.

HOW TO RAISE A GUIDELINES ISSUE WITH THE UK NCP

Questions, comments and views about the Guidelines are welcome from any interested parties, including individuals. If you wish to raise an issue concerning corporate behaviour in relation to the guidelines the following sets out the various stages.

Is it for the UK NCP to handle? Generally, if the corporate action takes place in another adhering country (see Appendix for list) then it is for that country’s NCP to consider (an up-to-date list of other adhering countries’ NCPs is available from UK NCP or the OECD website). If the action takes place in the UK then the UK NCP is the appropriate NCP to contact. If the action takes place in a non-adhering country, but the MNE or part of MNE responsible is located in the UK, then the UK NCP is the appropriate contact. Please bear in mind that, given the global and often complex structural and operational nature of many MNEs, it is not always clear which particular part of an MNE is responsible for any action. This is important, as it will determine which NCP will deal with any specific issue. The UK NCP will be happy to assist in determining this in consultation with the company involved and other NCPs as appropriate.

What information is required? Clearly the more information we have, the easier it will be for the NCP to follow up comments received. As a basic requirement we will need to know:

• your identity and your interest in the matter,
• name of the MNE,
• the location of the action,
which part of the guidelines is considered relevant,
- description of the action with any supporting evidence,
- what can be revealed to the company e.g. identity of originator, documentary evidence, etc.

All this will help us to determine whether to pursue the issue further.

What will the NCP do? The NCP will consult the company in question and also any other interested parties, as appropriate. In deciding whether any further action is required, the NCP will take into account;

- the identity of the party concerned and its interest in the matter;
- whether the issue is material and substantiated;
- the relevance of applicable law and procedures;
- how similar issues have been, or are being, treated in other domestic or international proceedings;
- whether the consideration of the issue would contribute to the purposes and effectiveness of the Guidelines.

If the NCP decides that the issue does not merit further consideration, we will contact the originator explaining why this is the case. If the issue merits further consideration, then the NCP will again contact the originator and seek to contribute to its resolution. This can take the form of discussions with the company; interested parties such as the originator, relevant authorities, unions and other NGOs, and experts; consultations with NCPs; or seeking guidance from CIME on issues related to the interpretation of the Guidelines.

The aim of these discussions is to reach agreement with all parties on the issue raised and for the MNE to take appropriate action to resolve it if appropriate. If no agreement can be reached the NCP will, with the agreement of the parties involved, offer or facilitate access to consensual and non-adversarial procedures to assist in dealing with the issue.

If still no agreement can be reached, the NCP will issue a statement and, if appropriate, make recommendations on the implementation of the Guidelines.

The NCP will abide by confidentiality provisions (generally the proceedings on any issue will be confidential but the results will be transparent) and consult all concerned parties on handling of any issue.

Non-confidential information about an issue may be posted on the UK NCP web-site and may feature in the UK NCP annual report. Again parties concerned will be consulted.

Should there be any concerns about the procedures used by the NCP they can be raised in the OECD via the business and trade union advisory bodies (give contact details) or [Parliamentary Ombudsman?]. As the NCP will not be adjudicating, or otherwise determining, complaints about alleged "breaches” of the guidelines there is not an appeals procedure against NCP views in any specific case.
Contact Details

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OECD Website: http://www.oecd.org/daf/investment/guidelines/index.htm
Appendix

ADHERING COUNTRIES TO THE OECD GUIDELINES FOR MNEs

OECD Members

Australia
Austria
Belgium
Canada
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Italy
Japan
Korea
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Slovak Republic
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States

Non OECD Members:

Argentina
Brazil
Chile

A list of NCPs in the above countries is available from the UK NCP or from the OECD website - www.oecd.org/daf/investment/guidelines/ncp.pdf.