

REVIEW AND MONITORING OF SDGs after 2015: Models, Methods, Governance

Training Session

PART V: OECD Guidelines for MNEs

27-28 June 2015

The OECD Guidelines for Multinational Enterprises

Source: Presentation by Cristina TébarLess, OECD, May 2015, Beijing

OECD Guidelines for Multinational Enterprises (1)



- **A comprehensive legal instrument to promote responsible business conduct**
- **Recommendations from governments to multinational enterprises operating in or from their countries**
- **Aim to enhance business contribution to sustainable development**
- **Cover all areas of “business ethics”: disclosure, human rights, employment and industrial relations , environment , bribery, consumer interests, taxation, etc.**

OECD Guidelines for Multinational Enterprises (2)

- **Adopted in 1976, updated regularly to keep up to date, last update in 2011**
- **Aligned with all major international instruments for RBC (UNGP, core ILO Conventions, etc.)**
- **Part of OECD Declaration on International Investment, open to non-OECD countries**
- **Currently 46 adhering governments representing all regions of the world**
- **Endorsed by business, trade unions and civil society organisations**

Responsibilities of adhering governments

- **Implement the Guidelines and encourage their use by companies (domestic and foreign)**
- **Provide a policy environment that supports and promotes responsible business conduct**
- **Establish National Contact Points to further the effectiveness of the Guidelines**

Responsibilities of companies



- **Maximise positive impacts, minimise adverse impacts of company operations**
- **Carry out due diligence to identify, prevent and mitigate actual and potential adverse impacts**
- **Not only impacts related to a company's own operations but also directly linked to the company's operations, products or services by a business relationship (including through supply chain).**

The Guidelines in short



- **The most comprehensive international instrument on RBC-covers all areas of business ethics**
- **Global reach through supply chains**
- **Endorsed by stakeholders**
- **Harmonised (not competing) with other instruments**
- **The only RBC instrument with an implementation mechanism (NCP)**

The National contact points for the OECD Guidelines for Multinational Enterprises

Source: Presentation by Cristina TébarLess, OECD, May 2015, Beijing

What are National Contact Points?



- **Government agencies to help promote Responsible Business Conduct**
- **All countries adhering to the Guidelines for Multinational Enterprises must set up a National Contact Point to further the effectiveness of the Guidelines**
- **NCPs serve governments, business and stakeholders**

Criteria for NCPs

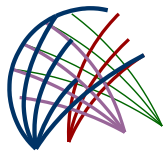
- **Governments must provide sufficient resources to allow the NCP to function**
- **Core criteria: transparency, visibility, accessibility, accountability**
- **Impartiality, independence, predictability**
- **Cooperation with other NCPs**
- **Governments are free to decide on structure (mono-agency, multipartite, independent, advisory body, etc)**

Key functions of National Contact Points

- **Promotion: disseminate the Guidelines and respond to enquiries**
- **Access to remedy: Contribute to the resolution of issues related to the conduct of a company through dialogue and good offices (specific instances)**
- **Guidance: Identify areas where additional guidance for companies is needed (sectors, regions, etc.)**

Promotion

- **NCPs help companies understand increasing expectations on RBC**
- **Organise events with business community, respond to requests from business and industry associations**
- **Engage with other stakeholders: trade unions, non-governmental organisations, other government agencies, parliament, etc.**



Diplomacy
Dialogue

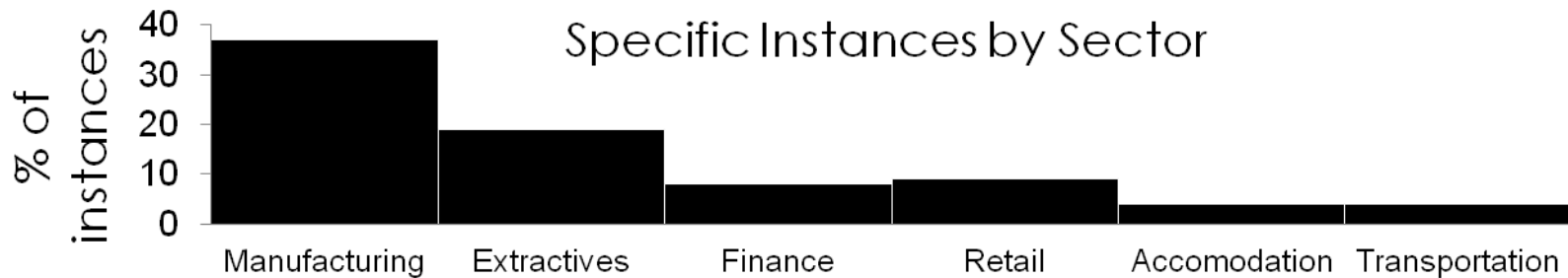
Access to remedy



- **Receive and address complaints from individuals or organisations regarding behaviour of a company**
- **Provide a platform for dialogue and conflict resolution**
- **Outcome can be an agreement by the parties, or a statement by the NCP**
- **NCPs provide access to remedy in all areas of RBC – thereby help strengthen implementation of other international instruments on RBC**

Some figures on access to remedy

More than 300 specific instances have been submitted between 2000 and 2014, covering operations in 90 countries.



Provide guidance on RBC

Pursue a proactive agenda that promotes the effective observance of the Guidelines by enterprises. This includes:

- **considering new developments and emerging practices concerning responsible business conduct;**
- **support the positive contributions enterprises can make to economic, social and environmental progress;**
- **participate in collaborative initiatives to deal with risks of adverse impacts associated with particular products, regions, sectors, industries.**

Some examples of “proactive agenda” (sector) projects

- **Due diligence guidance for responsible minerals supply chains**
- **Guide on meaningful stakeholder engagement in extractives sector**
- **Guidance for responsible textiles supply chains**
- **Guidance for investors in agricultural supply chains**

Thank you