

UK NATIONAL CONTACT POINT STAKEHOLDER EVENT

2 – 4.30pm on Monday 9th November 2009

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Department for Business, Innovation and Skills (BIS)

Conference Centre

1 Victoria Street, London SW1H 0ET

We invite you to participate in a multi-stakeholder discussion on the proposed update of the OECD Guidelines for Multinational Enterprises

Chaired by Julian Farrel (Chairman of UK NCP Steering Board)

UK NCP Steering Board Members representing Business, NGOs and Trade Unions will also be sharing their reflections on how the UK NCP process currently works, and their thoughts for changes to the OECD Guidelines

Refreshments available from 13.45

Please RSVP by 29 October 2009 to: UK.NCP@bis.gsi.gov.uk

The attached Annex provides some background on the proposed update of the OECD Guidelines.

More details will be provided in the information notice which should be circulated shortly.

Further information is also available on the UK NCP & the Guidelines from the UK NCP website:

www.bis.gov.uk/nationalcontactpoint

For any queries on this event, please contact:

Dal Dio (Mr)

UK National Contact Point

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tel : 00 44 (0) 20 7215 6344

ANNEX

PROPOSED UPDATE OF THE OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES

Background

1. The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (the Guidelines) are recommendations by 41 OECD and non-OECD governments covering all major areas of business ethics, including corporate steps to obey the law, observe internationally-recognised standards and respond to other societal expectations.
2. Adhering Governments are required to establish National Contact Points (NCPs). The role of the NCPs is to promote the Guidelines to the business community, employee organisations, Non-Governmental Organisations (NGOs) and other stakeholders. In addition to promoting the Guidelines, NCPs must implement the Guidelines' complaint procedure by considering allegations of multinational enterprises' behaviour that is inconsistent with the Guidelines. In the UK, the NCP consists of officials from the Department for Business, Innovation and Skills (BIS).
3. Since the review of the Guidelines in 2000, the landscape for international investment and multinational enterprises has continued to change rapidly. The world economy has witnessed a greater integration of patterns of production and consumption. Non-OECD countries are attracting a larger share of world investment and multinational enterprises from non-adhering countries have grown in importance. At the same time, the financial and economic crisis and the loss of confidence in open markets, the need to address climate change and green growth, and reaffirmed international commitments to development goals have prompted renewed calls from governments and social partners for high standards of responsible business conduct.
4. Against this background, at their Annual Meeting on 16-17 June 2009, NCPs recommended that under the auspices of the OECD Investment Committee, adhering countries review the experience gained with the implementation of the Guidelines with a view to defining terms of reference for a possible update of the instrument. Shortly thereafter, at the June 2009 OECD Council Meeting at Ministerial level, ministers welcomed "further consultation on the updating of the OECD Guidelines to increase their relevance and clarify private sector responsibilities". In line with this commitment, the UK Government broadly supports an update of the Guidelines.
5. The UK NCP will co-ordinate the UK Government's position on the update of the Guidelines.

UK consultation with stakeholders

6. The UK NCP has arranged stakeholder event on 9 November (at 2pm) and will also be publishing an information notice on the proposed review of the Guidelines. The main aims of this consultation process in the UK are to:
 - Collect the views of UK stakeholders on the priority areas for an update of the Guidelines based on (but not limited to) the potential terms of reference listed below;
 - Assist the UK Government in identifying options for possible technical or more substantive updates of the text of the Guidelines and Commentaries.

Potential terms of reference for the update of the Guidelines

7. In order to assist stakeholders in determining the areas deserving special attention in the context of consultations on an update of the Guidelines, the OECD Secretariat has provided the following list of issues that have been identified since the 2000 review:

- (a) Technical updates
- (b) Supply chain
- (c) Human rights
- (d) Disclosure
- (e) Environment
- (f) Consumer interests
- (g) Taxation
- (h) OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones (the Risk Awareness Tool)
- (i) NCPs' activities - NCPs' performance, including significant differences in institutional arrangements and the operation of specific instance facilities, has been a recurrent theme at past Annual NCP Meetings. The issues that have drawn particular attention include:
 - Functional equivalence.
 - Ensuring credibility and efficiency in the implementation of the Specific Instance procedure.
 - Dealing with parallel proceedings.
 - The applicability of the Guidelines to the financial sector.
 - Peer review.

Provisional timetable

8. The provisional timetable for the update of the Guidelines is:

- **October 2009** – UK NCP to circulate an information notice to stakeholders on the UK consultation on the potential terms of reference for an update of the Guidelines for multinational enterprises - seeking comments from stakeholders (by end of November 2009).
- **9 November 2009** – UK NCP Stakeholder event to discuss the proposed update of the Guidelines.
- **December 2009** - OECD Secretariat's consultation with stakeholders.
- **March 2010**- OECD Working Party of the Investment Committee agrees the terms of reference for an update of the Guidelines.
- **April 2010** – OECD Investment Committee formally approves the terms of reference for an update of the Guidelines.
- **June 2010** – OECD Annual Meeting of the NCPs formally announces and possibly launches the update of the Guidelines (marking 10th Anniversary of the 2000 review of the Guidelines).