

National Contact Points for Responsible Business Conduct

The OECD Guidelines for Multinational Enterprises (Guidelines) represent a global framework for responsible business conduct covering all areas of business responsibility including disclosure, human rights, employment and industrial relations, environment, anti-corruption, competition and taxation.

Countries adhering to the Guidelines are required to set up National Contact Points (NCPs) which are tasked with furthering their effectiveness. As part of their mandate, NCPs provide a mediation and conciliation platform for helping to resolve cases (known as “specific instances”) on the alleged non-observance of the Guidelines.

How do NCPs handle cases in practice?



1. Initial assessment The NCP evaluates whether the issues raised merit further examination and either accepts the case or publishes a statement explaining why it has not accepted the case.



2. Support The NCP offers its “good offices” (dialogue, mediation, conciliation services) to both parties with a view to resolving the issues.



3. Conclusion At the end of the process, the NCP publishes a statement regarding the issues raised in the case, the support offered by the NCP and the outcomes.

A unique grievance mechanism



SCOPE: Between 2000 and 2018, NCPs have handled more than 450 cases relating to company operations in over 100 countries and territories.



THEMES: The majority of cases since 2011 deal with human rights (57%), followed by general policies, which include expectations related to due diligence (53%), followed by employment and worker issues (40%) and environment (21%).



SECTOR: 31% of cases since 2000 relate to issues arising from multinational enterprises operating in the manufacturing sector.



SUBMITTERS: Trade unions and non-governmental organisations (NGOs) account for 43% (in total 86%) of the cases submitted to NCPs since 2000.



OUTCOMES: Between 2011 and 2018, approximately half of all cases which were accepted for further examination by NCPs (42%) resulted in some form of agreement between the parties; approximately 36% resulted in an internal policy change by the company in question.



IMPROVED GARMENT SUPPLY CHAINS

In January 2018, the NCP of Denmark concluded a case involving a coalition of NGOs and PWT, a garment brand that had been sourcing from a supplier located in the Rana Plaza complex prior to its collapse in 2013. The NCP developed a series of recommendations for PWT on how to strengthen its supply chain due diligence. During a follow up assessment, the NCP concluded that PWT complied with all recommendations including revising its RBC policy and engaging systematically in implementing its code of conduct among its suppliers.

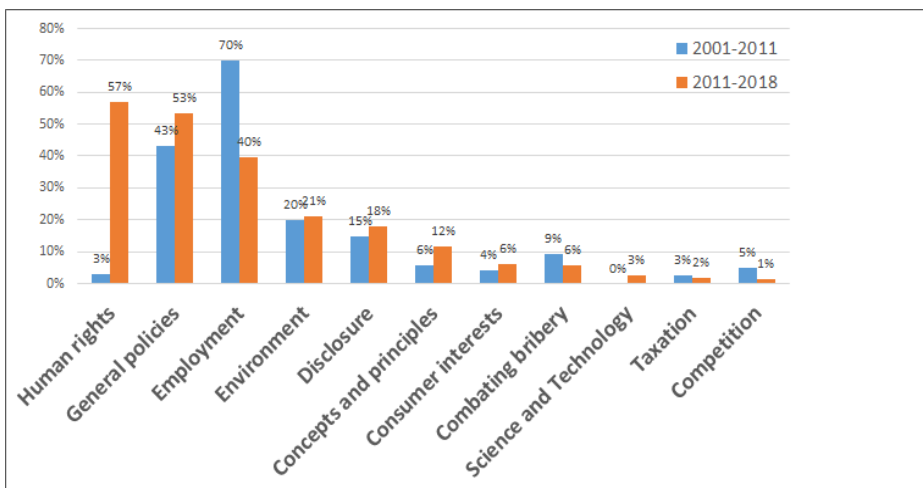


CLIMATE ACTION IN THE BANKING SECTOR

In April 2019, the NCP of the Netherlands concluded a case involving a coalition of NGOs and ING, a Dutch bank. Through the NCP-led mediation process ING made significant commitments to decrease its exposure to climate impacts. ING noted its intention to reach intermediary climate targets in line with the Paris Agreement. The parties also agreed that ING's adoption of innovative approaches towards measuring, target setting and steering the bank's climate impacts are a positive development.

Chapters of the Guidelines referenced in cases

(before and after 2011)



PROTECTING WORKERS RIGHTS

In October 2018, the NCP of Korea concluded a case involving Corning Inc., a technology company headquartered in the United States with operations in South Korea, and its workers' union. The case concerned allegations that Corning did not respect the Guidelines by failing to provide a time and place for collective bargaining.

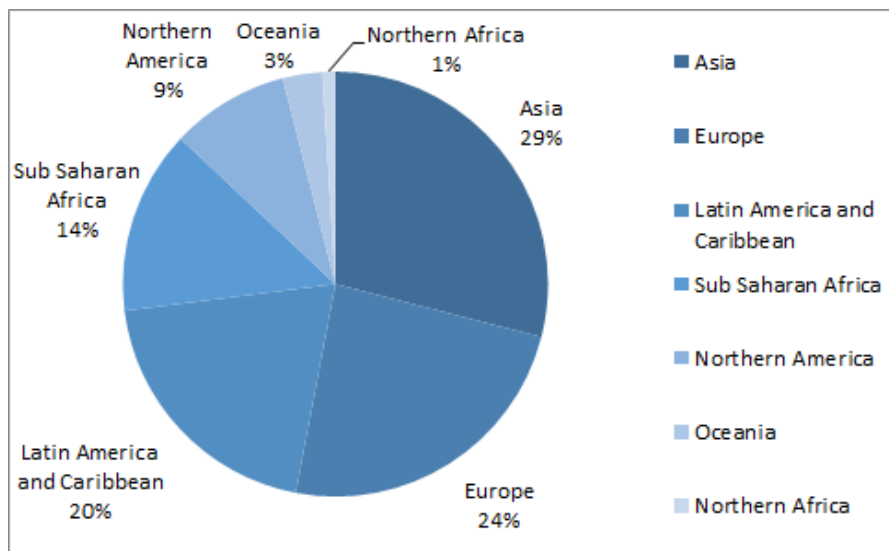
The NCP-led mediation resulted in an agreement between the parties on all of the issues tabled for discussion including deduction of union dues, the retroactive application of wage increases, workers' leave and space for a union office.

NCPs for RBC: Global reach

In total, 48 countries adhere to the Guidelines and have established an NCP. The geographical coverage of NCPs as non-judicial grievance mechanisms is global in scope. Between 2000 and 2018, NCPs have handled more than 450 cases relating to company operations in over 100 countries and territories in all five continents.

This is due to two factors. Firstly, countries where NCPs are located cover a large share of global investment, as many multinationals are located in these countries. Secondly, NCPs handle cases involving companies operating 'in or from' their countries. This means that NCPs address issues taking place in their country, and issues taking place abroad, involving companies headquartered in their country.

Cases by region (based on host countries) since 2011



Source OECD case database

Adherent countries and Foreign Direct Investment (FDI)

- 71% of global FDI outward flows
- 63% of global FDI inward flows
- 80% of global FDI outward positions
- 70% of global FDI inward positions

Source: OECD and IMF, OECD Directorate for Financial and Enterprise Affairs – Investment Division, 2014-2018

Strengthening the NCP network

There is strong political commitment to ensure that National Contact Points are an effective non-judicial grievance mechanism, and that they keep improving.



G7 Leaders' Declaration 2015

We commit to strengthening mechanisms for providing access to remedies including the National Contact Points for the OECD Guidelines for Multinational Enterprises. In order to do so, the G7 will encourage the OECD to promote peer reviews and peer learning on the functioning and performance of NCPs. We will ensure that our own NCPs are effective and lead by example.

G20 Leaders' Declaration 2017

We support access to remedy, and where applicable, non-judicial grievance mechanisms, such as the National Contact Points for the OECD MNE Guidelines (NCPs).

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In adherent countries approved the second Action Plan to Strengthen National Contact Points, which covers the period 2019-2021. The Action Plan contains four tracks of activities:

TRACK ONE: Peer Reviews and Capacity Building (i.e. ensuring that NCPs build capacity by learning from each other)

TRACK TWO: Building functional equivalence (i.e. ensuring that NCPs follow the core criteria in the Guidelines: visibility, accessibility, transparency, accountability)

TRACK THREE: Building and improving tools (i.e. ensuring that NCPs have the knowledge and tools necessary to fulfill their role as non-judicial grievance mechanisms)

TRACK FOUR: Promoting policy coherence (i.e. ensuring that NCPs promote RBC across government so that government policy aligns with RBC objectives)

OECD Ministerial Council

In May 2017, the OECD Ministerial Council, committed “to having fully functioning and adequately resourced National Contact Points, and to undertake a peer learning, capacity building exercise or a peer review by 2021, with the aim of having all countries peer reviewed by 2023.”

In May 2019, a Progress Report on NCPs was released at the Ministerial Council Meeting addressing the 2017 commitment.

For more information please visit: mneguidelines.oecd.org/ncps



mneguidelines.oecd.org