

## Chapter 3

### **OECD innovations and outreach**

*The OECD plays a key supporting role in the implementation of the Guidelines. With the Global Forum, launched in 2013, it provides a forum for government, business, trade union, civil society and international organisation representatives to discuss key RBC challenges. It also spearheads an active communications strategy for the promotion of the Guidelines and hosts a comprehensive database of specific instances brought to NCPs since 2001. This chapter reviews the OECD's work in this area during the June 2012-June 2013 reporting period.*

## Establishment of the Working Party on Responsible Business Conduct

On 28 February 2013, the Executive Committee of the OECD confirmed the decision of the Investment Committee to establish the WPRBC.<sup>1</sup> The tasks of this new working party are:

1. To assist in enhancing the effectiveness of the *Guidelines* and fostering the functional equivalence of NCPs.
2. To assist, in co-operation with the NCPs, in the implementation of the “proactive agenda”.
3. To engage, on behalf of the Investment Committee, with non-adhering countries on matters covered by the *Guidelines*, in particular with those non-adhering countries that have a special interest in promoting the principles and standards in the *Guidelines*, in conformity with the Resolution of the Council on Partnerships in OECD bodies.
4. To co-ordinate with and contribute to the activities on the Global Forum.
5. To periodically consult with BIAC, TUAC and OECD Watch and international partners on matters covered by the *Guidelines*; also consult with other OECD bodies, international organisations or experts as appropriate.
6. To undertake other tasks relating to the *Guidelines* and responsible business conduct as requested by the Investment Committee.

Roel Nieuwenkamp (Netherlands) and Maria Benedetta Francesconi (Italy) were designated as the first Chair and Vice-Chair of the new WPRBC. Brazil, France, Switzerland, United Kingdom and the United States were also invited to be members of the Bureau. The WPRBC met twice in the reviewed period, in March and June 2013.

### **Global Forum on Responsible Business Conduct**

In May 2012, the OECD upgraded the Annual Corporate Responsibility Roundtable into a Global Forum. It is viewed as an important tool for expanding and deepening OECD’s dialogue with non-OECD economies on responsible business conduct and a strategic component of the implementation of the revised *Guidelines* a global context. The mission of the Global Forum is to:

1. promote wider application of the principles and standards of the *Guidelines* with a view to fostering a level playing field between enterprises from adhering countries and non-adhering countries;

2. engage the Key Partners and other interested non-OECD countries on matters covered by the *Guidelines* and their implementation and encouraging their co-operation in this regard; and
3. exploit or develop synergies between the *Guidelines* and non-adhering countries' own corporate responsibility principles and standards.

The designated participants are Brazil, China, India, Indonesia and South Africa; the Russian Federation and the adhering countries to the *Guidelines*.

The inaugural meeting of the Global Forum took place at the OECD on 26-27 June 2013. The Global Forum brought together over 80 speakers and 500 participants from around the world representing policy makers, businesses, trade unions, and civil society to provide insights and exchange experiences on today's core challenges and opportunities in responsible business conduct. The live webcast of the Global Forum was followed by 650 viewers.

It was the first major international event after the collapse of the Rana Plaza garment factory on 24 April 2013 – the largest industrial accident in history that claimed over 1200 lives. The Global Forum provided a timely opportunity to discuss how the international community can contribute to making sure a similar tragedy is never repeated. The Global Forum also focused on responsible business conduct in the financial, extractive and ICT sectors which have broad ramifications in the world economy. The Global Forum concluded on the importance of working together in embedding responsibility in all business environments, and particularly in those that need it the most.

The Global Forum was promoted on the OECD's social media platforms (Twitter, Facebook, Google+). Tweets relating to the Global Forum (hashtag #OECDrbc) were posted on the Forum website in real time via a Twitter timeline. A TweetReach report generated for the 8 days from 21 June to 28 June, showed that #OECDrbc was cited in 572 tweets.

## New communications strategy

Forging a new visual identity for the *Guidelines* and supporting communication tools was the second most important achievement of the reporting period. The new identity consists of:

- A unique visual signature to be used by both the OECD and adhering governments in association with any *Guidelines*-related events and publications.
- A standalone website on the *Guidelines* with the separate URL [mneguidelines.oecd.org](http://mneguidelines.oecd.org) was launched at the time of the May 2013 OECD Ministerial Council Meeting. This new website is designed to be a central point for information on all matters relating to the *Guidelines* and a means of accessing national websites relating to the *Guidelines*. It displays, for example, up-to-date

information on NCP institutional arrangements and specific instances, promotional activities sponsored by adhering governments and stakeholders, initiatives taken in support of the proactive agenda, recent events and published material on the *Guidelines*.

- A database on specific instances to allow users to extract up-to-date information on all specific instances handled by NCPs since the creation of this mechanism in 2001 (close to 350 instances). In accordance with the Procedural Guidance as revised in 2011, NCPs are expected to make the results of every specific instance publicly available. The database disseminates official information on specific instances and NCP co-operation, and provides access to aggregated data.
- An interactive pdf template for the Common Reporting Framework was launched this year. In accordance with the Procedural Guidance as revised in 2011, NCPs must report annually to the Investment Committee on the nature and results of their promotional activities around the *Guidelines*. This year an interactive pdf format was introduced which facilitates the compilation, and comparability and analysis of the data collected from NCPs. The reporting format for specific instances mirrors that of the structure of the specific instance database. Multiple choices and dropdown lists make the report easier to complete and minimal intervention is required by OECD staff to post the reports on Olis. This improvement has been made possible through a voluntary contribution provided by Norway.
- A brochure entitled “The OECD *Guidelines for Multinational Enterprises – Responsible Business Conduct Matters*”, available in print and online.<sup>2</sup> This “handbook” provides basic information about the *Guidelines* and their implementation. NCPs and stakeholders have been encouraged to use the brochure as a common reference for their activities on the *Guidelines*.

## Outreach

Outreach was another important OECD deliverable on the *Guidelines* in the reporting period. It particularly led to the strengthening of OECD co-operation with the Asia-Pacific region.

### **OECD-ESCAP Conference of 15-16 October 2012**

A high level conference was organised with the UN Economic Commission for Asia and the Pacific (ESCAP) on the occasion of the 2012 the Asia-Pacific Business Forum in Kuala Lumpur in mid-October 2012. This event attracted over 200 public and private actors from China, South East Asia,

adhering countries and partner organisations. The conference discussed: a) the new landscape of international corporate responsibility instruments; b) tools for integrating corporate responsibility instruments into company decision-making processes; and c) the contribution of social dialogue and non-adversarial mechanisms such as NCPs for the resolution of societal issues in Asia and the Pacific.

OECD Deputy-Secretary General Richard Boucher, ESCAP Director Dr Ravi Ratnayake, BIAC Secretary-General Tadahiro Asami and Malaysia Global Compact Network Director Tan Lin Lah delivered the opening addresses while ESCAP Business Advisory Council Chairperson Datuck Seri Mohameb Iqbal Rawther and Malaysia Ministry of International Trade and Industry Secretary-General Rebecca Fatima Sta Maria, presented the conclusions of the Conference.

A bilateral meeting was also organised between DSG Boucher and ESCAP Executive Secretary Nooleen Heyzer. Dr. Heyzer expressed her appreciation for the excellent co-operation between ESCAP and OECD in various areas. It was agreed that the two organisations should co-sponsor a special event on responsible business conduct as part of the ESCAP's Third Trade and Investment Week which will be held at ESCAP headquarters in Bangkok in the week of 18 November 2013 and to conclude an MOU on that occasion. These tentative plans have been re-confirmed on the occasion of Dr Heezer's participation at the inaugural meeting of the OECD Global Forum on RBC, on 26-27 June 2013.

### ***Davos working dinner on “Business for Society”, 23 January 2013***

On 23 January 2013, the OECD organised a working dinner on “Business Society in MENA and Eurasia: Towards a Framework for Action” that took place in Davos. Over 30 leaders from business, government, academia and non-profit organisations attended the event. In his opening remarks, the OECD Secretary-General Angel Gurría highlighted the most significant outcomes of the 2011 update of the *Guidelines* and their relevance for the region. He further insisted that a “proactive agenda” is a key success for implementing RBC, as well as committed champions and multi-stakeholder partnerships.

The event was organised around four roundtables: a) making the most of the *Guidelines*; b) monitoring and evaluation of RBC; c) getting the RBC infrastructure right; and d) achieving scale and impact from RBC initiatives. Participants shared good practices on these themes and each table provided a short summary of their discussion. The Secretary-General concluded by stressing the importance of using all possible vectors to promote RBC.

### **Panel discussion discussions at the 2013 World Bank/IMF Civil Society Policy Forum, 19 April 2013**

On 19 April 2013, the OECD was invited to hold a panel on the first two years of implementation of the *Guidelines* at the 2013 World Bank/IMF Civil Society Policy Forum. This event, organised on the occasion of the IMF 2013 Spring Meeting, was attended by several government, business, trade and civil society representatives. The discussions were chaired by the US NCP and focussed on constructive solutions to the non-observance of the *Guidelines*, efforts to improve mediation capacities of National Contact Points, specific projects on responsible business conduct in the financial and extractive sectors, lessons learned and outreach activities. It was agreed that this *Guidelines* event should become a standard feature of the World Bank/IMF Civil Society Policy Forum.

### **Signature of the OECD-ICC Memorandum of Understanding**

On 7 November 2012, in Amman, Jordan, the OECD and the International Coordinating Committee of National Human Rights Institutions signed an MOU to promote respect by multinational enterprises of the new human rights chapter of the *Guidelines* and the UN Guiding Principles for Business and Human Rights.

The purpose of the MOU is to establish a program of co-operation over three years to promote greater understanding, visibility and use of the *Guidelines* and the NHRI Paris Principles mandate, towards greater respect for human rights in the sphere of business activities, and to exploit the synergies and complementarities between the parties and develop co-operation in such areas in support of this goal.

The ICC Chair welcomed the MOU as “important step” and reaffirmed “ICC support to the implementation of the new human rights chapter of the *Guidelines*”. The OECD highlighted the “essential role of National Human Rights Institutions in supporting the implementation of the *Guidelines*”.

### **RBC in Costa Rica, Jordan and Malaysia: highlights and challenges**

The proposal of Costa Rica to adhere to the OECD *Declaration on International Investment and Multinational Enterprises* and the Investment Policy Reviews of Jordan and Malaysia each devote a chapter on country policies and initiatives for promoting RBC.

#### **Costa Rica**

Costa Rica has yet to develop a comprehensive national strategy on RBC, a series of initiatives were undertaken to promote RBC in the country, including partnerships with stakeholders and the private sector. Costa Rica also engaged in

international initiatives such as the ratification of international instruments covering RBC areas. The government has implemented reforms to establish disclosure requirements, has set in place a comprehensive and institutional framework for protecting human rights and has implemented effective environmental policies, which serve as a model in this field. On the other side, efforts will be required in certain areas, in particular with regard to stakeholder engagement with affected indigenous communities, enforcement of international instruments related to freedom of association and collective bargaining and addressing corruption in business.

### **Jordan**

By adhering to the *Guidelines*, Jordan will show its commitment to promote the *Guidelines* and their observance by companies. The national context presents however important challenges since the concept of RBC is relatively new in Jordan. The level of awareness is low and there is no comprehensive national policy. Other challenges include, but are not limited to, improving disclosure and reporting practices, better integrating human and labour rights international standards within national legislation and practices and improving respect for human rights by enterprises, improving social dialogue with regard to labour issues, promoting greener business conduct and reinforcing consumer protection. Jordan is taking steps to address those challenges. In this context, it is worth mentioning that Jordan has developed a Corporate Governance Code based on the OECD *Principles of Corporate Governance*.

### **Malaysia**

The first OECD Investment Policy Review of Malaysia published in 2013 includes an overview of Malaysian RBC-related policies, activities and practices, which shows that Malaysia is strongly committed in strengthening the framework for promoting RBC. A number of policy and institutional advances were seen in the past years, in particular with regard to environmental protection and promoting green investment. Government initiatives to promote RBC in Malaysia include requirements for public-listed companies to disclose their CSR activities and a framework to guide the implementation and reporting of RBC activities by listed companies that was launched in 2006 by the country's stock exchange. Public-private partnerships on CSR and other initiatives such as prestigious awards for RBC activities are acting as important incentives to foster RBC among companies.

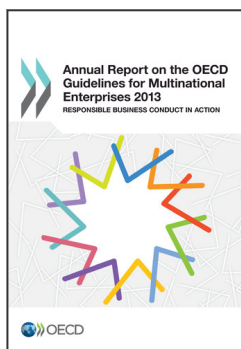
Many challenges remain in this field, in particular in the area of labour relations where Malaysia needs to narrow the gap with international RBC best practices. Carrying out consultation with representatives from business community, civil society and partnerships on policy developments and improving governmental co-ordination of RBC-related policies and activities

would also be beneficial for Malaysia. As Malaysian enterprises are now becoming global players with significant investment abroad, Malaysia would send a strong signal to its outward investors and the global community by adhering to the *Guidelines*.

**Notes**

1. See of the Decision of the Council on the *OECD Guidelines for Multinational Enterprises* as amended in 2011.
2. [http://mneguidelines.oecd.org/MNEguidelines\\_RBCmatters.pdf](http://mneguidelines.oecd.org/MNEguidelines_RBCmatters.pdf).





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