

## **Statement to Governments adhering to the OECD Multinational Enterprise Guidelines from interested NGOs**

**6<sup>th</sup> June 2000**

1. The undersigned Environment, Development, Consumer and Human Rights Non-Governmental Organisations (NGOs) thank the OECD for this opportunity to express our views on the current review of the OECD Guidelines for Multinational Enterprises (the Guidelines). We applaud the efforts made by the Chair of the Working Party on the Guidelines, Mr. Marinus Sikkel, to encourage civil society participation in the review, and urge the OECD to further develop open and accountable procedures, which enable wider civil society participation.
2. The latest review sets new and explicit standards for Multinational Enterprises (MNEs) to observe both within and outside the OECD area. We welcome the incorporation of measures such as the elimination of forced- and child labour, whistleblower protection, and implementation of the precautionary principle. The Guidelines make clear that MNEs have a shared responsibility to contribute to the promotion of and respect for international human rights and sustainable development. We explicitly welcome references in the commentary to the Guidelines to key international standards such as the Universal Declaration of Human Rights, the Rio Declaration, the Århus Convention on Access to Information and Public Participation in Decision Making and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.
3. We have also been encouraged by some positive steps taken by the Working Party to improve the implementation procedures of the Guidelines by clarifying global coverage, introducing some transparency and extending participation. In these ways they extend a possibility of increased accountability of MNEs to civil society both in the countries where the companies are registered and where they engage in business activities.
4. Despite such positive steps, we retain serious concerns regarding both the content and proposed implementation of the Guidelines. The revised Guidelines still fail to fully reflect or respond to public experience of the impacts of MNEs. Whilst we would prefer to see the text strengthened further, the key test of the Guidelines is their implementation. If adhering Governments fail to implement the Guidelines vigorously, transparently and effectively world-wide, then NGOs will be left with no option but to actively and publicly oppose the Guidelines.
5. We are disappointed that the OECD Governments chose a combination of voluntary low level standards with a weak implementation mechanism, which in some ways offers the worst of both worlds. Any weakening of the revised text would undermine the potential effectiveness of the Guidelines and could render them irrelevant. The weak text already risks the marginalisation of the OECD as a standard-setter for MNE behaviour. Unless implementation is conducted in good faith there is a real risk that the Guidelines will be used to justify behaviour and practices by multinational enterprises which undermine sustainability.
6. The adequacy of the proposed implementation procedure relies almost entirely on the will of Governments - through their National Contact Points (NCPs) - to deal openly and effectively with specific cases. Will complaints from NGOs or members of the interested public lead to improvements in corporate practice, through a real risk to their public reputation? Or will

complaints be ignored or bogged down in secretive procedures leading to meaningless ambiguous statements? Too much is left to the discretion of individual NCPs in these respects, especially in the content of reporting on specific instances. And, should an NCP fail to interpret the guidelines in a consistent manner we are concerned that NGOs and the interested public have no opportunity to make representations to the relevant OECD committee. The result of this discretion, at worst, would be inappropriate and potentially wide-ranging variation in the standards of application of the guidelines in different countries.

7. The key to effective implementation is a presumption of transparency of procedures as well as outcomes, with strictly limited grounds for confidentiality. NGOs intend to observe and where possible, participate in the implementation of the Guidelines - especially by bringing forward specific instances of grave concern. We urge adhering Governments to adopt implementation mechanisms that guarantee global application and implementation of the Guidelines, involve a presumption of transparency in both procedures and outcomes and are open – at all levels – to NGOs and the interested public.

8. Governments have accepted the argument put forcefully by business during the review that the Guidelines should not be ‘mandatory in fact or effect’. The undersigned NGOs believe that this concession is fundamentally out of step with the experience and expectations of many communities around the world who face enormous obstacles and even dangers in holding multinationals to account for their damaging acts or omissions. As a result, NGOs will continue to call for a binding international instrument to regulate the conduct of multinational corporations.

9. In conclusion, we urge adhering Governments to treat these Guidelines as only a first step in the right direction of establishing true corporate accountability and responsibility in the interests of achieving sustainability, and to take the following steps, collectively and individually:

- a) To further improve, or as an absolute minimum, maintain the standards and recommendations set out in the current text;
- b) to adopt implementation mechanisms which guarantee global application and implementation of the Guidelines; involve a presumption of transparency in both procedures and outcomes and are open - at all levels - to NGOs and the interested public;
- c) to ensure the vigorous implementation of the Guidelines in a universal, transparent and inclusive manner, and not to allow the discretion of NCPs to lead to damaging variation in standards of application; and
- d) given escalating public concern over MNEs, to agree to conduct a further review within three years.

10. In our view, these recommendations constitute a test of whether Governments are serious about this undertaking. If so, the undersigned NGOs will be prepared to work with them in the hope of continuously improving the effectiveness of these Guidelines. If not, civil society will not be prepared to tolerate what would then be an insufficient approach to a matter of such global significance.

*Signed by:*

*Action for World Development NSW Inc - Australia*  
*Actionaid Ireland - Ireland*  
*Ágora - Global Forum On Sustainable Food And Nutritional Security - Brasil*  
*American Lands Alliance - United States*  
*Amnesty International Dutch Section - The Netherlands*  
*Amnesty International UK Business Group- United Kingdom*  
*ANPED, the Northern Alliance for Sustainability - International*  
*APHEDA, Union Aid Abroad - Australia*  
*Asia-Pacific Environmental Exchange - United States*  
*Australian Consumers' Association - Australia*  
*Australian Council for Human Rights - Australia*  
*Bangladesh Campaign to Ban Landmines (BCBL) - Bangladesh*  
*Centre for International Environmental Law (CIEL) - International*  
*Centre for Science and Environment - India*  
*Centro Peruano de Estudios Sociales - CEPES - Peru*  
*Clean Air Action Group - Hungary*  
*Communauté de travail - Swiss Coalition (Swissaid/Action de carême/Pain pour le prochain/Helvetas/Caritas) - Switzerland*  
*Consumer Unity and Trust Society (CUTS) - India*  
*Danchurch Aid - Denmark*  
*Defenders of Wildlife - United States*  
*Earthlife Africa - South Africa*  
*Eco Accord - Russia*  
*Ecological society "Green Osijek"-Croatia*  
*Environmental Youth Club "Terra" - Bulgaria*  
*European Public Health Alliance - International*  
*Forum for Protection of Public Interest ( PRO PUBLIC) - Nepal*  
*Friends of the Earth - United States*  
*Friends of the Earth- England, Wales, and Northern Ireland*  
*Friends of the Earth Finland - Finland*  
*Friends of the Earth Greece/ "Nea Ecologia" - Greece*  
*Friends of the Earth International - International*  
*Friends of the Earth Macedonia/DEM - Macedonia*  
*German Forum for Environment and Development - Germany*  
*Global Response - United States*  
*Government Accountability Project- United States*  
*Green Action - Croatia*  
*Humanitarian Group for Social Development - Lebanon*  
*Ibis - Denmark*  
*ICA - Ghana*  
*India Committee of the Netherlands (ICN) - the Netherlands*  
*Integrative Strategies Forum - United States*  
*Intermon - Spain*  
*International Friends of Nature - International*  
*International Society for the Preservation of the Tropical Rainforest, ISPTR - United States*  
*Jesuit Center for Theological Reflection - Zambia,*  
*KULU - Women and Development - Denmark*

*MS - Denmark*  
*Natural Resource Defence Council - United States*  
*NC -IUCN -The Netherlands*  
*NCOS/11.11.11. - Belgium*  
*Network for Environmental and Economic Responsibility of the United Church of Christ - United States*  
*New Economics Foundation - United Kingdom*  
*Norwegian Church Aid - Norway*  
*Oxfam - Ireland*  
*Oxfam - United Kingdom*  
*Oxfam Belgique - Belgium*  
*Oxfam Ireland - Ireland*  
*Sierra Club (including Sierra Club du Canada)- International*  
*SOMO - Netherlands*  
*StopMAI Coalition - Australia*  
*Swindon Friends of the Earth - United Kingdom*  
*Teesside One World Centre - United Kingdom*  
*The Cornerhouse - UK*  
*The Edmonds Institute - United States*  
*The Forest Peoples Programme - International*  
*The Gaia Trust, Lincolnshire - United Kingdom*  
*The Save the Children Fund - United Kingdom*  
*Tools for Transition -the Netherlands*  
*Traidcraft Exchange- United Kingdom*  
*World Economy, Ecology & Development Assoc. (WEED) - Germany*  
*World Vision partnership of NGOs - International*  
*WtwatchACT - Australia*  
*WWF - International*  
*WWF - United Kingdom*  
*Youth Approach for Development & Cooperation (YADC) - Bangladesh*

*Also endorsed by:*

*Dr Caroline Lucas, Green Member of the European Parliament*  
*Glenn Lockitch, member of the Australian Free Trade and Investment Network (AFTINET) - Australia*  
*Iain Beath, The Old Forge, United Kingdom*  
*John Braithwaite, Professor and Chair, Regulatory Institutions Network, Australian National University - Australia*  
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