



PRESS RELEASE

Embargoed: 00.01
Monday 10th November 2008

Greater Controls Needed to Curb Corporate Abuse

Against the backdrop of the global financial crisis, UK civil society groups and the Trades Union Congress (TUC) are calling for tighter regulation of companies and financial institutions in a new report, *Fit for Purpose? A Review of the UK National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises 2008*, released today.

In 2005, MPs challenged the government to resolve inadequacies of the UK NCP: the government unit which is supposed to provide a degree of accountability for the environmental and human rights impacts of British companies operating abroad. This resulted in significant reforms to the NCP procedures. However, the findings in this new report indicate considerable problems remain and more needs to be done.

Despite the reforms, the backlog of older cases has not been dealt with effectively: a complaint against Anglo American plc took six years to conclude. Under the new procedures, introduced a year ago, the NCP is committed to attempting to conclude cases within 12 months. The authors of the report go on to argue that promotion of the OECD Guidelines without effective enforcement is a hollow exercise and that stronger controls are needed to ensure sustainable and responsible investment, particularly in volatile or unstable parts of the world.

Patricia Feeney, Executive Director of Rights and Accountability in Development (RAID) said:

"The government should act now to provide guidance to companies operating in weak governance or conflict zones and to strengthen the human rights provision of the OECD Guidelines."

Brendan Barber, General Secretary of the Trades Union Congress, said:

"British based companies operating abroad need to be able to be held accountable for their social and environmental impacts. A fully consultative and well resourced National Contact Point is a vital part of this process. In addition we look forward to seeing further developments to ensure that our businesses operate in a clear and transparent manner throughout their global supply chains."

Hannah Ellis, Coordinator of The Corporate Responsibility (CORE) Coalition added:

“The government should recognize the inherent limitations of the NCP and be prepared to consider other reforms in order to provide effective redress mechanisms for victims of abuse committed by UK corporations in other jurisdictions.”

The government is to review the new procedures before the end of the year.

Notes for Editors

1. Copies of the report can be downloaded [here](#)

“A Review of the UK National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises 2008” is a report by [Rights & Accountability in Development \(RAID\)](#) in association with [The Corporate Responsibility \(CORE\) Coalition](#) and [The Trades Union Congress \(TUC\)](#).

2. The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises set out a broad range of voluntary, socially responsible business principles for companies to follow. These apply to companies based in any OECD country that has signed up to them, irrespective of where in the world those companies operate.

3. The government agreed to review the effectiveness of the changes to the UK NCP one year after the introduction of the reforms, that resulted from the multi-stakeholder consultation, after the first full year of operations.

4. Criticisms of the UK NCP procedures were raised by the All-Party Parliamentary Group on the Great Lakes Region of Africa in relation to the handling of allegations made by the UN against British companies operating in the Democratic Republic of the Congo. See APPG ‘The OECD Guidelines and the Democratic Republic of the Congo’ (February 2005).

5. For further information contact:

Patricia Feeney, Executive Director of Rights and Accountability in Development (RAID)
Tel: 01865-515-982 or 07796178447 (m)

Hannah Ellis, Coordinator, The Corporate Responsibility (CORE) Coalition Tel: 0207 566 1601 or 07952 876 929 (m)

Sam Gurney, Policy Officer, The Trades Union Congress (TUC) Tel: 020 7467 1395 or 07876 503 963 (m)