

**13th July 2006**

## **BOOST FOR RESPONSIBLE BUSINESS OVERSEAS**

Plans to strengthen the operation of the UK's National Contact Point (NCP) for the OECD Guidelines for Multinational Enterprises were announced today by Ian McCartney, Minister of State for Trade, Investment and Foreign Affairs.

The NCP is responsible for promoting the Guidelines — voluntary principles and standards recommended to multinational enterprises by OECD and other adhering governments — and for working with businesses, employees and other parties to resolve allegations that the Guidelines have not been followed.

In response to a consultation, the Government is now increasing the effectiveness of the NCP in encouraging responsible business activity overseas.

As well as refocusing the NCP to include the Department for International Development (DfID) and the Foreign and Commonwealth Office (FCO) as well as the DTI, the Government will further enhance the effectiveness of the NCP by:

- Establishing a Steering Board, including independent members as well as representatives of all Government Departments with an interest in the Guidelines, to oversee the operation of the NCP;
- Ensuring that complaints are dealt with more rigorously by tightening timescales and procedures and improving transparency; and
- Clearly identifying firms which breach the Guidelines and providing specific guidance in respect of their future conduct.

Mr McCartney, said:

“We are taking action to ensure that the National Contact Point can promote and fully implement the OECD Guidelines. This will help to deter irresponsible business conduct overseas and maintain the Government's approach of encouraging a culture of corporate social responsibility.

“We will introduce detailed timescales and procedures for considering complaints and select independent members for the Steering Board, both following further consultation.

“These changes will mean more expertise, greater transparency and swifter action against those who fail to follow these Guidelines in the future.

“In this consultation we listened to all interested parties. I would like to pay particular tribute to the All Party Parliamentary Group on the Great Lakes Region and Genocide Prevention and its Joint Working Group.

“We will consult again with businesses and NGOs in a year’s time to review the changes to the NCP.”

Hilary Benn, the Secretary of State for International Development, said:

"This shows that the UK is committed to ensuring that British businesses operating in developing countries do so in a responsible and transparent way.

“Jobs, economic growth and broader development help eradicate poverty, which is why we are working with companies, NGOs and governments to stamp out bad business practice.

“Better implementation of the Guidelines will help us to do this.”

In response to a February 2005 report from the All Party Parliamentary Group on the Great Lakes Region and Genocide Prevention on the effectiveness of the application of the Guidelines to the Democratic Republic of Congo, the Government published a consultation document in September 2005 seeking responses from businesses and non-governmental organisations.

The Department of Trade and Industry received 11 written responses to the consultation, and as a result measures will be introduced to improve the NCP’s ability to promote and implement the Guidelines

The written responses to the consultation can be found at:  
[www.dti.gov.uk/europeandtrade/trade-policy/oecd-multinat-guidelines/Stakeholder%20Consultation/page23717.html](http://www.dti.gov.uk/europeandtrade/trade-policy/oecd-multinat-guidelines/Stakeholder%20Consultation/page23717.html).

### Notes to Editors

The Organisation for Economic Cooperation and Development’s Guidelines for Multinational Enterprises are recommendations addressed by adhering Governments—the 30 OECD members plus Argentina, Brazil, Chile, Estonia, Israel, Latvia, Lithuania, Romania and Slovenia—to multinational enterprises operating in or from their territory.

The Guidelines were first agreed in 1976. They were revised in 2000, at which time adhering governments also undertook to establish National Contact Points (NCPs), responsible for both promoting the Guidelines and assisting in resolving problems arising from multinationals’ adherence to them.

The Government received 10 written responses to the consultation from both businesses and NGOs by January 2006. The All Party Parliamentary Group

on the Great Lakes Region and Genocide Prevention also set up a joint working group comprised of representatives from businesses and NGOs to examine how to boost the effectiveness of the NCP and to explore the scope of establishing common ground between them on frameworks for business conduct. The group submitted its response in June 2006.

The UK NCP has to date been located in the Europe and World Trade Directorate of DTI.