

**The OECD Guidelines for Multinational Enterprises:
a potentially powerful multi-stakeholder tool for advancing corporate accountability**

**An NGO Perspective on the OECD Guidelines:
better than voluntary CSR standard, but not good enough
to ensure transparency and corporate accountability**

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OECD Watch, the international NGO network

- was founded in 2003 by 13 northern NGOs (presently 60 from 33 countries)
- to test the effectiveness of the OECD Guidelines,
- analyze and compare the functioning of the mandatory implementation and complaint mechanism, the National Contact Points (NCPs),
- share experiences and strategies between NGOs,
- assist NGOs who may wish to file complaints
- lobby for improvements in the implementation of the Guidelines and the creation of binding international instrument for enhancing corporate accountability.

To strengthen its constantly growing membership's capacity to make the best possible use of the Guidelines, OECD Watch provides:

- a highly informative website, www.oecdwatch.org,
- newsletters, briefings, and reports on the functioning of the Guidelines and the NCPs
- training workshops in various parts of the world on the use of the Guidelines and
- a database with detailed information on complaints raised and their handling by NCPs.

Why are the OECD Guidelines of interest to civil society?

They:

- represent a commitment from OECD Governments towards responsible behavior of their MNEs wherever in the world they conduct business,
- cover a broad range of issues (labor, human rights, environment, corruption, taxation, etc.);
- provide an internationally accepted frame of reference for CSR, endorsed by business, trade unions and to some extent NGOs; and they
- function as a semi-judicial instrument and thus may be considered as a step towards international binding rules for acceptable corporate behavior.

Further points of interest include:

- the requirement of adhering Governments to set up National Contact Points (NCPs)
- the requirement for NCPs to undertake promotional activities
- the possibility for trade unions and NGOs to raise complaints at NCPs for alleged violations by corporations.

Positive elements and potentials of the Guidelines

- Way to address issues of corporate behavior at Governmental level
- Possibility to exert pressure from MNE headquarters to subsidiary or from buyer to supplier
- Reference tool to monitor and change the behavior of MNEs
- Cooperation and international solidarity among NGOs working towards improving corporate behavior.

Systemic and operational weaknesses

- No sanction mechanism
 - Weak on supply chain responsibility
 - Lack of investigative powers of NCPs
 - Protection of corporate interests by NCPs
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More information on the OECD Guidelines for MNEs, the functioning of the NCPs, the complaint mechanism and cases filed is available on www.oecdwatch.org

Key recommended sources available on this site include:

- 2006 **Guide to the OECD Guidelines for MNEs**, an OECD Watch training manual for NGOs including some model case studies on filing complaints
- 2005 **OECD Watch Five Years on: A Review of the OECD Guidelines and National Contact points**, a trilingual (English, Spanish and French) review of five years of NGO experience with using the Guidelines and some serious recommendations on how matters might be improved.
- **OECD Watch Newsletter** published three times per year
- **Case database** and the **Quarterly Case Updates** , overviews and detailed information on complaints filed

Furthermore the OECD Watch website included special issues and briefing papers, e.g.:

- 2006 The **Confidentiality Principle**, Transparency and the Specific Instances Procedure
- 2005 – The OECD Guidelines for MNEs and **Supply Chain Responsibility**