National Contact Points for Responsible Business Conduct

The OECD Guidelines for Multinational Enterprises (Guidelines) represent a global framework for responsible business conduct covering all areas of business responsibility including disclosure, human rights, employment and industrial relations, environment, anti-corruption, competition and taxation.

Countries adhering to the Guidelines are required to set up National Contact Points (NCPs) which are tasked with furthering their effectiveness. As part of their mandate, NCPs provide a mediation and conciliation platform for helping to resolve cases (known as "specific instances") on the alleged non-observance of the Guidelines.

How do NCPs handle cases in practice?

1. **Initial assessment** The NCP evaluates whether the issues raised merit further examination and either accepts the case or publishes a statement explaining why it has not accepted the case.

2. **Support** The NCP offers its "good offices" (dialogue, mediation, conciliation services) to both parties with a view to resolving the issues.

3. **Conclusion** At the end of the process, the NCP publishes a statement regarding the issues raised in the case, the support offered by the NCP and the outcomes.
In January 2018, the NCP of Denmark concluded a case involving a coalition of NGOs and PWT, a garment brand that had been sourcing from a supplier located in the Rana Plaza complex prior to its collapse in 2013. The NCP developed a series of recommendations for PWT on how to strengthen its supply chain due diligence. During a follow up assessment, the NCP concluded that PWT complied with all recommendations including revising its RBC policy and engaging systematically in implementing its code of conduct among its suppliers.

In October 2018, the NCP of Korea concluded a case involving Corning Inc., a technology company headquartered in the United States with operations in South Korea, and its workers’ union. The case concerned allegations that Corning did not respect the Guidelines by failing to provide a time and place for collective bargaining. The NCP-led mediation resulted in an agreement between the parties on all of the issues tabled for discussion including deduction of union dues, the retroactive application of wage increases, workers’ leave and space for a union office.

In April 2019, the NCP of the Netherlands concluded a case involving a coalition of NGOs and ING, a Dutch Bank. Through the NCP-led mediation process ING made significant commitments to decrease its exposure to climate impacts. ING noted its intention to reach intermediary climate targets in line with the Paris Agreement. The parties also agreed that ING’s adoption of innovative approaches towards measuring, target setting and steering the bank’s climate impacts are a positive development.
A global instrument

Currently, 48 countries adhere to the OECD Guidelines and have established an NCP. The geographical coverage of NCPs as non-judicial grievance mechanisms is however global in scope, and cases handled by NCPs have covered issues taking place in over 100 countries and territories in all five continents.

This is due to two factors. First, countries where NCPs are located cover a large share of the world’s investment, as many of the world’s multinationals are located in these countries. Second, NCPs may handle cases involving companies operating ‘in or from’ their countries. This means that NCPs may not only address issues taking place in their territory, but also issues taking place abroad and associated with companies headquartered in their territory.

Countries with an NCP

- **Red:** OECD Member Countries
- **Blue:** Countries adhering to the Guidelines

Share of NCP network countries in global Foreign Direct Investment (FDI)

- 71% of global FDI outward flows
- 63% of global FDI inward flows
- 80% of global FDI outward positions
- 70% of global FDI inward positions

Source OECD case database
Strengthening the NCP network

There is strong political commitment worldwide to ensure that National Contact Points are an effective non-judicial grievance mechanism, and that they keep improving.

"G7 Leaders’ Declaration 2015
We commit to strengthening mechanisms for providing access to remedies including the National Contact Points for the OECD Guidelines for Multinational Enterprises. In order to do so, the G7 will encourage the OECD to promote peer reviews and peer learning on the functioning and performance of NCPs. We will ensure that our own NCPs are effective and lead by example.

G20 Leaders’ Declaration 2017
We support access to remedy, and where applicable, non-judicial grievance mechanisms, such as the National Contact Points for the OECD MNE Guidelines (NCPs)."

In December 2018, adherent countries approved the second Action Plan to Strengthen National Contact Points, which will cover the period 2019-2021. The Action Plan contains four tracks of objectives:

TRACK ONE: Peer Reviews and Capacity Building (i.e. ensuring that NCPs build capacity by learning from each other)

TRACK TWO: Building functional equivalence (i.e. ensuring that NCPs respond to the core criteria spelled out in the Guidelines: visibility, accessibility, transparency, accountability)

TRACK THREE: Building and improving tools (i.e. ensuring that NCPs have the knowledge and management tools necessary to fulfil their role as non-judicial grievance mechanisms)

TRACK FOUR: Promoting policy coherence (i.e. ensuring that NCPs promote RBC across government so that government policy aligns with RBC objectives)

OECD Ministerial Council

In May 2017, the Ministerial Council, committed “to having fully functioning and adequately resourced National Contact Points, and to undertake a peer learning, capacity building exercise or a peer review by 2021, with the aim of having all countries peer reviewed by 2023.”

In May 2019, a new Progress Report on NCPs was released at the Ministerial Council Meeting addressing the 2017 commitment to have “fully functioning and adequately resourced National Contact Points, and to undertake a peer learning, capacity building exercise or a peer review by 2021, with the aim of having all countries peer reviewed by 2023”.

For more information please visit: mneguidelines.oecd.org/ncps