

# Statement by the National Contact Points for the OECD Guidelines on Multinational Enterprises

Paris, 25 June 2013

The National Contact Points are deeply saddened by the tragedy at Rana Plaza in Bangladesh. Our hearts go out to all of those affected. Like Secretary General of the OECD Gurría has expressed: “This event is a dramatic wakeup call for the international textile industry, governments, and other stakeholders to address the risks before they result in tragedies such as this.”

The National Contact Points welcome robust and credible initiatives, such as the Accord on Fire and Building Safety in Bangladesh, which try to improve the situation on the ground<sup>1</sup>. Abandoning production in Bangladesh could make the situation of the workers worse. The OECD Guidelines for Multinational Enterprises point out that in these circumstances, the responsible course is to work with stakeholders to guarantee the safety of workers, improve their working conditions and ensure respect for human rights.

The OECD Guidelines for Multinational Enterprises are a comprehensive set of recommendations on responsible business conduct that 45 OECD and non-OECD adhering governments expect enterprises to observe in their global operations. The OECD Guidelines for Multinational Enterprises ask enterprises to respect human and labor rights and be responsible for identifying and addressing risks of adverse impacts associated with their own activities or in their supply chains and other business relationships. The OECD Guidelines for Multinational Enterprises are supported by National Contact Points in each adhering country. Most of the enterprises sourcing textiles and garments from Bangladesh originate from adhering countries to the OECD Guidelines for Multinational Enterprises.

National Contact Points welcome that responsible business conduct in the textiles and garments supply chains will be addressed, as a matter of priority, in the high level discussions at the Global Forum on Responsible Business Conduct on 26-27 June 2013 and at the meeting of Working Party on Responsible Business Conduct on 28 June 2013.

The National Contact Points welcome the call to collective action by several Ministers and Secretary General Gurría.

The National Contact Points will meet their responsibilities under the OECD Guidelines for Multinational Enterprises with respect to enterprises in the textiles and garments sector. Where appropriate, they will undertake stakeholder consultations at the national level and support and participate in work undertaken in the context of the multi-stakeholder Proactive Agenda by OECD. In coordination with other government agencies, they will, where appropriate, support implementation of robust and credible initiatives agreed to by stakeholders and enterprises, that are consistent with the OECD Guidelines for Multinationals and the relevant ILO standards, such as the Accord on Fire and Building Safety.

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<sup>1</sup> Robust initiatives should at least be aligned with the OECD Guidelines for Multinational Enterprises and the ILO Tripartite Declaration concerning Multinational Enterprises.

The National Contact Points strongly encourage the Investment Committee and the Working Party on Responsible Business Conduct to work urgently with companies, trade unions and other relevant civil society groups to develop a collective response within the framework of its Pro Active Agenda<sup>2</sup>. Particular attention should be given to the principles of adding value and avoiding duplication with other initiatives. NCP's encourage enterprises, trade unions, and other civil society groups to cooperate with the Working Party in this field.

A collective response could take the form of a joint effort by the OECD, that could include the ILO and the UN Working Group on Human Rights and Business/ UN OHCHR, to host a Forum for all interested stakeholders to inform one another of the specific initiatives in which they are involved regarding due diligence in the textile and garments sector in Bangladesh with the objective of fostering coordination and collaboration among all stakeholders in meeting their respective responsibilities. It could include sharing views on the relevance of their experiences in relation to Bangladesh to the textiles sector more broadly. It could also include consideration of strategies and practices for application of risk based due diligence in supply chains in the sector. The NCP's also note the importance of donor community involvement and the contribution it can make in assisting Bangladesh and other textile and garments producing countries in meeting their responsibilities with respect to these sectors.

As noted in the statement of the Secretary General of OECD, the OECD Guidelines for Multinational Enterprises, using risk-based due diligence, multi-stakeholder engagement and targeted development assistance, have been instrumental in meeting challenges in other sectors such as trade in minerals and may be able to make an important contribution alongside initiatives already underway in the textiles industry.

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<sup>2</sup> The response should be consistent with the Principles for the Proactive Agenda.