

OECD scope and activities

The Project "Responsible business conduct in Latin America and the Caribbean (RBCLAC)" is implemented by the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), and the United Nations Office of the High Commissioner for Human Rights (OHCHR). It is financed by and designed in collaboration with the European Union (EU).

The Project aims to promote smart, sustainable and inclusive growth in the EU and Latin America and Caribbean by supporting responsible business conduct practices in line with the UN, ILO and OECD instruments.

WHAT IS RESPONSIBLE BUSINESS CONDUCT?

Responsible business conduct (RBC) means that all businesses – regardless of their legal status, size, ownership structure or sector – avoid and address negative consequences of their operations, while contributing to sustainable development of the countries where they operate. RBC means integrating and considering environmental and social issues within core business activities, including throughout the supply chain and business relationships. Although RBC is sometimes used interchangeably with corporate social responsibility (CSR), it is understood to be more comprehensive and integral to core business than what is traditionally considered CSR (mainly philanthropy). A key element of RBC is risk-based due diligence – a process through which businesses identify, prevent and mitigate their actual and potential negative impacts and account for how those impacts are addressed.

The OECD Guidelines for Multinational Enterprises are the most comprehensive set of government-backed recommendations on responsible conduct available. They comprise principles and standards in all major areas, including information disclosure, human rights, employment and industrial relations, the environment, bribery and corruption, consumer interests, science and technology, competition, and taxation.

PILLARS OF OECD ACTIVITIES

Taking into consideration the peculiarities of each country and in coordination with national authorities, as well as local and international stakeholders, the OECD activities will be focused on:



ACTIVITIES AND ACTIONS BY OECD:

PILLAR I: GOVERNMENT POLICIES FOR RESPONSIBLE BUSINESS CONDUCT

1.1. Mapping existing policies and regulations that enable and support RBC and contribute to the design and implementation of NAPs

In-depth analysis of how existing policies support the design and implementation of NAPs on RBC/BHR. The analysis will be framed in the country's economic context and particular challenges for RBC such as the size of the informal economy, the particular needs of small- and medium sized enterprises, etc. The mapping will cover:

- i. An overview of the existing policies and regulations in the areas covered by the OECD Guidelines including human rights, employment and labor, environment, and anti-corruption.
- ii. An assessment of the policy environment for enabling RBC, which includes an overview of the wider investment and trade related policies, as well as an overview of the role of the State as an Economic Actor with regard to public procurement, state-owned enterprises, etc.
- iii. An analysis of sectoral policies and regulations to identify entry-points for RBC due diligence and contribute to the design and implementation of NAPs. The analysis would cover the priority sectors identified per country and feed into the regional baseline assessment.

1.2. Working with various government actors to enable policy coherence on RBC.

Building on the activity above and the country specific recommendations, technical advice and support for policy makers to enable policy coherence on RBC, including in the NAP design and implementation process, and ensure that governments:

- lead by example when acting as an economic actor (e.g. through public procurement, State-owned enterprises, etc.), including through the NCP, where relevant
- link the NAPs on Business and Human Rights/ RBC to international economic instruments and policies (e.g. trade and investment policies, export credit agreements and official development assistance), drawing on the experiences of EU and OECD countries.

PILLAR II: HELPING BUSINESS TO CONDUCT DUE DILIGENCE IN PRIORITY SECTORS

2.1. Regional sectoral baseline studies and targeted policy advice

Building on the mapping under component 1 above, the development of sectoral regional baseline studies for each of the priority sectors – extractives/minerals, agriculture, garment and financial sector - to identify the challenges and opportunities for enabling due diligence, including private sector initiatives and risks.

2.2. Sectoral capacity building with businesses on due diligence

Four regional capacity building programmes with businesses on due diligence in the target sectors to implement due diligence in various key sectors of the economy. This work would focus on implementing existing guidance such as:

- i. OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the OECD Due Diligence Guidance on Responsible Stakeholder Engagement in the Extractives Sector (Brazil, Colombia, Chile, Ecuador, Mexico, Panama and Peru);
- ii. OECD Due Diligence Guidance on Responsible Agricultural Supply Chains (Brazil, Colombia, Chile, Costa Rica, Ecuador, Mexico, Peru);

- iii. OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector (Brazil, Colombia);
- iv. RBC considerations in the financial sector (Costa Rica, Panama).

The OECD would partner with relevant industry associations. The programmes could include:

- Consultation and outreach with industry and stakeholders on the design of the technical assistance programme;
- Technical assistance to companies and business associations/ initiatives on alignment of their activities with OECD Guidance;
- Capacity-building and training activities in supply chain due diligence for businesses, in collaboration with industry associations in the target sectors;
- Developing and adapting due diligence tools and materials to the LAC context (translation/ adaptation). Besides training materials, this activity would also cover the development of a tools platform, including to identify collaborative approaches and to design management policies for due diligence;
- Facilitation of regional peer-learning and collaboration in the industry;
- Facilitation of stakeholder and expert consultation on specific activities (e.g. supplier assessments; training, etc.);
- Organisation of business events in the context of the OECD Global Forum on Responsible Business Conduct, the OECD Forum on Responsible Mineral Supply Chains, the OECD Forum on Due Diligence in the Garment and Footwear Sector and the EMnet Latin America meeting to facilitate the sharing of experiences and good practices on RBC between EU and LAC companies.

2.3. Technical advice and assistance to government and industry on due diligence

Based on the outcomes of the regional sectoral baselines studies and the capacity building programmes, country-specific capacity building in the two target sectors could include:

For the Government, advice on:

- Policy reform and legislation
- Enforcement
- Cooperation with the private sector

For Industry:

- Advice on industry policy

2.4. Due diligence case studies

Working with business and other stakeholders to develop due diligence case studies for sectors of particular importance for the region (e.g. construction, infrastructure, tourism and retail) based on the OECD Guidance on Due Diligence for RBC.

PILLAR III: STRENGTHENING ACCESS TO REMEDY: REINFORCING NCPs

3.1. Analysis of NCP system as part of access to remedy mechanisms

This activity will provide country-specific overviews of NCPs in the region, highlight key strengths and weaknesses, based on desk-based research.

3.2. Delivering tailor-made technical and policy advice and training to ensure NCPs effectively carry out their functions and promoting the profile of NCPs within the government so they receive adequate institutional and financial support

Based on the needs-based analysis carried out under 3.1, this activity is focused on strengthening access to remedy related to business impacts by delivering tailor-made capacity building to NCPs with the involvement of all relevant stakeholders. This activity also targets relevant ministries and government agencies (e.g. Ministries of Labor, Justice, Environment, Economy, etc.) to raise awareness about the role and functioning of the NCP with a view to raising the profile of and strengthening the support for the NCP so they receive adequate institutional and financial support.

3.3. Regional peer learning for NCPs

Organizing regional meetings of the NCP Network to share experiences and good practice (e.g. on mediation), with the involvement of relevant government agencies and ministries and all relevant stakeholders, including business associations, trade unions, civil society organisations, etc. Particular themes and development of tools will be based on the needs identified under previous OECD activities (as described above). These meetings could also draw on the experience of, and involve other NCPs, including from EU countries.

PRIORITY SECTORS

Guidance Document	Priority Sectors
<ul style="list-style-type: none"> OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractive Sector OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas 	<ul style="list-style-type: none"> Argentina Brazil Colombia Chile Mexico Panama Peru
<ul style="list-style-type: none"> OECD-FAO Guidance for Responsible Agricultural Supply Chains 	<ul style="list-style-type: none"> Argentina Brazil Chile Colombia Costa Rica Mexico Peru
<ul style="list-style-type: none"> OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector 	<ul style="list-style-type: none"> Brazil Colombia
<ul style="list-style-type: none"> Responsible business conduct for institutional investors 	<ul style="list-style-type: none"> Costa Rica Panama