



OECD Guidelines for Multinational Enterprises on
Responsible Business Conduct

**National Contact Point for
Responsible Business Conduct
Peer Reviews
CZECHIA**



Please cite as:

OECD (2023), *OECD Guidelines for Multinational Enterprises National Contact Point Peer Reviews: Czechia*, <https://mneguidelines.oecd.org/ncps/national-contact-point-peer-reviews-czechia.pdf>

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Foreword

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (the Guidelines) are recommendations addressed by governments to multinational enterprises operating in or from adhering countries. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. The Guidelines are the only multilaterally agreed and comprehensive code of responsible business conduct that governments have committed to promoting.

Adhering governments to the Guidelines are required to set up a National Contact Point for Responsible Business Conduct (NCP) that operates in a manner that is visible, accessible, transparent, accountable, impartial and equitable, predictable, and compatible with the Guidelines. During the 2011 update of the Guidelines, NCPs agreed to reinforce their joint peer learning activities, in particular with respect to conducting voluntary peer reviews. The 2023 update of the Guidelines reinforced peer reviews of NCPs by making them mandatory and periodic, subject to modalities to be approved by the Working Party on Responsible Business Conduct (WPRBC). The commitment to undergo this peer review was made by Czechia while the 2011 version of the Procedures was in effect. The basis for this peer review is the 2011 version of the Guidelines (including the Implementation Procedures).

The peer reviews are led by representatives of 2 to 4 other NCPs who assess the NCP under review and provide recommendations. The reviews give NCPs a mapping of their strengths and accomplishments, while also identifying opportunities for improvement. More information can be found online at <https://mneguidelines.oecd.org/ncppeerreviews.htm>.

This document is the peer review report of the Czech NCP. This report was prepared by a peer review team made up of reviewers from the NCPs of Luxembourg, Sweden, and Romania, and with the support of the OECD Secretariat. The NCP of Luxembourg was represented by Başak Bağlayan. The NCP of Sweden was represented by Helmer Broberg. The NCP of Romania was represented by Andrei Babadac. The OECD Centre for Responsible Business Conduct was represented by Nicolas Hachez and Emily Halstead. The report was informed by dialogue between the peer review team, the NCP of Czechia and relevant stakeholders during an in-person fact-finding mission on 20-21 February 2023. The peer review team wishes to acknowledge the NCP for the quality of the preparation of the peer review. The NCP of Czechia was represented by Ludmila Hyklová, Tomáš Kozárek, and Šarka Míková. This report also benefited from comments by delegates to the WPRBC and institutional stakeholders (BIAC, OECD Watch, TUAC). It was discussed by the WPRBC at its 8 November 2023 meeting and declassified by the Investment Committee on 13 December 2023.

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Key findings and recommendations

Institutional arrangements

The Czech NCP has a quadripartite structure. It includes representatives from the government, the Czech National Bank, business, trade unions, and civil society. A government decree formally established the NCP in October 2013. The Secretariat of the NCP is located in the Ministry of Industry and Trade. It currently has three part-time staff, two of which work on the NCP function on a more ad hoc basis. The NCP Secretariat moved to the Ministry of Industry and Trade from the Ministry of Finance upon its formal establishment in 2013. The NCP does not have an advisory or oversight body.

The quadripartite structure, with a Secretariat located in the Ministry of Industry and Trade, encourages stakeholder engagement and enhances the perception of impartiality of the NCP. Although according to the NCP Rules of Procedure, the NCP takes decisions by voting, in practice, the NCP makes decisions by consensus. Stakeholder feedback additionally noted that the location and structure of the NCP enabled sufficient access to expertise. However, stakeholder feedback indicated that the roles and backgrounds of NCP members could be broadened to better address the NCP's responsibilities. While the NCP location largely allows it to access relevant expertise, the Secretariat members all have legal backgrounds, possibly hindering the NCP's access to different skill sets, such as in communications.

While the NCP Secretariat staff is trusted and has shown efficient use of limited resources, resource constraints remain a problem for the NCP in terms of achieving its promotional responsibilities and increasing the visibility of the mechanism. Human resources are a particular concern for the NCP function and the ability to fulfil the NCP's responsibilities.

	Findings	Recommendations
1.1	The structure of the NCP is well-understood, trusted, allows for engagement from all stakeholder groups and generally fosters stakeholder confidence. There is limited proactive engagement from the membership on NCP issues.	NCP members outside of the NCP Secretariat should further improve their engagement with the NCP function, including by leveraging their networks to support NCP promotion, which would increase the visibility of the NCP and further support policy coherence when done by government NCP members.
1.2	While the NCP Secretariat is well-respected for its work, the staff members have a largely uniform skillset focused on law. A lack of diversity in backgrounds of staff members could limit possibilities for the NCP Secretariat in fulfilling its mandate.	The NCP Secretariat could consider diversifying the expertise of its staff to aid in achieving the NCP mandate, for example as it relates to communication and promotion.
1.3	The NCP uses its limited resources strategically to have the greatest impact possible, but limited resources remain a barrier for the NCP to conduct its activities, notably relating to promotion. Resource constraints would be further problematic should the NCP receive an increase in specific instances.	Human resources for the NCP Secretariat should be at least maintained and, ideally, increased to allow the NCP to perform its functions.

Promotional activities

The Czech NCP has limited resources for promotion but has conducted a good level of promotion as compared to other similarly sized and resourced NCPs. However, the promotion has been slightly skewed towards business stakeholders or has lacked targeted audiences. The NCP website remains the main tool of the NCP to support the promotion and provide relevant information to interested parties. The website is included as a subsection of the website for the Ministry of Industry and Trade, and detailed information on the NCP mechanism and the Guidelines requires several clicks to access. The website is available in both Czech and English. However, the Czech version of the website contains more information than the English version, including basic aspects of the NCP such as the structure. The English version of the website does not appear to be updated as frequently as the Czech version.

The NCP indicated having a promotional plan in its previous annual reports. The NCP's promotional plan is not a standalone document, instead, it is included in the meeting minutes produced at the annual meeting of the NCP. The discussion on promotion includes a recap of promotional activity in the previous year, possible focus sectors or topics for the coming year, and possible activities. The plan does not necessarily include strategies for targeted stakeholder groups or messaging strategies to reach different stakeholders that might not see the relevance of the Guidelines or the NCP to them.

The NCP has limited financial and staff resources, which create barriers to conducting sufficient promotion and reaching a wide audience. However, through the NCP membership, the NCP already has a well-connected network that could be leveraged to further its promotional goals. Stakeholder feedback has already indicated a willingness to engage further with the NCP, including by promoting the NCP and Guidelines further within their organisations. Promotion with multiplier organisations could limit the resources the NCP needs to reach larger audiences and increase the visibility of the NCP and awareness of the Guidelines.

	Findings	Recommendations
2.1	The NCP uses its website as one of its main tools for promotion and as a main resource for information for interested parties. The website contains information on topics relevant to the Guidelines and NCP, but is not very user-friendly and, notably, the Czech and English language versions of the websites are not aligned.	The NCP should improve the user friendliness of the website to increase accessibility of information. This could notably be done by decreasing the number of clicks required to reach basic information, and ensure downloadable resources are easily located on their related webpages. The NCP should further take measures to ensure that the Czech and English webpages each contain an appropriate level of information..
2.2	The NCP has established a small network of stakeholders through promotion and NCP membership. The NCP has conducted a good level of promotion as compared to other similarly sized and resourced NCPs, though general awareness of the NCP and Guidelines remains low. Promotion has been slightly skewed towards business stakeholders, or is not targeted at all. This may contribute to differing levels of awareness of the Guidelines and NCP among different stakeholder groups, ultimately decreasing the visibility of the NCP.	The NCP should develop targeted messages for different stakeholder groups to encourage active engagement from all stakeholders and explain the utility of the NCP mechanism and Guidelines for different groups. Notably, the NCP could consider how best to engage trade unions. The NCP might consider addressing this objective by developing a more comprehensive promotional plan and utilising its existing stakeholder network to further develop relationships with multiplier organisations to enhance promotional reach without requiring extensive resources. This could be done by engaging universities, large unions, or business associations.

Specific instances

At the time of writing and since its formal establishment in 2013, the current structure of the NCP had received one specific instance. Prior to the 2013 government decision and under the 2000 version of the Guidelines, the NCP received five specific instances, all of which ended before progressing to good offices

with the NCPs. The one specific instance received under the current NCP structure was concluded in 2022 with an agreement between the parties.

The NCP Rules of Procedure (RoP) are available on the NCP's webpage in both Czech and English. Stakeholder feedback indicated that language could be further aligned with the Procedural Guidance and best practices identified by NCPs. Additional feedback suggested that language in the document could be simplified to increase its accessibility to interested parties.

The RoP provides for confidentiality agreements in some form in all specific instances. Some stakeholder feedback suggested that this made confidentiality the norm of the process and limited the mechanism's transparency. In practice, the NCP has used a confidentiality agreement to build trust between parties and ensure participation of the company in the specific instance process.

The one specific instance handled by the current structure of the NCP lasted 1467 days, far longer than the indicative 12-month timeframe for specific instances. There were several reasons for the lengthy process, including delays due to the Covid pandemic and delays resulting from the NCP using its RoP for the first time. While exceeding the indicative timeframe is warranted in some circumstances, long timeframes may decrease the attractiveness of the mechanism for potential future submitters.

	Findings	Recommendations
3.1	The NCP Rules of Procedure (Czech and updated English versions) are comprehensive and contain a lot of information relevant to the handling of specific instances. However, practices are not always entirely aligned with the provisions in the RoP. Furthermore, the language is not fully aligned with the Procedural Guidance and some sections involve jargon, which may limit the accessibility of the document to a third party.	The NCP could consider redrafting the Rules of Procedure to better align them with actual practices to increase predictability of the mechanism, better align them with wording in the Procedural Guidance and best practices identified by the NCP Network—notably on the publication of initial assessments and follow ups—and simplify the document language.
3.2	Stakeholder feedback has indicated the perception that the NCP procedures are too confidential, based on the RoP and in practice with the NCP's specific instance.	The NCP should strive to balance the need for transparency and confidentiality, aiming to keep the process as transparent as possible. Such a balance should be reflected in the NCP's RoP.
3.3	The one specific instance handled recently far exceeded the indicative timeline. Many of the delays were not the fault of the NCP, as notably, the case was handled partially during the pandemic. However, the drawn-out timeline still had the potential to dissuade potential users of the mechanism.	The NCP should aim to improve timeliness in future specific instances, where possible, to ensure predictability in the process and increase the confidence of potential submitters.

1 Introduction

The Czech NCP at a glance

Established: 2000, formally established 2013.

Structure: Quadripartite structure with representatives from Czech state authorities (six ministries and Czech National Bank) and one representative each from business, trade unions, and civil society.

Location: Ministry of Industry and Trade, Department of European and International Law.

Staffing: One staff member working part-time on the NCP function, two staff assisting on an ad hoc basis.

Webpage: The webpage is available in English and Czech.

English: <https://www.mpo.cz/en/foreign-trade/international-organizations-and-trade/oecd/national-contact-point-for-the-implementation-of-oecd-guidelines-for-multinational-enterprises---165673/>

Czech: <https://www.mpo.cz/dokument75865.html>

Specific instances received: 1 concluded under the current NCP, 5 concluded prior to the 2011 Guidelines and 2013 NCP restructure.

The implementation procedures of the Guidelines require NCPs to operate in accordance with the core criteria of visibility, accessibility, transparency and accountability. In addition, the guiding principles for specific instances recommend that NCPs deal with specific instances in a manner that is impartial, predictable, equitable and compatible with the Guidelines. This report assesses the conformity of the Czech NCP with the core criteria and the Procedural Guidance contained in the implementation procedures.

Czechia adhered to the OECD Declaration on International Investment and Multinational Enterprises on Responsible Business Conduct (the Guidelines) are part of the Investment Declaration. The Guidelines are recommendations on responsible business conduct (RBC) addressed by governments to multinational enterprises operating in or from adhering countries. The Guidelines have been updated six times since 1976; the most recent revision took place in 2023. As the onsite visit of this peer review was conducted prior to the adoption of the 2023 update of the Guidelines, it considers the 2011 edition of the Guidelines as a basis for review.

Countries that adhere to the Investment Declaration are required to establish National Contact Points (NCPs). NCPs are set up to further the effectiveness of the Guidelines, and adhering countries are required to make human and financial resources available to their NCPs so they can effectively fulfil their responsibilities, taking into account internal budget priorities and practices.¹

NCPs are “agencies established by adhering governments to promote and implement the Guidelines. The NCPs assist enterprises and their stakeholders in taking appropriate measures to further the

¹ Amendment of the Decision of the Council on the OECD Guidelines for Multinational Enterprises, para I(4).

implementation of the Guidelines. They also provide a mediation and conciliation platform for resolving practical issues that may arise.”²

The Procedural Guidance covers the role and functions of NCPs in four parts: institutional arrangements, information and promotion, implementation in specific instances and reporting. In 2011, the Procedural Guidance was strengthened. In particular, a new provision was added to invite the OECD Investment Committee to facilitate voluntary peer evaluations. In the commentary to the Procedural Guidance, NCPs are encouraged to engage in such evaluations.

The objectives of peer reviews as set out in the “Revised core template for voluntary peer reviews of NCPs”³ are to assess that the NCP is functioning and operating in accordance with the core criteria set out in the implementation procedures; to identify the NCP’s strengths and possibilities for improvement; to make recommendations for improvement; and to serve as a learning tool for all NCPs involved.

This report was prepared based on information provided by the NCP, and in particular, its responses to the NCP questionnaire set out in the revised core template⁴ as well as responses to requests for additional information. The report also draws on responses to the stakeholder questionnaire which was completed by eight organisations representing government agencies, enterprises, trade unions, civil society and academic institutions (see Annex A for a complete list of stakeholders who submitted written feedback) and information provided during the country visit.

The peer review of the NCP was conducted by a peer review team made up of reviewers from the NCPs of Luxembourg, Romania, and Sweden, along with representatives of the OECD Secretariat. A fact-finding mission took place in Prague on 20-21 February 2023. This visit included interviews with the NCP, other relevant government representatives and stakeholders. A list of organisations that participated in the on-site visit is set out in Annex B. The peer review team wishes to acknowledge the NCP for the quality of the preparation of the peer review, the extensive supportive information provided, and successful efforts to ensure broad participation in the visit.

The basis for this peer review is the 2011 version of the Guidelines. The specific instances considered during the peer review date back to 2018. The methodology for the peer review is that set out in the core template.⁵

Economic context

Czechia’s economy is dominated by the service sector, representing 65% of the GDP.⁶ Regarding foreign direct investment (FDI), the inward stock of FDI, which represents the accumulated value of FDI in the Czech economy over time, was USD 201 billion in 2021, equivalent to 71% of Czechia’s GDP. The outward stock of FDI was USD 54 billion in 2021, equivalent to 19% of Czechia’s GDP. In 2021, Czechia’s exports of goods were USD 175 billion, and exports of services were USD 30 billion, while imports of goods were USD 172 billion and imports of services were USD 25 billion.

The main investors in Czechia are Czechia itself, Germany, Austria, the United States, and France. The main inward investment sectors are finance and insurance, followed by manufacturing, and real estate activities. The main destinations for outward investment from Czechia and the Netherlands, Luxembourg,

² OECD Guidelines for Multinational Enterprises (2011), Foreword

³ OECD (2019), Revised Core Template For Voluntary Peer Reviews Of National Contact Points, <http://mneguidelines.oecd.org/national-contact-point-peer-reviews-core-template.pdf>

⁴ Ibid.

⁵ OECD (2019), Revised Core Template For Voluntary Peer Reviews Of National Contact Points, <http://mneguidelines.oecd.org/national-contact-point-peer-reviews-core-template.pdf>

⁶ Data retrieved from OECD databases: <http://dotstat.oecd.org/>

Slovakia, the United Kingdom, and Cyprus⁷, and the most important sectors are finance and insurance, followed by manufacturing, and electricity, gas, steam and air conditioning supply. The most important partner countries for exports of goods are Germany, Slovakia, Poland, France, and Austria while the most important source countries for imports of goods are Germany, China, Poland, Slovakia, and Italy. The most important destinations for exports of services are Germany, the United States, Slovakia, the United Kingdom, and Switzerland, and the most important sources for imports of services are Germany, China, the United Kingdom, Slovakia, and the United States.

As measured by employment at foreign-owned firms in Czechia in 2019, the most important investors are Germany, the United States, France, Austria, and the United Kingdom. As measured by employment at the overseas affiliates of Czech MNEs, the most important destination countries are Slovakia, Georgia, Bulgaria, Germany, and Romania.

⁷ Note by the Republic of Türkiye: The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

2 Institutional arrangements

Legal basis

Czechia adhered to the OECD Investment Declaration in 1995. The Czech NCP was formally established in 2013. Prior to this formal establishment and restructure, the Czech NCP operated without a legal basis from the Ministry of Finance from 2000. The first specific instance request on record was from 2001.

The Czech NCP was formally established by the decision of the Government of Czechia No. 779 on 16 October 2013 (the Decision). The Statute of the Czech NCP was approved by the same Decision. The Decision is publicly available.⁸ The Decision establishes the NCP structure and lists the entities responsible for appointing members for the NCP. The Statute of the Czech NCP is an annex to the Decision and is available on the Czech NCP's website.⁹ The document is available in both Czech and English. It is noted that the English translation does not always contain language consistent with the Guidelines.

NCP Structure

The NCP is a 'multipartite NCP,' meaning the NCP is composed of a group of government officials, a representative from the Czech National Bank, and other stakeholder representatives. Specifically, the Czech NCP is a 'quadripartite' NCP composed of representatives from state authorities, business, trade unions, and civil society. The Decision refers to the NCP Statute to clarify the exact representation in the NCP.

The Czech NCP was initially established in the Ministry of Finance before the Decision assigned the Ministry of Industry and Trade as the new location for the Secretariat.¹⁰ The date of creation and the structure of the original NCP are not known precisely, but it was in 2000 at the latest and previous NCP members indicated that it was also a multipartite body. The relocation of the NCP was part of a larger move of related areas based on higher competency in the Ministry of Industry and Trade on the subject matter and more capacity to increase the activity of the NCP. Some civil society stakeholder feedback indicated a concern for a real or perceived conflict of interest based on the NCP's seat in a ministry with an economic focus. Feedback otherwise considered the structure to have broad expertise based on the representation of various stakeholder groups, also allowing the NCP to reach out to all stakeholders effectively.

⁸ Available: <https://odok.cz/portal/zvlady/jednani-detail/2013-10-16/> (Czech)

⁹ Available: <https://www.mpo.cz/en/foreign-trade/national-contact-point-for-oecd-guideline/status-and-rules-of-procedure/statut-of-the-czech-ncp--271807/> (English)

¹⁰ Art. 3.3, Decision No. 779

Composition

Overview and NCP Secretariat

The Statute of the NCP states that it is a collective body composed of representatives of the state and representatives of employers, employees, and the non-governmental sector.¹¹ The NCP comprises a Secretariat located in a government ministry, six government representatives, one representative from the Czech National Bank, and one representative each from business, trade unions, and civil society (see Figure 2.1). The NCP Secretariat is housed within the Department of European and International Law within the Ministry of Industry and Trade. The Head of the Secretariat is a senior employee in the Ministry.

The Decision assigned the Minister of Industry and Trade to establish the Secretariat for the NCP and ensure its functioning. The Statute notes that the Head of the Secretariat is to be a senior employee from the Ministry.¹² The Decision additionally assigns all heads of central administrative authorities to provide necessary assistance and cooperation in the fulfilment of the task and activities of the NCP.¹³

Figure 2.1. Overview structure and membership of the Czech NCP



Source: Peer review questionnaire for the Czech NCP (2023)

Note: The infographic is available in Czech on the NCP website. See: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontaktni-misto-pro-smernici-oecd/struktura-nkm--271544/>

State authority representation

The state authorities are represented by one official from each of the following:

¹¹ Art. 3.1, NCP Statute

¹² Art. 4.2, NCP Statute

¹³ Art. 3.2, Decision No. 779

- Ministry of Finance
- Ministry of Justice
- Ministry of Industry and Trade
- Ministry of the Environment
- Ministry of Labour Social Affairs
- Ministry of Foreign Affairs
- Czech National Bank (CNB)

According to the Decision, the represented ministries are to nominate their representatives to the NCP.¹⁴ The appointment is made by letter from the relevant Minister and the Governor of the CNB to the Minister of Industry and Trade. The individuals nominated for NCP membership are largely stable in their positions apart from the Ministry of Foreign Affairs, which faces higher turnover due to the nature of the work at the Ministry.

Stakeholder representation

The Decision and the Statute of the NCP establish that stakeholder representation will include the Czech representative in the Advisory Committee for Industry and Trade at the OECD (BIAC),¹⁵ the Czech representative in the Trade Unions Advisory Committee at the OECD (TUAC), and the Czech representative in coalitions assembling non-governmental organisations at the OECD (OECD Watch).¹⁶ TUAC noted that it had not been contacted concerning membership in the NCP. TUAC further indicated that membership with their organisation should not be a requirement to join the NCP, and a domestic trade union should be appointed directly. The NCP clarified that the statute did not require direct contact with TUAC to appoint a representative, only contact with the TUAC-affiliated trade union, which is the largest domestic trade union confederation in Czechia.

The Statute further specifies that each member organisation may appoint one representative (permanent) and an alternate.¹⁷ The permanent member and alternate may attend the NCP meetings at the same time. The Secretariat maintains the list of members. The NCP membership is not remunerated. NCP members from Trade unions and civil society noted that their resource constraints sometimes limited their engagement with the NCP, notably on promotion.

The represented stakeholder groups are listed below:

- **Business:** Confederation of Industry of Czechia
- **Trade Unions:** Czech and Moravian Confederation of Trade Unions
- **Civil Society:** Frank Bold Society

The NCP opted for the quadripartite structure to correspond to a tradition of consultation and to ensure engagement with all stakeholder groups. Some stakeholders in the NCP indicated being more engaged than others. The NCP noted that the structure has proven to be well-functioning and fosters transparency

¹⁴ Art. 3.1 and 4.1, Decision No. 779

¹⁵ The official name for this organisation is the 'Business and Industry Advisory Committee.' The English language Statute may include a mistranslation from the Czech language version.

¹⁶ Art. 3.3, NCP Statute

¹⁷ Art. 3.4, NCP Statute

given that decisions are adopted by consensus,¹⁸ and all members are kept apprised of relevant NCP news and developments concerning the Guidelines and RBC.

The Statute notes that NCP membership could be temporarily expanded depending on the subject-matter of a specific instance.¹⁹ However, it is not indicated from where the additional members would come and in what capacity or power they would act. The Statute later notes that the Secretariat may invite experts on the issues being discussed to attend an NCP meeting.²⁰

Functions and operations

The responsibilities of the NCP are explained within the Statute for the Czech NCP. The NCP Rules of Procedure specify that the NCP will meet as required, but not less than once per year.²¹ The NCP indicated that they do not, in practice, hold formal NCP meetings more than once per year. Communication is, however, maintained with the NCP members through informal contact and written procedures. The NCP noted that its virtual communication and tools were improved during the pandemic, allowing for more effective information exchanges without the need for presential meetings. NCP members largely agreed that they did not see a need to have more than one formal NCP meeting per year unless there was a specific issue to discuss, such as an ongoing specific instance. However, as noted in stakeholder feedback, low visibility of the NCP could be addressed by increased engagement with the NCP function by all NCP members. Increasing engagement, contributing to the implementation of the Guidelines through promotion, and building expertise on related topics by the NCP members could increase the visibility of the NCP.

The following description of the NCP's functions draws upon the text in English. The Statute sets primary objectives as follows:²²

- Promotion of the Guidelines to the public, especially to enterprises covered under the Guidelines;
- handling inquiries relating to the Guidelines;
- addressing specific instances relating to the implementation of the Guidelines;
- cooperating with other NCPs to address specific instances or related issues;
- and cooperating with the OECD Investment Committee and other relevant OECD entities on matters relating to the Guidelines, including by reporting annually on the Czech NCP's activities.

The document specifies that the NCP follows the principles of 'publicity, accessibility, transparency and accountability' when performing its activities, slightly different from the four core criteria of 'visibility, accessibility, transparency and accountability.' This difference may also be due to errors in translation working from the Czech language document.

The Statute lists the following document when discussing the basis on which the NCP operates:²³

- The Declaration on International Investment and Multinational Enterprises;
- The Guidelines and the adopted commentaries;
- The Decision of the OECD Council on the OECD Guidelines for Multinational Enterprises;

¹⁸ Provision 2.1, NCP Rules of Procedure (Czech & English)

¹⁹ Art. 3.5, NCP Statute

²⁰ Art. 5.1, NCP Statute

²¹ Provision 1.3, NCP Rules of Procedure (Czech & English)

²² Art. 2.1, NCP Statute

²³ Art. 2.3, NCP Statute

- The implementing guidelines²⁴ that form part of the Decision of the Council and the adopted commentaries;
- The Rules of Procedure of the NCP.

The Statute clarifies that should there be doubt in the interpretation of the Guidelines, the English version would prevail. Any further interpretation issues might be brought for consultation to the OECD Investment Committee.

The NCP indicated that the institutional memory of the Secretariat is preserved in part by access to shared files relating to the NCP. The NCP referenced a 'handover protocol', but details of this procedure were not provided. The NCP clarified that the protocol involved a description of activities associated with the work of the NCP, a handover of information on where to find relevant documents in the shared drives, preparation information for annual meetings and NCP Network meetings, and any briefings on pending business.

The NCP reported that the structure fosters visibility for the NCP as it facilitates communication among different stakeholder groups. These relationships have been used in the past also to assist in promotional activities for the NCP. The Secretariat presents each year to the entire membership a plan of activities for the coming year, and all members are invited to suggest promotional activities. The NCP indicated that members additionally provide visibility for the mechanism with their members. However, the NCP noted that visibility remained a challenge, largely relating to a lack of resources.

The NCP indicated a high level of transparency for the structure, given the regular meetings of the NCP members and the work of the Secretariat to keep all members updated on NCP activity. The NCP's functions and operations are additionally publicly available in the Statute of the Czech NCP.

The NCP Secretariat is housed within the Department of European and International Law within the Ministry of Industry and Trade. The Department is a support unit to all other departments within the Ministry. It does not have a specific agenda and is not directly involved with any trade and investment promotion activities. The NCP does not consider that there is a risk of conflict of interest based on the NCP structure or Secretariat location. Rather, the NCP indicated that the location keeps the Secretariat informed of relevant issues and questions relating to the work of the NCP and supports policy coherence. Civil society stakeholder feedback suggested that the multipartite structure of the NCP fostered impartiality. However, stakeholders, as well as the NCP itself, noted the risk that the multipartite structure could lead to drawn-out processes given the time needed to coordinate the large body and work towards consensus when discussing issues.

Resources

The NCP does not have a dedicated budget. All costs associated with the functioning of the NCP Secretariat are covered by the budget of the Ministry of Industry and Trade. Prior to 2020, for a few years, the NCP had a dedicated budget of 400,000 CZK (~16,670 EUR) to be held for costs associated with handling specific instances, such as hiring an external mediator. As the budget was not being used, it ceased to be allocated. Any future costs relating to the handling of specific instances would be covered by the Ministry budget on an *ad hoc* basis. Costs associated with promotion, translations, and other NCP duties are additionally covered by the regular Ministry budget. The NCP noted that it does receive budget resources when requested, but it keeps requests to a minimum with an understanding that large requests would likely be denied. Costs relating to the participation of other NCP members are covered by their respective organisations.

²⁴ The official name for these procedures is the 'Procedural Guidance.'

The Secretariat's human resources involve one dedicated member of the Ministry of Industry and Trade working part-time on the NCP function. An additional two members of the Ministry assist on an ad hoc basis. As per the 2022 annual report to the OECD Secretariat, the three NCP staff spend approximately 40%, 30%, and 10% of their time on the NCP function, respectively. The NCP indicated that it felt there was an advantage to part-time staff in the NCP, given it allowed them to also maintain their expertise and involvement in other related areas of work within the Ministry. The NCP Statute and RoP do not contain specific provisions on the type of work to be done in parallel to the NCP function and there is, therefore, no guarantee that a part-time staff member would have other responsibilities in line with the NCP agenda. Feedback further indicated the perception that NCP staff had come from a narrow set of backgrounds focused on law and that the NCP could benefit from other skill sets, such as in communications, to address its mandate.

While the NCP rated itself well against the core criteria of accessibility, transparency, and accountability, the NCP indicated that limited human resources were a barrier to increasing the NCP's visibility.

Reporting

The NCP reports to the OECD and makes its reports publicly available on a limited basis. The Czech NCP submits its annual report to the OECD regularly. The latest report (2022) is published exclusively on the Czech language version of the NCP's webpage,²⁵ although the report itself is only available in English. The NCP regularly reports on its work to the Director of the European and International Law Department.

The NCP publishes an overview of the Annual Meeting of the NCP on the Czech language version of the website.²⁶ It is not specified if other NCP meetings would also be publicised. The Secretariat also uses these meetings to ensure stakeholders have the opportunity to provide feedback.

Key findings on institutional arrangements

	Findings	Recommendations
1.1	The structure of the NCP is well-understood, trusted, allows for engagement from all stakeholder groups and generally fosters stakeholder confidence. There is limited proactive engagement from the membership on NCP issues.	NCP members outside of the NCP Secretariat should further improve their engagement with the NCP function, including by leveraging their networks to support NCP promotion, which would increase the visibility of the NCP and further support policy coherence when done by government NCP members.
1.2	While the NCP Secretariat is well-respected for its work, the staff members have a largely uniform skillset focused on law. A lack of diversity in backgrounds of staff members could limit possibilities for the NCP Secretariat in fulfilling its mandate.	The NCP Secretariat could consider diversifying the expertise of its staff to aid in achieving the NCP mandate, for example as it relates to communication and promotion.
1.3	The NCP uses its limited resources strategically to have the greatest impact possible, but limited resources remain a barrier for the NCP to conduct its activities, notably relating to promotion. Resource constraints would be further problematic should the NCP receive an increase in specific instances.	Human resources for the NCP Secretariat should be at least maintained and, ideally, increased to allow the NCP to perform its functions.

²⁵ Available: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontakti-misto-pro-smernici-oecd/vyrocní-zpráva-o-cinnosti-narodního-kontaktního-místa-pro-implementaci-smernice-oecd-pro-nadnarodní-podniky-za-rok-2022--271881/>

²⁶ 2022 meeting notes Available: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontakti-misto-pro-smernici-oecd/vyrocní-zasedani-nkm--267633/> (Czech)

3 Promotion of the Guidelines

Promotional plan

The NCP indicated in its annual report to the OECD Secretariat that it had a promotional plan for 2023. The promotional plan is not currently publicly available. The NCP clarified that its promotional plan is discussed each year at its annual NCP meeting, including feedback from all members. The promotional plan is therefore included as part of the meeting minutes and includes basic information on what had been achieved in the previous years, a sector or topic to target in the coming year, and basic ideas for promotional activities. The plan is not adapted from the discussion into a standalone document.

The NCP has indicated that it aims to organise several promotional events annually, typically focusing on a specific sector each year, e.g. 2021-finance and corporate lending, 2019-agriculture, 2018-textile and finance. The NCP noted that it additionally aims to organise and/or participate in general events relating to the Guidelines and related OECD due diligence guidance each year. The NCP noted being one of the only entities conducting promotion around the concept of due diligence in the country. The targeted audience for the planned events varies but ultimately aims to include all stakeholder groups. Civil society and trade union feedback noted limited promotion from the NCP relating to its role as a non-judicial grievance mechanism.

The NCP notes that monitoring the actual awareness levels of the Guidelines and NCP mechanism among stakeholders goes beyond the current capacity of the NCP. The current method for measuring awareness only involves basic observations and informal contact with participants at promotional events. The NCP does note that the Secretariat has supported a civil society organisation in setting up a project aiming to measure the preparedness of Czech companies for EU legislation. The project is currently in its initial stages but may become public in the future.

The NCP considers the overall activity levels relating to promotion to be satisfactory, considering the size and resources of the NCP.

Information and promotional materials

The NCP uses its website as a main platform for information on the NCP and the Guidelines. Various promotional materials are additionally available on the website, with some differences between available materials in Czech and English.

The NCP has developed various Czech and English promotional materials. In addition, the NCP provides Czech translations of the Guidelines and related OECD due diligence guidance on its website, including translations of flyers produced by the OECD (see below). Promotional materials developed by the Czech NCP include:

- An 85-page flyer on the role of the NCP and the Guidelines;²⁷
- The NCP has developed a submission form for submitting a specific instance, available in both Czech and English;²⁸
- Articles published on due diligence and the Guidelines. The NCP indicated that 1-2 times per year it published articles in trade and investment-related media.²⁹ The NCP published one such article with Trade News Magazine on due diligence and RBC in 2022.

Civil society stakeholder feedback suggested a potential role for the NCP in developing promotional and educational materials relating to sustainability due diligence in light of the changing EU legal framework. There is a current gap in outreach being done to Czech businesses and public authorities on the topic, though stakeholders understand this objective would likely require an increase in resources allocated to the NCP. Feedback suggested that further sectoral outreach on due diligence would not be relevant if general awareness levels of the NCP and the Guidelines were not first increased.

The NCP does not use social media for promotional activity.

Promotional events

The NCP makes an effort to organise and participate in promotional events given the resources available to them. The NCP is fairly active in promotion as compared to other similarly resourced NCPs. See an overview of promotional activity by the NCP in Annex C.

The NCP previously conducted all of their promotional events in person but has begun holding some virtual events following the impacts of the Covid pandemic. Civil society feedback noted a perception that the pandemic had interrupted the promotional activity of the NCP and indicated a desire to see higher levels of promotional activity in the future.

In 2022, the NCP organised one event on RBC and the role of the NCP and participated in an informal meeting of the Trade Policy Committee of the Council of the European Union to promote RBC and the Guidelines in a meeting centred on RBC and investment. Further details of the Czech NCP's promotional activities in recent years can be found in Annex C, which contains information on promotional events from 2019-2022. Business and civil society stakeholder feedback praised the quality of the promotional events conducted by the NCP. Civil society feedback further highlighted the NCP as a unique promotional tool, the only public institution in Czechia promoting concepts such as sustainability due diligence, business and human rights, and RBC and related UN and OECD instruments.

The NCP noted a wide range of target audiences for its promotional events, and past events have been promoted to government, business representatives, trade unions, civil society, and academia. An analysis of past promotional events would suggest a possible overrepresentation of business representatives as the target audience of NCP promotion, though the NCP indicated that activities are generally also open to the wider public. Trade union stakeholder feedback indicated a perception that the NCP could increase promotion for, and better maintain relationships with trade unions. Trade union stakeholder feedback further informed the complexities of engaging trade unions in the country, given the declining membership

²⁷ Available: <https://www.mpo.cz/assets/cz/zahranicni-obchod/narodni-kontaktni-misto/smernice/2016/12/Smernice-OECD-text-CZ.pdf> (Czech)

²⁸ Available: https://www.mpo.cz/assets/en/foreign-trade/national-contact-point/complaints-handling/2017/1/NCP-Guiding-form-for-submitting-complaints_1.docx (English)

²⁹ See example on BusinessINFO.cz: <https://www.businessinfo.cz/clanky/zodpovedne-chovani-firem-ma-vliv-na-ziskani-uveru/> (Czech)

of trade unions across Central and Eastern Europe since the end of the tradition of mandatory trade union membership under communism.

While the NCP had previously cooperated with academic institutions to enhance its promotional reach, civil society stakeholder feedback suggested that the NCP could further achieve its promotional responsibility by cooperating more with academia. Feedback from academia indicated a willingness to increase engagement with the NCP, also in terms of student involvement through practical experiences or internships. Feedback from government representatives and civil society stakeholders additionally noted previous promotional events held in cooperation with the NCP and noted a willingness to continue to engage in joint promotional activities in the future. Business stakeholder feedback supporting small- and medium-sized enterprises (SMEs) noted that SMEs were largely focused on survival during the pandemic, and awareness of the Guidelines in the country was low. However, feedback encouraged awareness raising with the SMEs, noting it was a good moment for the NCP to reengage. Feedback further noted the importance of targeted messaging to ensure engagement from SMEs. General business stakeholder feedback noted an eagerness to engage with the NCP, notably among financial institutions that were seeing an appetite for RBC from their investors. With a wide range of stakeholders expressing interest in engaging further with the NCP, feedback noted the importance of promoting 'success stories' of the NCP, such as the agreement reached in the specific instance process, to promote and encourage further engagement with the NCP.

The Czech NCP noted challenges for promotion in 2022 due to ongoing pandemic restrictions and other priorities of Czech ministries given the Czech presidency of the Council of the European Union in the second semester.

Webpage

The webpage is available in both Czech³⁰ and English.³¹ It is included as a subpage within the webpage of the Ministry of Industry and Trade. It is easily identifiable through online search engines; however, potentially confusing results appear in the search output, such as the National Contact Points (NCPs) for Horizon Europe.³²

While the webpages are provided in both Czech and English, a lot of information is lost on the English version of the website (see Box 4.1). The English version of the website additionally contains some language errors and typos. The following analysis of the website will include comparisons of the English and Czech versions of the website.³³

³⁰ Available: <https://www.mpo.cz/dokument75865.html>

³¹ Available: <https://www.mpo.cz/en/foreign-trade/international-organizations-and-trade/oecd/national-contact-point-for-the-implementation-of-oecd-guidelines-for-multinational-enterprises---165673/>

³² The network of NCPs for Horizon Europe provides guidance, practical information and assistance on participation in Horizon Europe, the EU's research and innovation funding program. See: https://research-and-innovation.ec.europa.eu/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en

³³ The Czech version of the website was translated using the automatic translate feature embedded in Google.

Box 3.1. Differences between the Czech and English versions of the NCP website (17/01/2023)

A comparison of the NCP's websites in Czech and English shows a discrepancy in the information available to both audiences. See below the NCP landing page:

NCP landing page on Czech version of the NCP website.

Úvodní stránka / Zahraniční obchod / Národní kontaktní místo pro směrnici OECD

Národní kontaktní místo pro směrnici OECD

Národní kontaktní místo pro implementaci Směrnice OECD pro nadnárodní podniky
14.2.2022 - Národní kontaktní místo (NKM) v České republice vzniklo s cílem implementovat Směrnici OECD pro nadnárodní podniky. NKM bylo zřízeno usnesením vlády ze dne 16. října 2013 č. 779 jako stálá pracovní skupina při Ministerstvu...

Fórum OECD o náležitě péči v oděvním a obuvnickém průmyslu
22.12.2022 - Ve dnech 16.-17. února 2023 se koná v Paříži i online Fórum OECD o náležitě péči v oděvním a obuvnickém průmyslu.

Webinář Společenská odpovědnost podniků a role NKM v jejím rámci
13.6.2022 - Dne 9. června 2022 proběhl webinář "Společenská odpovědnost podniků a role NKM v jejím rámci" určený stakeholderům českého NKM.

Výroční zasedání NKM
17.5.2022 - Na Ministerstvu průmyslu a obchodu se 6. května 2022 uskutečnilo pravidelné zasedání Národního kontaktního místa pro provádění Směrnice OECD pro nadnárodní podniky

Výroční zpráva o činnosti Národního kontaktního místa pro implementaci Směrnice OECD pro nadnárodní podniky za rok 2022
6.1.2023 - Národní kontaktní místo pro implementaci Směrnice OECD pro nadnárodní podniky shrnuje svou činnost v roce 2022 ve výroční zprávě v podobě dotazníku, jehož prostřednictvím OECD monitoruje činnost všech NKM po celém světě.

Průběžace společenskou odpovědného chování podniků na seminářích pořádaných MPO a

- Informace v souvislosti s invazí Ruska na Ukrajinu
- O brexitu >
- Východní partnerství >
- Podpora exportu >
- Podnikání v EU >
- Společná obchodní politika EU >
- Národní kontaktní místo pro směrnici OECD ▾
- Směrnice a sektorové pokyny
- Projednávání stížností
- Statut a Jednací řád
- Struktura NKM
- Mezinárodní obchodní dohody

Source: See: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontakt-ni-misto/>

NCP landing page on English version of the NCP website.



Homepage / Foreign Trade / National Contact Point for OECD Guideline

National Contact Point for OECD Guideline

Seminar "Responsible business conduct focusing on supply chain in garment and footwear sector"
7.4.2017 - Ministry of Industry and Trade of the Czech Republic would like to cordially invite you to the seminar "Responsible business conduct focusing on supply chain in garment and footwear sector", which is organized by the National contact point for...

Seminar on Responsible Business Conduct in Financial Sector
18.5.2018 - Ministry of Industry and Trade of the Czech Republic would like to cordially invite you to the Seminar on Responsible Business Conduct in Financial Sector (hereinafter the „Seminar“), which is organized by the Czech National Contact Point for...

National Contact Point for the Implementation of OECD Guidelines for Multinational Enterprises
4.1.2017 - The National Contact Point (NCP) was set up in the Czech Republic with the aim of implementing the OECD Guidelines for Multinational Enterprises. The NCP was established by Government Resolution No 779 of 16 October 2013 as a permanent working group within the...

 ARCHIVE OF OLDER DOCUMENTS  PRINT THE LIST

- Information on the Russian invasion of Ukraine
- About Brexit
- Eastern Partnership >
- Support for Export >
- Business in the EU >
- EU Common Commercial Policy >
- National Contact Point for OECD Guideline v
- Guidelines and Sector Instructions
- Complaints Handling
- Status and Rules of Procedure
- NCP Structure

Source: <https://www.mpo.cz/en/foreign-trade/national-contact-point/>

The Czech version of the website contains more information than can fit on the screen, with many recent updates visible. The website includes documents such as a promotional post for the public consultation of the Guidelines and the most recent version of the NCP's annual report. The English version of the website includes only three events, the most recent of which took place in May 2018.

While there is potential for some information to be relevant only to one audience, the public consultation of the Guidelines and the Annual Reports are both available in English and should be provided on both versions of the website.

The NCP website provides information on:

- Current events and promotional activity by the NCP;
- Information on and links to the Guidelines;
- Information on the targeted updates to the Guidelines and OECD due diligence and sectoral guidance (Czech version only);
- Basic information about submitting a specific instance, including a link to the NCP's rules of procedure;
- Published statements relating to specific instances (Czech version only);
- Overview and downloadable version of the Statute of the Czech NCP;
- Overview of the structure of the Czech NCP (Czech version only).

The website page containing information on the Guidelines³⁴ is quite extensive, including information on how they differ from other instruments, their aim, their scope, and a description of each area covered under the Guidelines. The page additionally links to the OECD page for the Guidelines, the UN Guiding Principles on business and human rights, and the websites for BIAC, OECD Watch, and TUAC.

The Czech NCP has translated the Guidelines and all related OECD due diligence guidance into Czech, with the exception of the guidance for the financial sector, given that English is considered a common language for the industry, and the guidance for the garment and footwear sector, which is currently being translated. Business and civil society stakeholder feedback generally considers the website comprehensive but noted that improvements could be made by providing more information on the structure of the NCP and on the OECD Due Diligence Guidance. Website feedback was somewhat variable, possibly relating to whether the stakeholder was using the Czech or English version of the website.

The structure of the website and the way in which it presents subpages can be confusing for the user, given the linked format (See Figure 3.1). It is not clear that the linked title will produce a new page, rather than being a link to a document exclusively. It is thus also not clear what information is available and where to find it without clicking through to each sub-subsection.

Figure 3.1. Demonstration of how subpages are displayed on the Czech NCP website

The figure illustrates the website's structure. On the left, a navigation menu lists various topics, with 'National Contact Point for OECD Guideline' and 'Guidelines and Sector Instructions' highlighted. A red arrow points from the 'Guidelines and Sector Instructions' link in the menu to the corresponding subpage. The subpage, titled 'Guidelines and Sector Instructions', features a link for 'OECD Guidelines for Multinational Enterprises' which is circled in red. Below this link, the text states: '10.1.2017 - The OECD Guidelines for Multinational Enterprises are the oldest and the most comprehensive instrument on responsible business conduct.' At the bottom of the subpage, there are links for 'ARCHIVE OF OLDER DOCUMENTS' and 'PRINT THE LIST'.

Note: The format is the same for both the Czech and English versions of the website.

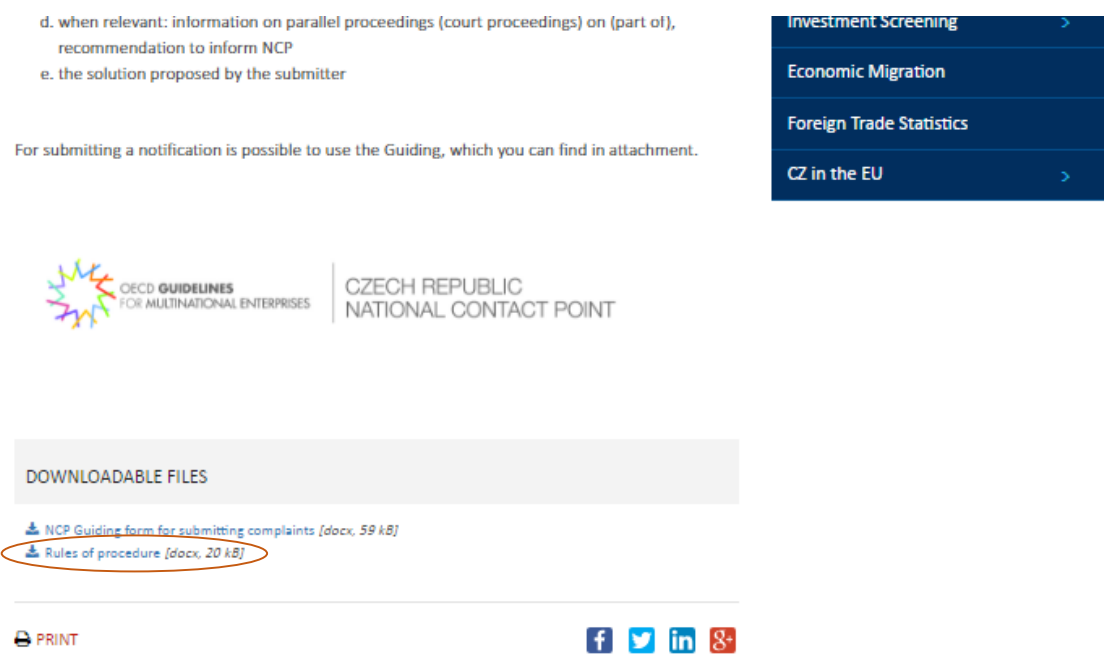
Source: Czech NCP website: <https://www.mpo.cz/en/foreign-trade/national-contact-point/guideline/oecd-guidelines-for-multinational-enterprises---224642/>

The downloadable documents are available only in small font at the bottom of the webpages (See Figure 4.2). In the example of the rules of procedure, while the document is mentioned in the text of the page,

³⁴ Available: <https://www.mpo.cz/en/foreign-trade/national-contact-point/guideline/oecd-guidelines-for-multinational-enterprises---224642/>

there is no description, link, or reference to the downloadable document at the bottom of the webpage. This format for providing materials may decrease the accessibility of the website for users.

Figure 3.2. Link to the NCP Rules of Procedure on the NCP website



Note: The format is the same for both the Czech and English versions of the website.

Source: Czech NCP website: <https://www.mpo.cz/en/foreign-trade/national-contact-point-for-oecd-guideline/complaints-handling/basic-information-about-submitting-a-notification--225150/> (English)

The NCP uses the website as a tool to promote the specific instance process to stakeholders. Stakeholders are directed to the website during promotional activities to learn more about and to submit specific instances where applicable. The Secretariat also has a generic general NCP email that the public can use to contact it in case of further questions.

Promotion of policy coherence

The NCP indicated being part of the community of government and non-governmental organisations that discuss questions on RBC, CSR, business and human rights, international instruments on human rights and business, etc. The NCP did not provide the names or working titles of specific documents.

The NCP stated that it contributes to the National Action Plan for Business and Human Rights (BHR),³⁵ adopted in October 2017, and comments on other relevant draft legislation and regulations. The NAP on business and human rights references the Guidelines and the NCP and covers the years 2017-2022. The NAP is a structured three-pillar approach to BHR, the third pillar being largely centred on access to remedy. In this context, the NCP was mentioned as an option for non-judicial remedy, along with quasi-judicial tribunals, dispute resolution authorities, and ombudsmen-type institutions. OECD publications, such as the

³⁵ Available: https://www.business-humanrights.org/documents/3185/cz_nap_bhr_2017-2022_-_draft_english_translation.docx (draft English translation)

Guidelines, Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and Due Diligence and sectoral guidance, are referenced throughout. The NCP indicated that discussions have begun regarding the preparation of a new NAP, and the NCP will be involved in preparations.

The Czech government additionally runs an online portal containing information on CSR tools and standards.³⁶ The portal contains references to both the Guidelines and the NCP.

In its 2022 Annual Report to the OECD Secretariat, the NCP indicated that it informed officials responsible for trade missions and foreign trade and investment incentives of its relevant statements and reports. In the report, the NCP further noted that it is regularly in contact with relevant ministries and other stakeholders on discussions related to the draft EU directive on corporate sustainability due diligence (CSDDD), corporate governance, and other RBC priority areas. Czechia was presiding over the EU Council when it adopted its common position on the CSDDD. The NCP was invited in its expert capacity as a stakeholder in several roundtables organised by the Ministry of Justice and has played an active role in supporting the government with the directive. In light of the foregoing, the NCP considers that it is well-positioned to enhance promotion and education around mandatory due diligence moving forward.

The NCP additionally is consulted by other ministries and colleagues within the Ministry of Industry and Trade on discussions relating to other RBC instruments such as the draft Binding Treaty on Business and Human Rights, FTAs -clauses and related issues on sustainable development and trade, reports on fulfilment of UN conventions on human rights, national action plans, and other initiatives and activities. References to the NCP are made on the websites of the Ministry of Agriculture,³⁷ Ministry of Finance,³⁸ and the Czech Export Guarantee and Insurance Corporation.³⁹

The Czech Export Guarantee and Insurance Corporation (EGAP) additionally reflects RBC principles, including references to the NCP, in its work. EGAP noted that it promotes awareness of the Guidelines among relevant parties involved in their application procedures for officially supported export credits. EGAP additionally takes measures to follow the Recommendation on Bribery in Officially Supported Export Credits⁴⁰ and will consider any Czech NCP statements or reports on the subject during transactions.

Requests for information

The NCP has their contact details listed on the English version of the website (email only) on the subpage relating to submitting a specific instance.⁴¹ The contact details for the Czech version of the website are

³⁶ Available: <https://www.narodniportal.cz/mezinarodni-nastroje-a-standardy-csr/> (Czech)

³⁷ See: <https://eagri.cz/public/web/mze/ministerstvo-zemedelstvi/zahranicni-vztahy/mezinarodni-organizace/odpovedne-zemedelske-dodatelske.html>

³⁸ See: <https://www.mfcr.cz/cs/zahranicni-sektor/mezinarodni-spoluprace/mezinarodni-instituce/oecd-organizace-pro-hospodarskou-spolup-11634>

³⁹ See: <https://www.egap.cz/cs/narodni-kontaktni-misto-pro-implementaci-smernice-oecd-pro-nadnarodni-podniky>

⁴⁰ See: [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECG\(2019\)2&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECG(2019)2&docLanguage=En)

⁴¹ See: <https://www.mpo.cz/en/foreign-trade/national-contact-point-for-oecd-guideline/complaints-handling/basic-information-about-submitting-a-notification--225150/>

listed on a similar page, which is a subpage of the subpage on handling specific instances.⁴² In neither version of the website are the contact details easily located.

The NCP indicated that it has received several requests for information relating to RBC and the Guidelines. The requests came from a range of persons and organisations, such as a general request for information from the Academy of Science, and one from a construction company on the nature of recommendations in the Guidelines and the existence of any compliance certifications from the NCP.

Cooperation amongst NCPs

The NCP noted participation and cooperation with other NCPs in the context of sharing best practices, such as a workshop on mediation organised by the Austrian NCP, the assistance and participation of the French NCP with a seminar on finance, and from the German and Dutch NCPs with a seminar on textiles, and an invitation to participate in a conference organised by the Polish and Hungarian NCPs (See Annex C). The NCP notes that it is most often in a position to learn from other NCPs than to teach and share best practices.

The NCP participated as a member of the peer review team for the peer review of the Irish NCP in October 2021. The NCP considered the experience to be very helpful in preparation for its own peer review.

Key findings on promotional activities

	Findings	Recommendations
2.1	The NCP uses its website as one of its main tools for promotion and as a main resource for information for interested parties. The website contains information on topics relevant to the Guidelines and NCP, but is not very user-friendly and, notably, the Czech and English language versions of the websites are not aligned.	The NCP should improve the user friendliness of the website to increase accessibility of information. This could notably be done by decreasing the number of clicks required to reach basic information, and ensure downloadable resources are easily located on their related webpages. The NCP should further take measures to ensure that the Czech and English webpages each contain an appropriate level of information..
2.2	The NCP has established a small network of stakeholders through promotion and NCP membership. The NCP has conducted a good level of promotion as compared to other similarly sized and resourced NCPs, though general awareness of the NCP and Guidelines remains low. Promotion has been slightly skewed towards business stakeholders, or is not targeted at all. This may contribute to differing levels of awareness of the Guidelines and NCP among different stakeholder groups, ultimately decreasing the visibility of the NCP.	The NCP should develop targeted messages for different stakeholder groups to encourage active engagement from all stakeholders and explain the utility of the NCP mechanism and Guidelines for different groups. Notably, the NCP could consider how best to engage trade unions. The NCP might consider addressing this objective by developing a more comprehensive promotional plan and utilising its existing stakeholder network to further develop relationships with multiplier organisations to enhance promotional reach without requiring extensive resources. This could be done by engaging universities, large unions, or business associations.

⁴² See: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontaktni-misto/projednavani-stiznosti/obecne-zasady-pro-podavani-upozorneni--224296/>

4 Specific instances

Overview

As of the date of the on-site visit, the NCP had received six specific instances in total, five prior to the 2011 revision of the Guidelines and 2013 restructure of the NCP, and one handled under the current NCP. The specific instance handled by the current NCP was accepted and concluded with an agreement in 2022. A follow-up is planned. An overview of this specific instance is available in Annex D and Box 5.1 below.

In addition to the specific instance handled by the current Czech NCP, the NCP had received five specific instances under its previous structure. These cases are in the OECD NCP database of specific instances, but the current Czech NCP does not have access to or knowledge of the cases.⁴³ All five requests were received prior to the 2011 update of the Guidelines and the 2013 restructure of the Czech NCP during which the NCP changed Ministries. As the 2011 version of the Guidelines did not contain provisions for initial assessment, and no statements are available, it is not clear which procedures were followed by the NCP at the time. None of the specific instances were accepted and all five were closed either due to agreements outside of the NCP process, or at the request of the submitter.

All five cases were received from trade unions and concerned Chapter IV (Employment and Industrial Relations) of the 2000 version of the Guidelines,⁴⁴ specifically relating to the right of employees to trade union representation, collective bargaining, general cooperation between employers, employees and their representatives. The five notifications were concluded as follows:

- Three were concluded during internal dialogue between the Parties⁴⁵⁴⁶⁴⁷
- One was suspended and then concluded due to parallel proceedings⁴⁸

⁴³ The Czech NCP contacted the Ministry of Economy for comment on specific instances handled under its authority, but the Ministry was only able to provide very basic information.

⁴⁴ After the 2011 revision of the Guidelines, Chapter IV was Human Rights, and the chapter on Employment and Industrial Relations became Chapter V. See: <https://www.oecd.org/daf/inv/mne/oecdguidelinesformultinationalenterprises.htm>

⁴⁵ Czech-Moravian Confederation of Trade Unions & Czech subsidiary of Siemens. See: <http://mneguidelines.oecd.org/database/instances/cz0001.htm>

⁴⁶ Czech-Moravian Confederation of Trade Unions & Locomotive Trading AG Hänibül. See: <http://mneguidelines.oecd.org/database/instances/cz0003.htm>

⁴⁷ Czech-Moravian Confederation of Trade Unions & C&A Moda CR. See: <http://mneguidelines.oecd.org/database/instances/cz0004.htm>

⁴⁸ Czech-Moravian Confederation of Trade Unions & Czech subsidiary of Bosch. See: <http://mneguidelines.oecd.org/database/instances/cz0002.htm>

- One was withdrawn from the NCP upon request of the submitter⁴⁹

The requirement to conduct an initial assessment was not provided for in the 2000 version of the Guidelines. Given that the five requests were not formally concluded through NCP procedures, and there is no intermediary publication to reference, there is little information publicly available for these cases. Given the time since the requests were submitted and the restructuring of the NCP, there is no one able to comment further on the requests. Trade union stakeholder feedback expressed concern that there had been no specific instances submitted by trade unions since the 2011 revision of the Guidelines, noting that this could be due to a lack of interest, awareness, or confidence from trade unions in the NCP mechanism.

The sectors concerned by the one specific instance handled by the current NCP are manufacturing and wholesale and retail trade. The submission was received by an NGO. The specific instance concerned the General Policies (II), Human Rights (IV), Employment and Industrial Relations (V) chapters of the Guidelines. An overview of the specific instance handled by the current NCP is available in Annex D.

The NCP indicated a few potential reasons to explain why it had not received many specific instances. Specifically, due to the relatively small size of the Czech economy and number of investors abroad, noting the country does not have as many enterprises that fall under the scope of the Guidelines as other adherents. The NCP further noted that there is not the kind of tradition for dispute resolution in the country that would be compatible with the NCP mechanism, and rather there is a standard for using judicial mechanisms to address related issues. The NCP lastly suggested the possibility that potential submissions might hold off for 'stronger' outlets, such as the CSDDD, although this position is not shared by all NCP members. Civil society stakeholder feedback further supported these views on low case numbers, noting that domestic grievances could be more effectively addressed through legal mechanisms, and extraterritorial grievances would not be frequent due to a limited number of Czech MNEs. Feedback however also noted the potential for the NCP mechanism to play a larger role in the future in the context of new RBC priority areas such as climate due diligence and greenwashing, which may not be handled effectively by traditional grievance mechanisms. Feedback from a previous specific instance submission noted that it found the NCP as the only mechanism that could handle the issues it wished to address.

Given the existence of other grievance mechanisms in country, and considering a small number of Czech MNEs, stakeholders generally called on the NCP to provide more information on where the NCP grievance mechanism fits and how it can support their organisations, particularly in light of new EU-level RBC priorities. There notably seemed to be a lack of understanding among trade union stakeholders on the mechanism's ability to provide access to remedy in the case of an MNE headquartered in another country but operating in Czechia. Trade union stakeholder feedback indicated a willingness to engage further with the NCP, including on promotion among their memberships, if such messages explaining the relevance to trade unions were communicated by the NCP. Stakeholders indicated that sharing such messages on the basis of 'success stories' from the Czech and other NCPs would be most effective.

⁴⁹ Czech-Moravian Public Catering, Hotels and Tourism Trade Union Federation & GW International - American Chance Casinos. See: <http://mneguidelines.oecd.org/database/instances/cz0005.htm>

Rules of Procedure

Overview

The Rules of Procedure (RoP) for the Czech NCP⁵⁰ are proposed by the Secretariat and approved by the NCP through an absolute majority of the votes of all of its members.⁵¹ The RoP can be amended through an NCP resolution.

The current version of the Czech RoP was published on 27 December 2017. The NCP noted that an earlier version had been adopted by consensus, though it is no longer publicly available and the date of adoption is not known. The RoP is available in both Czech and English. For the purposes of this report and noting differences in the publicly available Czech and English versions of the RoP, both have been considered in the following sections. Differences between the documents have been analysed. General stakeholder feedback suggested the NCP better align the English RoP with the wording included in relevant OECD publications, such as the Guide for NCPs on the Initial Assessment of Specific Instances. Feedback additionally suggested that the NCP also consider these revisions in the context of the outcomes of the targeted updates.

The Rules of Procedure for the Czech NCP are organised into the following sections:⁵²

1. Basic Provisions
2. Adoption of resolutions
3. Implementation of the Guidelines in specific cases
 - a. Notification details
 - b. Initial assessment of the notification
 - c. Provision of assistance to the parties
 - d. Confidentiality
 - e. Time limits

There are clear differences between the Czech and English versions of the rules of procedure, notably as the Czech RoP is longer and contains more provisions. For example, the third section of the RoP written in the Czech language contains articles numbered 3.1-3.26, while the English version contains articles 3.1-3.13. Some of the discrepancy can be explained by differences in translation leading to slightly different separation and presentation of information. However, some of the information in the Czech RoP is notably missing from the English version.⁵³ Instances where information is only present in one language will be noted.

⁵⁰ Available: https://www.mpo.cz/assets/en/foreign-trade/national-contact-point/complaints-handling/2017/1/Rules-of-procedure_3.docx (English), https://www.mpo.cz/assets/cz/zahranicni-obchod/narodni-kontaktni-misto/projednavani-stiznosti/2017/12/Jednaci-rad-NKM_1.pdf (Czech). The report was written based on the publicly available NCP RoPs at the time of the onsite visit. During the onsite visit, the peer review team was informed that the publicly available English RoP had been updated but was mistakenly not posted on the website. The updated English RoP can now be found here: <https://www.mpo.cz/assets/en/foreign-trade/national-contact-point-for-oecd-guideline/complaints-handling/2023/2/Rules-of-Procedure-Czech-NCP.pdf>

⁵¹ Art. 6.2, NCP Statute

⁵² The sections concern those available in the Czech language RoP and the updated English RoP. The former English RoP did not include a section specific to confidentiality.

⁵³ The Czech NCP has since made publicly available an updated RoP, largely aligned with the Czech language version.

Based on materials received from the Czech NCP in the context of the peer review, a new English language RoP that was more aligned with the Czech version was being developed.

Filing a complaint

The submission process is outlined generally in the RoP and further details and support materials are available on the NCP website. The NCP website additionally contains a Word document submission form⁵⁴ to aid in the submission of a specific instance notification. The form is available in both Czech and English.

The RoP note that submissions can be made via post or by email and provides the relevant contact details. It is noted that electronic submissions require advanced electronic signatures, and a submitter will have five days to provide the original document or send the same document by post if the electronic signature is not used.⁵⁵ The RoP states that submissions that do not provide the supplemental material in the requested timeline will not be addressed. Trade union stakeholder feedback raised concerns that such wording and short deadlines would dissuade submitters from using the mechanism.

The RoP specifies that submissions must clearly contain the following information:

- ‘the name and surname, trade name or the name and address, registered office or place of business of the submitter,
- the trade name or name and registered office of the multinational company to which the case relates,
- the contact e-mail and telephone of the submitter,
- the provisions of the Guidelines which the submitter claims have been violated or to which the specific case otherwise relates,
- the subject of the notification, including a description of the decisive facts of the case and specification of the proof with which the claim is substantiated,
- the solution proposed by the submitter,
- authorised signature and date.’

The RoP indicate that the NCP will confirm the reception of the notification without ‘undue delay’ and, if necessary, will request any supplemental information and provide a deadline.⁵⁶ If the supplemental information is not received by the deadline, the NCP will not process the information.⁵⁷

Basic provisions and adoption of resolutions

The NCP RoP begin with a basic overview of the NCP’s functions and overarching goals. This includes references to the Statute of the NCP, including guidance for NCP meetings and voting.

The section on the adoption of resolutions simply states that NCP resolutions are adopted by consensus, and when consensus cannot be reached, by an absolute majority of the voting members of the NCP. The section states that representatives of employers, employees, and the non-governmental sector have one vote each, while state representatives have three votes altogether. NCP resolutions can be adopted at

⁵⁴ Available: https://www.mpo.cz/assets/en/foreign-trade/national-contact-point/complaints-handling/2017/1/NCP-Guiding-form-for-submitting-complaints_1.docx (English), https://www.mpo.cz/assets/cz/zahranicni-obchod/narodni-kontaktni-misto/projednavani-stiznosti/2017/1/Formular-pro-podani-podnetu-NKM_3.docx (Czech)

⁵⁵ This provision was present only in the outdated English RoP and is not applicable in the updated English or Czech language RoPs.

⁵⁶ Provision 3.7, NCP Rules of Procedure (Czech), Provision 3.5 (English)

⁵⁷ The updated English RoP does not contain such a provision for a supplemental information deadline.

NCP meetings or through declaration voting, managed by the Secretariat. The NCP indicated that the votes were provided differentially for NCP members to reduce number of votes for NCP members representing state authorities who are six comparing to the three representatives of stakeholders. The stakeholder members of the NCP had never expressed concerns about the voting procedures. At the time of writing, the NCP had indicated that, in practice, the NCP had made all its decisions by consensus and the voting procedure was never initiated.

Initial assessment

The RoP relating to implementation in the case of specific instances begins by stating that the NCP acts in an ‘unbiased, transparent, predictable, and fair manner’,⁵⁸ also in compliance with the principles and standards under the Guidelines.

The NCP notes that they will formally begin the initial assessment once all requested information is received from the submitters. The Secretariat prepares a proposal for the NCP decision which contains details of the submission and proposal whether to accept or not to accept the submission for further consideration.⁵⁹⁶⁰ The NCP members have to decide whether they agree or disagree with the proposal made by the Secretariat. When the case is accepted for further consideration, the Secretariat passes the submission to the NCP along with its expert report and proposed plan of action. General stakeholder feedback suggested simplified wording for the initial assessment process to increase the accessibility of the mechanism. Parties to previous specific instances noted that all relevant information was provided to them by the NCP when the procedure was opened.

Per supplemental information provided by the Czech NCP, and according to the rules of procedure in the Czech language, in the instance where a submission makes reference to an enterprise registered in another country that is adherent to the Guidelines, the NCP will contact the related entities. The NCP asks the contacted parties to comment on the notification within six weeks.⁶¹ The six weeks provided deadline for supplemental information is relatively long compared to the three-month indicative timeline for completing initial assessments.

The RoP notes that submissions are assessed in an ‘unbiased’ manner and in accordance with the principles contained in the Guidelines and Art. 2 of the NCP Statute.⁶² The use of ‘unbiased’ is slightly different from standard language on handling specific instances and possibly a slight mistranslation of ‘impartial.’ Although absent from the English version of the RoP, the Czech language RoP contains additional language, for example, that the notification will also be assessed based on the relevant local jurisdiction, the scope of the Guidelines, the justifiability and significance of any related legal rulings and judicial decisions.⁶³ The assessment criteria appear to be based on Para. 25 of the Commentary on the Procedural Guidance for NCPs. Civil society stakeholder feedback suggested clarifying and including wording on a submitter’s interest in the matter and how it is assessed in the context of handling a specific instance.

⁵⁸ The listed criteria are a possible mistranslation of the core criteria of impartiality, predictability, equitability, and compatibility with the Guidelines, provided for in the Procedural Guidance on handling specific instances.

⁵⁹ Provision 3.11, NCP Rules of Procedure (Czech), Provision 3.6 (English)

⁶⁰ The updated English RoP notes that the Secretariat sends a recommendation to the NCP on whether the case merits further examination and the NCP will make a decision. There is no provision for blocking a decision with an absolute majority of votes.

⁶¹ Provision 3.9, NCP Rules of Procedure (Czech)

⁶² Provision 3.7, NCP Rules of Procedure (English)

⁶³ Provision 3.10, NCP Rules of Procedure (Czech)

In the case a submission is not accepted, the NCP informs the parties of the decision and issues a report describing the specific issues and the reason for the decision. According to the Czech language RoP, parties to a case that is not accepted are invited to comment on the draft report and have 10 days to do so following receipt of the draft. If the case is accepted, the NCP will offer its good offices to the parties.

Concerning the preservation of impartiality in NCP procedures, the Czech language RoP specifies that in the case where an NCP member is involved in submitting a specific instance, the member will inform the NCP and not take part in any decisions made by the NCP in the specific instance. The currently available English RoP does not include language related to avoiding conflicts of interest.⁶⁴

The Czech language RoP specifies that it will inform the OECD Secretariat of the notification of a specific instance following the initial assessment.

Good offices

Within the framework of its good offices, the NCP, an authorised external appointed representative, or the Secretariat may mediate meetings between the parties, or the NCP might suggest the resolution of issues through the use of an external mediator. The parties would then enter into a mediation agreement with the mediator, including a confidentiality agreement. The NCP has not to date used an external mediator but notes that a special selection process would take place in accordance with their Ministry's guidance as the Ministry would provide the budget to cover the mediation fees. Civil society stakeholder feedback suggested the inclusion of a provision on the possibility of remote or virtual good offices procedures to increase the accessibility of the NCP.

Feedback from a previous submitter of a specific instance noted that mediation and/or face-to-face dialogue would be very important to give the parties a chance to reach an agreement.

Conclusion of the specific instance

In the case where one of the parties refuses the offer of good offices, or the parties are unable to reach an agreement despite participation, the NCP will issue a report⁶⁵ describing the issues raised, the reasons for acceptance of the specific instance, its proposed actions, and the refusal to participate by the relevant party(ies). If applicable, the report will state why an agreement could not be reached between the parties and, in some cases, make recommendations based on the issues to be resolved. The NCP RoP does not contain provisions for making determinations. The NCP noted that as the RoP do not prohibit making determinations, it could be a tool that they would carefully consider in the future if the need arose. Civil society stakeholder feedback welcomed the NCP's inclusion of recommendations in its procedures but further encouraged the NCP to consider providing for determinations and possible government-backed consequences if an MNE refused to engage in good faith in the NCP process.

In the case where both parties participate in good offices and reach an agreement, the NCP will issue a report describing the issues raised, the reasons for acceptance, and the process by which the agreement was reached. The parties will be invited to provide comments on the draft report.

The RoP note that the NCP will publish the results of discussions in the context of specific instances as reports and will inform the OECD Investment Committee of the results. The NCP notes that it publishes results in compliance with the principles in the Guidelines, particularly with respect to transparency towards the public. The NCP notes that parties will have the chance to comment on the draft versions of the reports.

⁶⁴ The updated English RoP is now aligned with the Czech language provisions on this.

⁶⁵ The NCP uses the term 'report' throughout its RoP referring to publications issued. 'Report' should be used only as the outcome publication for an agreement, otherwise the publication is a 'statement.'

The NCP further notes here that, if it deems relevant, the NCP may withhold sensitive business or personal information of the parties from its reports.

In the case where an agreement is reached outside of the NCP process, the NCP would terminate their own proceedings and publish a report on the outcome.

The RoP provide that all NCP members and guests (e.g., external experts) are bound by the duty of confidentiality concerning information that arises when discussing a specific instance.

The NCP noted separately that all ‘reports’ would be published on the Ministry’s websites. At the time of writing, the initial assessment⁶⁶ and final report⁶⁷ of the specific instance handled by the NCP were only available on the Czech version of the website.

Case follow-up

The English version of the RoP do not contain provisions about conducting a follow-up to a specific instance. However, the NCP has indicated that it plans to follow up on the specific instance that it concluded in 2022.⁶⁸

The Czech language version of the RoP specifies that in the case of an agreement, the NCP will monitor the progress of the parties in the fulfilment of the agreement and any recommendations for a period of time agreed upon by the parties. The RoP notes that if a time frame is not agreed upon, the NCP will follow up 12 months after the publication of the final statement.

In its 2022 Annual Report to the OECD Secretariat, the NCP indicated that it requests feedback from the parties on the procedures following a specific instance. Details on modalities to collect this feedback are not public or included in the RoP.

Specific Instances in Practice

The section below will largely focus on the process followed by the Czech NCP when handling their recent specific instance. As the five specific instances do not have information available beyond what has been mentioned, the instances will not be considered further in this section.

⁶⁶ See: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontaktnei-misto-pro-smernici-oecd/projednavani-stiznosti/uvodni-posouzeni-tykajici-se-specifickeho-pripadu-ohledne-domneleho-poruseni-nekterych-doporuceni-smernice-oecd-pro-nadnarodni-podniky--242892/> (Czech)

⁶⁷ See: <https://www.mpo.cz/cz/zahranicni-obchod/narodni-kontaktnei-misto-pro-smernici-oecd/projednavani-stiznosti/zaverecna-zprava-ke-specifickemu-pripadu-v-textilnim-prumyslu--271809/> (Czech)

⁶⁸ Provision of follow up in updated English RoP is now aligned with Czech language RoP.

Box 4.1. Overview of the specific instance handled by the Czech NCP

A Czech NGO & a Czech company operating in the textile industry

On 24 May 2018, a Czech NGO submitted a specific instance to the Czech NCP alleging that a Czech company active in the textile industry had not observed the General Policies, Human Rights, and Employment and Industrial Relations provisions of the Guidelines. Specifically, the NCP alleged that the company did not conduct supply chain due diligence to prevent adverse impacts to which it was directly linked through its business relationship with a Myanmar-based factory.

The NCP completed an initial assessment in August 2018, deciding to accept the case for further consideration, and moved to offer both parties its good offices in September 2018, which they both accepted. The parties to the specific instance and the NCP agreed to keep the names of the parties confidential. This was seen as necessary to build the trust of the company and convince both parties to engage in the process. Feedback from the party suggested that the confidentiality agreement was key to its engagement given also the desire to address the issues without public scrutiny.

In November 2018, the parties signed the Terms and Conditions for the Provision of Good Offices by the NCP. The NCP Secretariat and Complainant negotiated the Joint Conclusions from April to July 2019. The NCP then visited the company in person to discuss the Joint Conclusions. Several rounds of comments from the Parties ensued. The finalisation of the document suffered delays due to the Covid pandemic.

The good offices were conducted by the NCP Secretariat and were concluded in April 2022 when the parties reached an agreement and signed the 'Joint Conclusions,' which included language on the importance of RBC and due diligence, and recommendations⁶⁹ for the company to enhance its internal due diligence process.

The NCP will follow up on the implementation of the recommendations in the Joint Conclusions one year following its signing. The NCP did not make recommendations beyond those contained in the agreement.

Source: OECD case database (2023). Available: <http://mneguidelines.oecd.org/database/instances/cz0006.htm>

The published statements produced by the NCP do not include specific details on the Terms and Conditions for the Provision of Good Offices by the NCP, nor do they include information on what good offices from the NCP entailed. The NCP indicated in its 2022 Annual Report to the OECD Secretariat that the procedures did not involve mediation. The NCP clarified that the specific instance did not involve mediation as the company was unwilling to engage directly with the submitting party. Instead, the parties communicated via the NCP. The submitter noted that they would have preferred to engage in direct dialogue with the company, and the separation led to increased delays in the process. The outcome publications additionally kept the names of the involved parties confidential. See the NCP's practices for handling confidentiality below.

The NCP reported that it did not deem it necessary to make recommendations in the context of handling the specific instance, given the recommendations contained already in the agreement between the two parties.

⁶⁹ The English translation used the term 'recommendations,' while it could be expected that agreements should contain 'commitments.' The final report did note that the company 'will implement' the recommendations.

Feedback from the company involved in the specific instance noted the professionalism of the Czech NCP and the clarity of the procedures to be followed. The company noted delays in responsiveness on its end due to the pandemic shifting priorities for the company. The submitter also considered that delays were largely related to party response time and the pandemic rather than any fault or lack of responsiveness on the part of the NCP. The submitter indicated that any delays were communicated by the NCP.

The English version of the NCP RoP do not include information on the NCP's follow-up procedures. The Czech language version notes that the NCP would follow up in the case of an agreement. The NCP has indicated that it does aim to follow up on the specific instance it concluded in 2022.

Timeliness

The duration of the case concluded by the current NCP was 1467 days, far longer than the indicative timeframe of 365 days. The timeline of the specific instance exceeded the indicative timeline by 1102 days. Delays in the process were partly due to the fact that it was the NCP's first specific instance following the formal establishment, and the rules of procedure were being tested for the first time. Additional delays were due to the Covid pandemic, which began during the good offices phase of the procedure. Civil society stakeholder feedback indicated concerns relating to the long timeline to handle the specific instance. Feedback raised concerns that a lack of timeliness would contribute to a lack of stakeholder engagement with the NCP.

The NCP has a dedicated 'deadlines' section in its RoP. The section notes the NCP's goal to handle notifications quickly and efficiently. The section includes indicative timelines including three months for the initial assessment starting from the date the notification starts to be processed (i.e. when the notification is received with all necessary details), and twelve months for the completion of the entire process. The RoP do not mention a specific deadline for the good offices phase.

Confidentiality, campaigning, and parallel proceedings

The one specific instance handled by the current NCP involved a confidentiality agreement whereby the names of the parties to the specific instance were not released in the final statement. According to the NCP's rules of procedure, all NCP members are bound to confidentiality concerning discussions that take place in the context of handling a specific instance. Confidentiality rules may also be applied to the release of personal information or sensitive business information. In the context of its recent specific instance, the NCP noted in the final report the decision to maintain the confidentiality of the parties was based on a need to build trust between the parties and in the specific instance process due to the sensitivity and nature of the information being shared. The NCP further indicated, in the context of this specific instance, the perception that a confidentiality agreement was necessary to convince the company to engage. The English language RoP do not include specifications as to what kind of information might warrant a confidentiality agreement, nor does it include specifications on how the NCP determines to implement confidentiality around specific instance details, for example, if a vote is used to decide.⁷⁰

The Czech language version of the RoP contain a dedicated section for confidentiality, which is absent from the English version. This section references Act. 106/1999⁷¹ from the Czech government, which

⁷⁰ Updated English RoP provisions on confidentiality now aligned with Czech language RoP.

⁷¹ Available via the ILO website:

[https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=67141&p_country=CZE&p_count=261#:~:text=Czechia%20\(261\)%20%3E&text=Name%3A-](https://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=67141&p_country=CZE&p_count=261#:~:text=Czechia%20(261)%20%3E&text=Name%3A-)

contains provisions on the duty to provide information, the publication of information, the protection of secrets and confidentiality, and restrictions on the right to information. The RoP note that this act would concern the transparency and confidentiality of a specific instance.

The Czech language RoP section on confidentiality further notes that the parties and the Secretariat should enter into a confidentiality agreement between themselves and in accordance with Section 1746(2) Act No. 89/2012 sb.⁷²⁷³ regarding the information that the parties learn while working towards the resolution of the case. The requirement to define a confidentiality agreement could be seen as a potential hindrance to upholding transparency in the process. Confidentiality arrangements should be agreed upon by all parties. A breach in the confidentiality agreement could result in the termination of discussions and the issuance of a statement to that effect. Civil society stakeholder feedback indicated a perception that the NCP prioritised confidentiality when handling specific instances. Feedback noted an understanding that this might be necessary to convince companies to engage but also limits the transparency of the NCP procedures. Furthermore, generalising for the provision of confidentiality agreements could be a disincentive to file a specific instance for submitters that want to maintain procedural transparency and could further limit the impact of the NCP in case there is no agreement as the NCP would be unable to name the company in its public final statement, notably in relation to its recommendations.

The NCP has not dealt with a specific instance involving campaigning or parallel proceedings and the English language RoP does not include language or provisions with handling either if they were to occur.

The Czech language version of the RoP states that any relevant administrative, judicial, or other proceedings between the parties should be disclosed to the NCPs. In the case of parallel proceedings, the NCP should assess whether a continued offer of good offices can contribute positively to the solution of the issues and not create any problems for the parties relating to the parallel proceedings, such as resulting in contempt of court. Based on the assessment, the NCP might consider suspending or terminating the NCP process.

Cooperation among NCPs

The publicly available English version of the NCP RoP do not contain specific language or provisions on cooperation with other NCPs in the context of handling specific instances.⁷⁴ The Czech language version specifies that, during the initial assessment phase, the NCP may contact another NCP to coordinate if the enterprise has a registered office in another adherent country.

The NCP did not coordinate with other NCPs when handling its sole specific instance.

The Czech NCP participated as a member of the peer review team for the peer review of the Irish NCP in October 2021.

No NCPs provided feedback on their cooperation with the Czech NCP.

The NCP participates regularly in the meetings of the NCP network.

[.Act%20No.,access%20to%20information%20\(consolidation\).&text=Abstract%2FCitation%3A,of%20the%20right%20to%20information.](#) (Czech)

⁷² Available: <http://obcanskyzakonik.justice.cz/images/pdf/Civil-Code.pdf> (English)

⁷³ Provision 3.24, NCP Rules of Procedure (Czech)

⁷⁴ Updated English RoP provisions on cooperation now aligned with Czech language RoP.

Request for clarification

To date, the NCP has not submitted requests for clarification from the Investment Committee or the Working Party on Responsible Business Conduct.

Key findings on specific instances

	Findings	Recommendations
3.1	The NCP Rules of Procedure (Czech and updated English versions) are comprehensive and contain a lot of information relevant to the handling of specific instances. However, practices are not always entirely aligned with the provisions in the RoP. Furthermore, the language is not fully aligned with the Procedural Guidance and some sections involve jargon, which may limit the accessibility of the document to a third party.	The NCP could consider redrafting the Rules of Procedure to better align them with actual practices to increase predictability of the mechanism, better align them with wording in the Procedural Guidance and best practices identified by the NCP Network—notably on the publication of initial assessments and follow ups—and simplify the document language.
3.2	Stakeholder feedback has indicated the perception that the NCP procedures are too confidential, based on the RoP and in practice with the NCP's specific instance.	The NCP should strive to balance the need for transparency and confidentiality, aiming to keep the process as transparent as possible. Such a balance should be reflected in the NCP's RoP.
3.3	The one specific instance handled recently far exceeded the indicative timeline. Many of the delays were not the fault of the NCP, as notably, the case was handled partially during the pandemic. However, the drawn-out timeline still had the potential to dissuade potential users of the mechanism.	The NCP should aim to improve timeliness in future specific instances, where possible, to ensure predictability in the process and increase the confidence of potential submitters.

5 Annex Documents

- A. List of organisations submitting responses to the NCP peer review questionnaire
- B. List of organisations that participated in the NCP peer review on-site visit
- C. Promotional events
- D. Overview of specific instances handled by the Czech NCP as the leading NCP

Annex A. List of organisations that submitted a response to the NCP peer review questionnaire

Table A A.1. Questionnaire submitters for the Czech NCP peer review by stakeholder group

Business
Liberty Ostrava a.s.
SPOLCHEMIE
Trade Unions
TUAC
Civil Society
Consumer Defence Association of Moravia and Silesia (Sdružení obrany spotřebitelů Moravy a Slezska, z. s.)
Czech Consumer Association
Frank Bold Society
OECD Watch
Academia
University of Nottingham School of Law

Source: Onsite visit of the Czech NCP

Annex B. List of organisations that participated in the NCP peer review on-site visit

Table A B.1. Participants of the Czech NCP peer review by stakeholder group

State authorities	
	Czech National Bank
	Czech Permanent Delegation to the OECD
	Ministry of Environment
	Ministry of Finance
	Ministry of Foreign Affairs
	Ministry of Industry and Trade
	Ministry of Justice
	Ministry of Labour and Social Affairs
Business	
	Association of Small and Medium Enterprises
	Czech Banking Association
	Confederation of Industry of Czechia
Trade Unions	
	Czech Moravia Confederation of Trade Unions
Civil Society	
	Association of Czech Consumers
	Business for Society
	Frank Bold
	Green Circle
Academia	
	University of Economics
	Law School of University of Olomouc

Source: Onsite visit of the Czech NCP

Annex C. Promotional events

Table A C.1. Promotional activities in 2019 organised or co-organised by the NCP

Title	Date	Location	Size of Audience	Organised or co-organised	Targeted Audience
Due Diligence for Responsible Business Conduct	12/04/2019	Prague	10-50	Organised	Business representatives
Responsible business conduct for multinational enterprises and supply chains	02/04/2019	Economic School in Prague	50-100	Co-organised	University students, future economic diplomats
Responsible business conduct for multinational enterprises and supply chains	15/05/2019	Course of Economic Diplomacy	10-50	Co-organised	Young government officials preparing for external economic diplomacy
Responsible supply chains in agriculture	11/10/2019	Prague	10-50	Organised	Businesses, professionals, civil society, government representatives

Source: NCP Annual Report to the OECD (2019)

Table A C.2. Promotional activities in 2020 organised or co-organised by the NCP

Title	Date	Location	Size of Audience	Organised or co-organised	Targeted Audience
Sustainability reporting in EU	15.5.2020	Virtual	10-50	Co-organised	Business representatives, government representatives
Article on Due diligence in corporate lending	June 2020	CZ	>100	Organised	Czech exporters

Source: NCP Annual Report to the OECD (2020)

Table A C.3. Promotional activities in 2020 participated in by the NCP

Title	Date	Location	Size of Audience	Organiser	Targeted Audience
Polish NCP conference - 20. anniversary of NCP	December 2020	Virtual	50-100	Polish NCP	Business representatives, some NCPs

Source: NCP Annual Report to the OECD (2020)

Table A C.4. Promotional activities in 2021 organised or co-organised by the NCP

Title	Date	Location	Size of Audience	Organised or co-organised	Targeted Audience
Due Diligence in Financial Sector	26-May-2021	Webinar/Prague	10-5-	Organised	Business in financial sector, invitation sent also to NGOs, government
Annual meeting of economic diplomats and investment and trade promotion agencies	28-May-2021	Prague	>100	Co-organised	Economic diplomats, investment and trade promotion agencies

Note: The webinar on due diligence was held with the support of the OECD Secretariat.

Source: NCP Annual Report to the OECD (2021)

Table A C.5. Promotional activities in 2021 participated in by the NCP

Title	Date	Location	Size of Audience	Organiser	Targeted Audience
National Conference on Quality and CSR	21.Oct-2021	Prague	50-100	Ministry of Industry and Trade	Business, NGOs, Academia, Government
Sustainable Consumption	26-Oct-2021	Prague	10-50	Czech Academy of Science	Business, Academia, government, NGOs
Taxonomy and Non-financial Reporting	10-Mar-2021	Prague	10-50	Frank Bold	Business

Source: NCP Annual Report to the OECD (2021)

Table A C.6. Promotional activities in 2022 organised or co-organised by the NCP

Title	Date	Location	Size of Audience	Organised or co-organised	Targeted Audience
Responsible business conduct and the role of the NCP within it	09-Jun-2022	Webinar	10-50	Organised	Business representatives, NGOs, Trade Unions, Academia
Article on due diligence in responsible business conduct	16-Dec-2022	Trade News Magazine	>100	Co-organised	Business representatives

Source: NCP Annual Report to the OECD (2022)

Table A C.7. Promotional activities in 2022 participated in by the NCP

Title	Date	Location	Size of Audience	Organiser	Targeted Audience
Informal Meeting of the Trade Policy Committee (Services and Investment) of the Council of the European Union	28-Oct-2022	Prague	50-100	Czech Presidency of the Council of the European Union	Government

Source: NCP Annual Report to the OECD (2022)

Annex D. Overview of specific instances handled by the Czech NCP as the leading NCP

Table A D.1. Overview of the specific instance handled by the Czech NCP

Enterprise	Submitter	Host Country	Chapter (s) of the Guidelines	Date of submission	Date of initial assessment	Date of conclusion	Outcome	Description	Follow up?
Czech company operating in sale of sport textile equipment (Names not disclosable based on agreement with the parties)	Czech NGO	Myanmar	General Policies, Human Rights, Employment and Industrial Relations	24-May-2018	August 2018	30-May-2022	Agreement reached between parties following mediation	The Czech NCP accepted the case after deciding that it merited further consideration. The Parties reached agreement within the NCP proces.	Planned

Source: OECD NCP database (2023). Available : <http://mneguidelines.oecd.org/database/instances/cz0006.htm>

National Contact Point Peer Reviews: Czechia

Governments adhering to the OECD Guidelines for Multinational Enterprises are required to set up a National Contact Point (NCP) that functions in a visible, accessible, transparent and accountable manner.

This report contains a peer review of the Czech NCP, mapping its strengths and accomplishments and also identifying opportunities for improvement.

