

RAID

Rights & Accountability in Development

STAKEHOLDER CONSULTATION UPDATE

The UK National Contact Point's Promotion and Implementation of the OECD Guidelines for Multinational Enterprises

5 April 2006

Background

In response to the All-Party Parliamentary Group on the Great Lakes Region's February 2005 report on the success of the application of the *OECD Guidelines for Multinational Enterprises* (Guidelines) to the Democratic Republic of Congo, the UK Government committed to consulting stakeholders on possible improvements to the UK National Contact Point's promotion and implementation of the Guidelines in July 2005.

Current status of consultation

The next stage in the consultation process is for the UK Government to prepare a report based on the proposals and suggestions received. The report will address the future operation of the UK National Contact Point, which is housed in the Department of Trade and Industry (DTI). So far, DTI has not made public the responses it has received.

Under the guidelines that govern the operation of public consultations, the deadline for publishing the report is 6 April, three months after the final deadline for submitting contributions.

However, the Secretariat of the All Party Group on the Great Lakes Region of Africa has advised that it has established a Joint Working Group on Corporate Accountability, which among other things will make proposals about the operation of the UK National Contact Point.

DTI has sought Ministerial approval to extend the deadline for completing the report to allow time for civil society to consider the Joint Working Group's recommendations. It is anticipated that the Joint Working Group's final report will be issued publicly in May 2006.

The Joint Working Group, which operates under Chatham House rules, includes MPs, NGOs and companies and is chaired by the senior law lord, Lord Mance. The NGO participants are RAID, Human Rights Watch, Christian Aid, Amnesty International and Global Witness; the business participants include Anglo American, De Beers, the International Council on Mines and Minerals, Standard Bank and Shell.

For further information

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Related documents

- The All-Party Parliamentary Group on the Great Lakes Region's report and the UK Government's response: http://www.dti.gov.uk/ewt/uknecp_stakeholder_consultation.htm
- RAID and The Corner House's "Response to the Stakeholder Consultation": http://www.raid-uk.org/docs/UK_NCP/RAID_CH_Stakeholder_Consult.pdf

UPDATE: SPECIFIC INSTANCES SUBMITTED TO THE UK NATIONAL CONTACT POINT

March 2006

Company	Complainants	Host Country	Issue	Date Filed	Guidelines' Provision(s)	Status	Details
Binani/Roan Antelope Mining Company Zambia (RAMCOZ) Sector: Mining	Rights and Accountability in Development (RAID)	Zambia	Alleged corruption and mismanagement of Zambian mine.	05/01	II.1 sustainable development, II.2 human rights, II.5 exemption from regulation, IV.1.a employee representation & negotiation, IV.6 employee consultation over lay-offs, VI combating bribery, X taxation	Dropped	Ramcoz in Zambia went into receivership. The case continued against Binani in the UK but when Ramcoz was liquidated, it was dropped.
Anglo American plc/Konkola Mining Company (KCM) Sector: Mining	Campaign for a Better Environment (CBE); Afronet; Rights and Accountability in Development (RAID)	Zambia	Anti-competitive privatisation of copper mines, resettlement, social provision.	02/02	II.1 sustainable development, II.2 human rights, II.5 exemption from regulation, IX.1, IX.3 anti-competition, V Environment, III.2 environmental/social reporting	Ongoing	Initial assessment completed June 2002. However, process stalled when, as a result of DTI's mishandling of the complaint, the Investment Committee was asked to clarify the retrospective application of the <i>Guidelines</i> : in April 2004, it decided the case should proceed. Final submission made by NGOs in April 2005. Awaiting final response from AAC.
BP and its consortium partners in the proposed Baku-Tbilisi-Ceyhan (BTC) pipeline Sector: Oil	Campagna per la Riforma della Banca Mondiale ; Corner House; FERN; FOE-EWNI, France, NL, and US; Platform; Urgewald; WEED; Germanwatch; BUND	Turkey, Azerbaijan and Georgia	Pursuit of tax and legal exemptions; undue influencing of governments in construction of pipeline in Georgia and Turkey.	04/03	II.5 exemption from regulation, III.1 disclosure, V.1 environmental management, V.2a information on environmental health/safety, V.2b community consultation, V.4 postponement environmental protection measures	Statement pending	Declared eligible. First BP replied to the complaint, and NGOs have responded. Subsequent to the filing of the complaint, a funding package has been approved which makes the UK government a financial stakeholder in the BTC, raising concerns about impartiality. In situ visit by the UK NCP in Sept 2005. Meeting convened Nov 2005 after which UK NCP moved to conclude as no possibility of reaching agreement. Statement pending.
National Grid Transco Sector: Energy	Citizens for a Better Environment (CBE)	Zambia	Consumer protection from tariffs; anti-competitive practice, exemptions from taxation, employment and industrial relations.	07/03	II.5 exemption from regulation, IV.6 employee consultation over lay-offs, VI combating bribery, VII.4 unfair representations to consumers, X taxation; IX.1a price fixing, IX.1d market division, IX.2 competition law, IX.3 cooperation competition authorities	Closed	NGT conveyed its willingness to engage by a letter of 14 November 2003. Denied the allegations and breaching the <i>Guidelines</i> . This notwithstanding, claimed that investment entered into prior to the revised version of the <i>Guidelines</i> . The NCP has written to CBE with a long list of points for clarification. Case closed by the UK NCP May 2005.

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British American Tobacco (BAT) Sector: Tobacco	International Union of Food and Allied Workers (IUF)	Burma	Joint venture with Burmese military government.	09/03	II General Policies, IV Employment and Industrial Relations	Dropped	In November 2003, BAT sold its factories because of a formal request from the British government to withdraw from Burma. Consequently, the IUF withdrew the case.
De Beers Sector: Diamond Mining	Not applicable	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	02/04	II.10 supply chain, II.1 sustainable development, II.2 human rights	Concluded	Placed by the UN Panel in category III 'referred to NCPs for updating or further investigation'. Dossier received by UK NCP in October 2003. Final statement issued, even though there was no complainant. Key UN concern over claim that EC competition law prevented due diligence not addressed.
Oryx Natural Resources Sector: Diamond Mining	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.1 sustainable development, II.2 human rights, II.5 exemption from regulation, II.11 political involvement, III.3, III.4 disclosure, VI.1, VI.5, VI.6 combating bribery, IX.1 anti-competition, X taxation	Ongoing	Placed by the UN Panel in category III 'referred to NCPs for updating or further investigation'. Dossier received by UK NCP in October 2003. NCP insisted on resubmission of complaint in April 2005. Majority of issues disallowed by NCP on grounds that they had been 'resolved' by Panel. NCP issued a weak Statement.
Avient Sector: Air Transportation	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.2 human rights, III.3, III.4 disclosure	Concluded	Placed by the UN Panel in category III 'referred to NCPs for updating or further investigation'. Dossier received by UK NCP in October 2003. Final statement issued solely on basis of company statements. Complainant never consulted. Military activities downplayed. Weak recommendations on future conduct.
Das Air Sector: Air Transportation	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.10 supply chain, II.1 sustainable development, II.2 human rights, III.1, III.2, III.5 disclosure	Ongoing	Placed by the UN Panel in category III 'referred to NCPs for updating or further investigation'. Dossier received by UK NCP in October 2003. In February 2005, NCP allowed complainants to act. Awaiting final company response.
Tremalt/Bredenkamp Sector: Mining and Supplies	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.1 sustainable development, II.2 human rights, II.5 exemption from regulation, II.11 political involvement, III.3, III.4 disclosure, VI.1, VI.5, combating bribery, IX.1b anti-competition	Uncertain	Placed by the UN Panel in category II 'provisional resolution' but subject to monitoring. NCP refusing to consider these questions and to monitor company, which is still operating in the DRC.

Company	Complainants	Host Country	Issue	Date Filed	Guidelines' Provision(s)	Status	Details
Alex Stewart Assayers Ltd Sector: Mining Services	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.10 supply chain, IV.1c forced labour, IV.4b health & safety, II.2 human rights	Uncertain	Placed by the UN Panel in category I 'resolved' but questions remain that the Panel reports leave publicly unanswered. NCP refusing to consider these questions.
Ridgepointe Overseas Developments Ltd. Sector: Mining	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	06/04	II.1 sustainable development, II.2 human rights, II.11 political involvement	Uncertain	Mentioned by the UN Panel in the main body of its October 2002 report. Not categorised in the Panel's final report. NCP refusing to consider these questions.
A. Knight International Limited Sector: Mining Services	Rights and Accountability in Development (RAID)	DRC	Named by the UN Panel on the Illegal Exploitation of Natural Resources in the DRC.	11/04	II.10 supply chain; II. 2 human rights	Uncertain	Placed by the UN Panel in category I 'resolved' but questions remain that the Panel reports leave publicly unanswered. NCP refusing to consider these questions. Filed via Austrian NCP who rejected it on absence of investment.
BAE Systems (UK), Airbus (France) and Rolls Royce (UK) Sector: Defence	Corner House	UK	Alleged refusal of the companies to provide details of their agents and agent's commission to the UK Government's Export Credit Guarantee Department.	05/05	VI. combating bribery	Ongoing	In May 2005, the NCP accepted the complaint and forwarded it to the companies concerned for comment. Airbus has been referred to the French NCP. Action suspended due to ongoing ECGD consultation on payments through agents.
Global Solutions Limited (Australia) Pty Ltd & Global Solutions Ltd Sector: Security Services	Human Rights Council of Australia; ChilOut (Australia); RAID (UK); International Commission of Jurists (Switzerland); Brotherhood of St Laurence (Australia)	Australia	The detention of children in GSL run immigration detention centres (IDCs); public misrepresentation of its policies and practices with regards to human rights.	06/05	II.2 human rights; VII.4 unfair representations to consumers	Ongoing	Filed with both the Australian and UK NCPs, as GSL headquartered in the UK. On June 17, the Australian Government announced that it was going to transfer all families – not just families seeking asylum - from detention centres to community detention. Meeting convened Feb 2006 and Australian NCP preparing statement.