

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
INVESTMENT COMMITTEE**

Working Party on Responsible Business Conduct

Global Forum on Responsible Business Conduct

DRAFT CONCEPT NOTE

This draft concept note for the next Global Forum on Responsible Business Conduct is submitted for the consideration of delegations under item 3 of the agenda of the Working Party on Responsible Business Conduct meeting [DAF/INV/RBC/A(2014)2], to be held on 13 October 2014.

The next Global Forum on Responsible Business Conduct is currently scheduled to be held on 18-19 June 2015.

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This draft concept note outlines the proposed objectives and structure for the third Global Forum on Responsible Business Conduct (the Global Forum), currently scheduled to be held on 18-19 June 2015.

About the Global Forum

1. The Global Forum was established in 2013 to strengthen the international dialogue on responsible business conduct (RBC) and contribute to the effective implementation of the OECD Guidelines for Multinational Enterprises (the Guidelines) in a global context. At its second meeting on 26-27 June 2014, over 90 speakers came together with over 560 attendees to provide insights and exchange views about the core challenges and opportunities in advancing responsible business practices. The summary report is available [here](#) [DAF/INV/RD(2014)5/FINAL].

2. Parallel to the Global Forum, the OECD hosted a [Ministerial Meeting](#) on RBC. Chaired by the French Minister for the Economy, Industrial Renewal and Digital Affairs, the Dutch Minister for Foreign Trade and Development Cooperation, and the OECD Secretary-General, the meeting brought together over 60 Ministers and high-level participants to discuss how to integrate RBC principles throughout government policies to protect internationally recognised fundamental rights and to ensure good governance, fair regulations, and transparency. Ministers also discussed how to work toward a global level-playing field. The [ministerial communique](#) sets out priorities for future work.

3. The broad message that emerged from these discussions is that more evidence of progress on RBC efforts on the ground is needed. Three years after the update of the Guidelines, progress remains insufficient. At the same time, scaling up RBC efforts is not straightforward. Collective action at all levels is needed. Thus, the third Global Forum could focus on showcasing concrete examples of action and results-oriented solutions from the efforts on the ground.

Planning for future Forums

4. The success of the Global Forum and the Ministerial Meeting has consolidated the OECD's leading role for integrating RBC into the global economic agenda. The Global Forum's role as a meeting to ensure that efforts on RBC remain strong and relevant to all stakeholders has also been reinforced. To build on this success and in view of outreach priorities on the Guidelines, future Global Forums could be held outside of Paris, notably in Asia (Southeast Asia or China). Furthermore, 2017 will represent the fifth anniversary of the launch of the Global Forum. A Ministerial Meeting could be planned on that occasion.

Proposed Structure

5. Feedback received from the second Global Forum on the overall structure of the discussion has been positive. Thus, the agenda for the next Global Forum could be based on the same model and divided into three parts:

1. **Opening high-level plenary**, meant to set the tone for the entire Global Forum by addressing broad RBC trends;
2. **Working sessions**, which could focus on specific topics, both sectoral and horizontal and related to the proactive agenda, to showcase concrete examples of RBC efforts that lead to progress; and
3. **Special events**, to allow the audience to explore emerging RBC issues in a more open and less formal format.

Proposed Topics

6. Opening High-Level Plenary: Based on the recommendations from the 2014 Global Forum, discussion could feature examples of action that actually generate impact and results. Ministers could discuss how their governments implement RBC within their own policies and government practices and how they work with relevant stakeholders to promote RBC. Turkey, in light of its 2015 G20 Presidency, could be invited to present the G20 priorities on investment and RBC. CEOs could discuss different approaches to re-defining and broadening the understanding of value creation within their businesses, including by re-defining the scope of their risk management systems to cover all risks, not just financial risks. Specific focus could be given to responsibilities of the board and the role of non-financial disclosure requirements in streamlining internal decision-making. Trade unions and civil society could discuss their role in and specific examples of ensuring accountability.

7. Working Sessions:

– Policy Coherence for Advancing Responsible Business Conduct

RBC correlates to several policy issues¹ and can be used to ensure policy coherence and as a tool for meaningful government engagement with stakeholders. This session could focus on government best practices. Different experiences by the National Contact Points (NCPs) for the Guidelines could be showcased. Innovative approaches, such as the establishment of the focal point on RBC in Myanmar,² could also be featured. The UN could be invited to share the experiences from the developments of UN National Action Plans for the implementation of the UN Guiding Principles for Business and Human Rights and the links with NCPs. ISO could provide an update on the development of sustainable procurement best practices. Finally, tools such as the updated Policy Framework for Investment, which will include a strengthened chapter on RBC, could be presented.

– Business Contribution to the Transition to a Low-Carbon Economy

This session could focus on the contribution of RBC to addressing climate change and shifting to a low-carbon economy, notably by reducing carbon emissions throughout the supply chain.³ Considering the objective of the 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2015 in Paris to agree on strengthened international governance on climate change, this discussion would be timely. It could highlight, *inter alia*, the challenges and opportunities for government and businesses in reducing emissions and dealing with climate change-related risks.

¹ For example, social and environmental standards or guidelines are increasingly being included in bilateral, regional and multilateral trade and investment regimes. A more responsible trade regime would be a decisive driver for sustainable development and competitiveness globally. Development co-operation and development policy can also be used to support and promote a better business climate. Furthermore, embedding social and environmental standards in the award of grants and public procurement contracts, as well as in government-backed lending, insurance and financing for business, would also contribute to ensuring that social and environmental commitments are effectively respected and promoted.

² As reported to the Secretariat at the 2014 Global Forum.

³ For more information, see the 2010 OECD publication on [Transition to a Low-Carbon Economy: Public Goals and Corporate Practices](#)

- **Strengthening the Link Between Responsible Business Conduct and Corporate Governance**

This session could focus on the key areas where stronger synergies between RBC and corporate governance are desirable, for example in the role of boards or non-financial disclosure. Examples of successful existing practices could be featured. The debate could be informed by the experiences from the review of the OECD Principles of Corporate Governance, which is scheduled to be completed by the June 2015 OECD Meeting of the Council at a Ministerial-level.

- **Advancing Responsible Business in Agriculture and Extractive Sectors: Practical Approaches**

The FAO-OECD practical guidance for responsible agricultural supply chains and the OECD User Guide for stakeholder engagement and due diligence in the extractive sector are expected to be completed in 2015. They could be presented, along with examples of the implementation of their recommendations in practice.

- **Responsible Business Conduct in the Financial Sector**

Depending on the status of the Guidelines proactive agenda, this session could focus on due diligence questions, especially as related to institutional investors and due diligence in stock exchanges.

- **Responsible Business Conduct in International Sporting Events**

International sporting events involve large corporate sponsorship amounts and an intensely competitive bidding process for the host country. In light of the upcoming Brazil (2016) and PyeongChang (2018) Olympics and FIFA World Cups in Russia (2018) and Qatar (2022), this session could be an opportunity to reflect on the responsibilities of governments, international bodies and enterprises (such as IOC, FIFA and Formula 1) in ensuring that RBC principles and standards are observed throughout the organization of such events.⁴ Experience from the 2012 London Olympics, where sustainability was one of the primary goals, could be shared.

- **Responsible Business Conduct in China**

In light of the 2015 20th anniversary of OECD/China co-operation and subject to co-operation with the Chinese authorities, this session could focus on RBC progress in China in developing and implementing RBC practices. An analysis of the alignment between the Chinese and relevant international RBC approaches, including the Guidelines, could serve as background for the discussion. Concrete examples of fruitful areas of co-operation with China, for example, on due diligence in the minerals sector, could be presented.

⁴

Institute for Business and Human Rights has published a [comprehensive report](#) on this topic.

8. Special Events:

– Evidence of the Business Case for Responsibility

The business case for RBC is a highly debated topic since it is often based on anecdotal evidence. In addition, trade unions and civil society often view such discussions to shifting the focus away from business responsibilities, which are independent of the business case. The purpose of this special event could be to discuss recent advances and academic research in outlining the business case for responsible practices, notably related to organizational management.

– Responsible Business Conduct and Development: Lessons Learned from Myanmar

This event could serve as an opportunity to take stock of the situation in Myanmar one year after the Investment Policy Review and the establishment of a focal point on RBC. Lessons learned about the RBC contribution to development could be featured.

– Responsible Business Conduct in the ICT Sector

A follow up to the [2013 Global Forum](#) special event on *Responsible Business Conduct in the ICT Sector* could be organized jointly with the Institute for Business and Human Rights.

– Auditing Human Rights

Interesting initiatives related to the establishment of human rights auditing standards have recently emerged. This session could be organized in co-operation with Mazars, a leading international auditing firm, and Shift, a leading NGO for the implementation of the UN Guiding Principles for Business and Human Rights.

Budget Estimate and Planning Considerations

9. The Investment Committee requested a long-term reallocation of Part 1 funding to RBC work, in the 2015-16 Programme of Work and Budget and beyond, to fund NCP capacity-building and the Global Forum. The Secretary-General has recommended a reallocation, but only covering the additional capacity-building work. Accordingly, the Global Forum must be funded from other sources. In 2014 the Secretary-General made a special allocation to assist with the costs. However, this cannot be expected to be repeated, so either a reduced-scale event could be funded from the main Part 1 budget or countries could provide additional support through voluntary contributions (including in kind, through hosting the event).

10. The estimated budget for the next Global Forum is presented below. It is based on the assumption that the next Global Forum would be held at the OECD in Paris and does not account for the cost of the room rental, which is currently taken out of the room quota dedicated to the Investment Committee.

11. The proposed budget presents an increase to cover certain additional items not present in the 2014 Global Forum, such as a buffet lunch for all participants, full professional webcast for all sessions, and miscellaneous costs related to communications and advertising. Based on the feedback received from the participants on the areas where the next Global Forum could be improved, the Secretariat would also propose hiring professional moderators to increase the quality and management of discussion. This option, which is not reflected in the budget below, would cost approximately EUR 5 000 per moderator, covering fees and travel costs. The total cost which could need to be added to the estimate would depend on the number of hired moderators.

12. Considering the intensive resources required for the organisation of the Global Forum, both human and financial, delegations are invited to comment on the benefits and drawbacks of holding the Global Forum every other year.

Estimated budget for the next Global Forum on RBC

	2015 GLOBAL FORUM	2014 GLOBAL FORUM
	Estimate	Real Cost
<i>Item</i>	<i>EUR</i>	<i>EUR</i>
Staff (including event co-ordinator)	40,000.00	37,000.00
Speaker travel costs (approx. 20 speakers)	40,000.00	40,000.00
Event costs	70,000.00	59,000.00
Room set up	16,000.00	15,500.00
Social events (breaks, lunches, cocktail)	26,000.00	20,000.00
Webcast	13,000.00	10,500.00
Communications (Printing, Advertising, etc.)	10,000.00	9,000.00
Other (Interpretation, Translations, etc.)	5,000.00	4,000.00
Total	150,000.00	136,000.00