



**June 6, 2011**

## **ANNUAL REPORT 2010/2011**

### **Common Framework for Annual Reporting by National Contact Points for the period 1 July 2010 – 30 June 2011**

#### **A. Institutional Arrangements**

The Norwegian NCP was reorganised during 2010 as a follow-up to the white paper on corporate social responsibility (Report no. 10 (2008–2009) to the Storting). The reorganisation was based on national public consultations as well as inspiration from the Dutch and the UK NCPs.

The new NCP consists of a four member panel of independent experts,<sup>1</sup> appointed in their personal capacities on the basis of their experience. The head of the NCP was recommended and appointed by the Ministry of Foreign Affairs and the Ministry of Trade and Industry jointly. He has been appointed for four years, and the other members for three years. All may be appointed for one additional period. The members were selected on the basis of recommendations from the business community (the Norwegian Federation of Enterprises), the trade unions (the Norwegian Confederation of Trade Unions) and civil society (the NGO coalition Forum for Development and Environment (ForUM)).<sup>2</sup>

A new secretariat consisting of two persons was recruited by the Ministry of Foreign Affairs in 2010 in an open recruitment process. The secretariat started up on 1 March. The constituent meeting of the NCP was held on 30 March. Administratively, the secretariat comes under the Section for Economic and Commercial Affairs in the Ministry of Foreign Affairs. However, it is located outside the Ministry together with the Council on Ethics for the Government Pension Fund Global. The Council on Ethics is administered by the Norwegian Ministry of Finance and has a similar structure to the new NCP, with a secretariat made up of civil servants, and independent members who are appointed in their personal capacities on the basis of their experience.

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<sup>1</sup> Mr Hans Petter Graver (head of the NCP, Dean, University of Oslo, Faculty of Private Law), Ms Elin M. Myrmel-Johansen (director for strategy implementation in the retail market and part of the management group of Storebrand Life Insurance), Mr Jan-Erik Korssjøen (retired CEO from the Kongsberg Group) and Ms Gro Granden (special adviser in the Norwegian Confederation of Trade Unions). Mr Graver was recommended by civil society; Mr Jan-Erik Korssjøen and Ms Myrmel-Johansen were recommended by the business community. Ms Granden has represented the TUs of the NCP since 2000.

<sup>2</sup> ForUM is a coalition of 55 Norwegian NGOs and is a member of OECD Watch. In the process of recommending members to the NCP panel of experts, ForUM also consulted non-members, including academic institutions.

The NCP has its own budget of approximately EUR 514 000 per year, which covers salaries in the secretariat, remuneration to the panel members, and consultancy/fact finding costs relating to specific instances, information activities and administration. The members of the NCP are remunerated annually at a rate of approximately EUR 12 000 (to the head) and EUR 9 000 (to members).

### **How does the NCP relate to other government agencies?**

The new NCP is independent of the Government, although the secretariat is under the Ministry of Foreign Affairs. The secretariat is located together with the secretariat of the Council on Ethics for the Government Pension Fund Global. The NCP aims to strengthen collaboration with and promote the Guidelines and responsible business conduct in relevant ministries and public funding agencies.

The NCP secretariat is represented in an inter-departmental network of CSR coordinators and civil servants, and will also develop its own network with relevant government agencies.

### **How does the NCP relate to social partners (business and labour organisations) involved in the functioning of the National Contact Point?**

The social partners are represented in the NCP itself. The members of the NCP were proposed by Norwegian member organisations in BIAC, TUAC and OECD Watch. The Ministry of Foreign Affairs appointed the members of the NCP.

The NCP will continue to relate to the social partners on a regular basis through KOMPakt, the Government's consultative body on CSR. KOMPakt consists of representatives from government, businesses, trade unions and NGOs and is led by the State Secretary, Mr. Erik Lahnstein. The new NCP was announced at the meeting of 25 October 2010. KOMPakt is currently being evaluated by a multi-stakeholder group.

On 29 March, the secretariat met the former NCP to learn from the members' experiences. Representatives from the Confederation of Norwegian Enterprises (NHO), the Confederation of Trade Unions (LO), the Ministry of Foreign Affairs and the Ministry of Environment were present.

### **How does the NCP relate to other non-governmental organisations (NGOs) and other interested parties involved in the functioning of the NCP?**

The NCP collaborates closely with the relevant business and labour organisations. Civil society, mainly represented by the coalition of NGOs ForUM, is also a close cooperation partner. See section B. The new NCP aims to strengthen its relations and maintain an active dialogue with other NGOs and interested parties.

For example, on 18 May, a meeting was held with former and current complainants to the NCP, on the initiative of the complainants. We also intend to raise awareness of the Guidelines and the complaints mechanism among relevant NGOs and other interested parties, such as academic institutions.

**How does the NCP relate to other leading corporate responsibility instruments, such as the ILO Tripartite Declaration on Multinational Enterprises and Social Policy, the UN Global Compact and its local networks?**

The NCP closely follows and refers to other leading corporate responsibility instruments in its assessment of specific instances and outreach activities.

The Section for Economic and Commercial Affairs in the Ministry of Foreign Affairs is responsible for the update of the OECD Guidelines, UN Global Compact and the Global Reporting Initiative (GRI). The Ministry's Department for UN, Peace and Humanitarian Affairs handles ILO issues in cooperation with the Ministry of Labour. The Ministry of Trade and Industry is responsible for Nordic CSR cooperation. It is vital that ministerial sections responsible for NCP-related issues help the NCP in promoting the OECD Guidelines. The NCP will cooperate with other relevant sections in the Ministry of Foreign Affairs, other relevant ministries and public institutions.

**B. Information and promotion**

**How have the Guidelines been made available in your country (translation, brochures, creation of a webpage or website, etc.)?**

The Guidelines have been translated into Norwegian and published on the Ministry of Foreign Affairs website. A new website is currently being developed. The NCP has also published a brochure about the Guidelines in Norwegian and English. These are posted on our website (<http://www.regjeringen.no/ncp>). The NCP will also publish new and updated material, such as brochures, flyers etc. in connection with the update of the OECD Guidelines.

**How is co-operation with the business community, trade unions, other non-governmental organisations and the interested public carried out, with respect to information on, and promotion and use of, the Guidelines (consultations, distribution of the Guidelines, etc.)?**

Cooperation with the business community, trade unions, other NGOs and the interested public has been carried out through the Government's consultative body on CSR, KOMPakt.

The NCP will arrange open meetings with the business community, trade unions, other NGOs and the interested public in connection with the launch of the updated OECD Guidelines and the new NCP in Norway.

The NCP members will also seek to actively promote the OECD Guidelines in their respective networks and in the media

**How is co-operation with state owned agencies (export credits agency, state owned enterprises and others) in matters concerning information and implementation of the Guidelines?**

In its white paper on CSR, the Government states that it will "work to increase knowledge and guidance about the Guidelines, among other things through the NCP and relevant public instruments". The NCP will explore opportunities for strengthening cooperation with the

Norwegian Guarantee Institute for Export Credits (GIEK), state-owned enterprises and other agencies in matters concerning information about and implementation of the Guidelines.

GIEK has developed a social responsibility policy based on the OECD Common Approaches. GIEK presented its strategies and work at the KOMPakt meeting on 25 October 2010.

**Have other information and promotion activities been held or planned (seminars and/or conferences on the Guidelines in general or on specific subjects, informative publications or guides, co-operation with investment promotion agencies, departments of education, business schools, etc.)?**

Several presentations that include promotion of the Guidelines have been held by government representatives at conferences throughout Norway, including at universities and business schools. KOMPakt has also held meetings on the ToR for the updating of the Guidelines and the actual negotiations.

An open meeting is tentatively scheduled for 15 June, 2011. It has been planned and organised together with the Confederation of Norwegian Enterprises (NHO), the Norwegian Confederation of Trade Unions (LO) and a broad coalition of Norwegian NGOs and members of OECD Watch and the Forum for Development and Environment (ForUM).

A range of other information activities are currently being planned, such as the launch of a new NCP website and new CSR webpages on the Ministry's website.

**Has the OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones been disseminated or otherwise referred to in the context of interactions with enterprises and stakeholders?**

The OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones is published on our website.<sup>3</sup>

**Have enquiries been received from (a) other NCPs; (b) the business community, labour organisations, other non-governmental organisations, or the public; or (c) governments of non-adhering countries?**

The NCP has received and responded to enquiries from academic institutions, the business community, labour organisations, other NGOs, and the public.

The NCP has met and consulted with the Dutch and British NCPs in connection with the establishment of the new structure for the Norwegian NCP.

In addition, the NCP has been in contact with the Chilean and Canadian NPCs in the specific instance against the salmon farming enterprise Cermaq ASA and its subsidiaries Mainstream Chile and Mainstream Canada.

Norway maintains close contact with Nordic NCPs.

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<sup>3</sup>[http://www.regjeringen.no/nb/dep/ud/tema/naeringslivsamarbeid\\_samfunnsansvar/naeringslivssamarbeid/oecd\\_ressurser.html?id=606663](http://www.regjeringen.no/nb/dep/ud/tema/naeringslivsamarbeid_samfunnsansvar/naeringslivssamarbeid/oecd_ressurser.html?id=606663)

## **C. Implementation in specific instances**

No specific instances were raised during the June 2010–2011 cycle.

The new NCP, which was established on 1 March 2011, formally agreed to deal with the two on-going specific instances from the former NCP on 30 March 2011.

### **Specific instances considered by NCPs to date**

- The International Transport Workers' Federation vs. Gard (2002, concluded)
- Forum for Development and Environment vs. Aker Kværner ASA (2005, concluded)
- Cedha vs. Nordea (led by the Swedish NCP, 2007, concluded)
- The Norwegian United Federation of Trade Unions vs. Kongsberg Automotive (2009, concluded)
- The Norwegian Support Committee for West Sahara vs. Fugro (2010, withdrawn)

## **D. Other**

**How have the core criteria for the operation of NCPs (visibility, accessibility, transparency, and accountability) been applied in your country to further the effectiveness of Guidelines implementation? Please provide examples that illustrate this.**

**Visibility** has been applied in relation to the reorganisation of the NCP, e.g. through consultations with the business community, employee organisations and other interested parties. Information about the public consultations and the new NCP has been published on the Government's website, and the Ministry of Foreign Affairs issued a press release announcing the establishment of the new NCP. In addition, the NCP is currently considering whether its name, "Norwegian National Contact Point for OECD Guidelines for multinational enterprises", may in itself act as a constraint against increased visibility and perhaps also accessibility. The Norwegian NCP wishes to explore the possibility of including the term "responsible business" in its name (for instance "OECD Contact Point for Responsible Business" in line with the proposed subtitle for the updated Guidelines) for the purpose of increasing visibility and accessibility . The name NCP Norway or "Norwegian National Contact Point" or NCP will however be maintained internationally. The NCP also aims to increase its visibility and that of the Guidelines through search engine optimisation.

**Accountability** has been strengthened through the reorganisation of the Norwegian NCP. The new NCP has evolved from a tripartite to a multi-stakeholder structure. The members are appointed in their personal capacities by the Government (the Ministry of Foreign Affairs) on the basis of recommendations from the civil society, the business community and the trade unions. Accountability has also been strengthened through declarations signed by the NCP members on confidentiality, impartiality and trade restrictions. These declarations will be made publicly available.

**Accessibility** could be improved. The NCP aims to respond rapidly to inquiries, and deal with specific issues raised by parties in an efficient and timely manner. Updated contact and location information has been published on our website.

**Transparency** is key for ensuring confidence in the NCP and its credibility. The conclusions from specific instances that have been considered by the Norwegian NCP have been published on the official website of the Norwegian Government. The statements provide information on the Guidelines as well as information on the procedure followed in the instance dealt with and the names of the parties involved. The NCP will invest in updating the website when the updated OECD Guidelines are adopted.

**Do you wish to provide any other information on the nature and results of NCP activities during this implementation cycle of the Guidelines, including on any useful experiences and/or difficulties encountered in carrying out the duties of the NCP?**

The reorganisation is expected to significantly increase the strength and efficiency of the Norwegian NCP. The Norwegian NCP has faced challenges in some specific instances with regard to complexity and fact-finding.

**If the NCP disposes of surveys or statistics documenting companies' awareness of the Guidelines, do you wish to make this information available in your report?**

Several surveys have been performed by various Norwegian NGOs and companies on responsible business conduct in recent years. Out of six surveys we have examined, three explicitly refer to the Guidelines. Two of these were performed by the same institution and were sent out to virtually the same list of respondents in 2008 and 2009. The three surveys, all performed during 2008/2009 indicate that both awareness and use of the Guidelines are generally low among Norwegian enterprises, but higher among the largest companies and especially among those listed companies on the stock-exchange.<sup>4</sup>

**What issues might deserve particular attention during the 2011-2012 implementation cycles of the OECD Guidelines? Please elaborate as appropriate.**

The update of the OECD Guidelines will mean that the NCPs will need to update their information material accordingly. In this process, NCPs will need guidance from the Investment Committee Secretariat. If possible, measures to facilitate increased sharing of good practice and documents related to dealing with specific instances between NCPs would be helpful. An internal database for NCPs could be useful in this respect.

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<sup>4</sup> The surveys mentioning OECD Guidelines were commissioned by 1) the Norwegian Ministry of Foreign Affairs (MFA), 2008 and 2) a group of Norway's largest institutional investors – the Sustainable Value Creation Initiative 2008 and 2009. In the survey for the Norwegian MFA, 45% of the 300 interviewed representatives of Norwegian SMEs and large enterprises "had heard of" the Guidelines when they were mentioned. **1% referred to the Guidelines when asked to mention relevant CSR standards, and 1% said they were familiar with and/or used the Guidelines.** In the surveys performed by the Sustainable Value Creation Initiative in 2009 among listed companies, 21 out of 34 companies (64%) said they comply with / use the OECD Guidelines. 17% said they were not familiar with the Guidelines, while another 17% said they did not use the Guidelines. Correspondingly in 2008, 23 out of 37 said they use the Guidelines, 8.1% said they did not use the Guidelines and 29.7% said they were not familiar with the Guidelines.