

**ANNUAL REPORT BY  
THE U.S. NATIONAL CONTACT POINT FOR THE OECD GUIDELINES FOR  
MULTINATIONAL ENTERPRISES  
JUNE 2014-DECEMBER 2015<sup>1</sup>**

This is the first time in the fifteen-year history of the USNCP that the office has issued a public annual report. The report below aligns with the required annual private report that NCPs submit to the OECD Secretariat. This reporting period was one of great progress on the part of the USNCP. We held our first successful mediation, concluded four Specific Instances with the issuance of [Final Statements](#), and received four new Specific Instances. The USNCP ended 2015 with three Specific Instances in the pipeline, in two of which the parties had agreed to mediation.

The USNCP also made important institutional progress during 2015. Staffing of the USNCP was increased to three full-time positions, the budget for mediation was significantly increased, and an NCP [Guide to the operations of the USNCP](#) was published, providing stakeholders with important information on how the USNCP works and a complete description of USNCP procedures, including for the processing of Specific Instances. For the first time, the USNCP will publish this annual report on its website, increasing transparency, and we are committed to the publication of annual reports in the coming years.

The USNCP advanced in its outreach and proactive agendas, as well. USNCP events were held across the United States, including in New York City; Berkeley, California; Norman, Oklahoma; and Washington, DC. The USNCP conducted outreach with the garment, shoe, , finance, technology, and extractives sectors over the period. The USNCP also played an important role in the ongoing development of a National Action Plan on Responsible Business Conduct by the U.S. government.

The USNCP has accepted a position on the Bureau of the Working Party on Responsible Business Conduct at the OECD and has high expectations in all its areas of operations for 2016.

This annual report follows the question and answer format prescribed by the OECD. The questions were provided by the OECD.

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<sup>1</sup> Until 2014, the reporting period for NCPs covered activities undertaken from June to June. From 2015 the reporting period will cover the period from January to December of each year. For practical reasons, the 2015 reporting period will also cover activities between June and December 2014.

## **COMMON REPORTING FRAMEWORK**

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## A. NCP contact information

- Contact name (s) Melike Ann Yetken
- Address 2201 C Street NW, Washington, DC 20520
- Website or webpage [www.state.gov/e/eb/oecd/usncp/index.htm](http://www.state.gov/e/eb/oecd/usncp/index.htm)
- Email usncp@state.gov

## B. Institutional arrangements

*Adhering governments have flexibility in organising their NCPs as long as the institutional arrangements meet the objective of functional equivalence and help further the effectiveness of the Guidelines. NCPs have to seek the active support of social partners, including the business community, worker organisations, NGOs and other interested parties as relevant.*

### 1. In which governmental agency (ministry) is the NCP located?

The USNCP is located in the Economic and Business Affairs Bureau of the U.S. Department of State.

### 2. In the case of independent NCPs, how has the NCPs been set up?

N/A

### 3. Does the NCP include representatives from:

- Government agencies:

Yes. The Department of State. See below for the advisory Interagency Working Group

- Non-governmental bodies.

No.

### 4. What are the main considerations that have determined the current structure of the NCP? (check all that apply).

- Increase the relevance of the Guidelines to the ministries/government bodies involved
- Efficiency

### 5. Does the NCP have an advisory body? Please indicate composition and functions.

Yes. The USNCP has two advisory bodies. Both were revitalized during the reporting period and were active and helpful.

The Office of the USNCP consults with an Interagency Working Group (IWG) established for that purpose. The IWG consists of U.S. government experts including, but not limited to, representatives

of the Department of Commerce, the Department of Labor, the Department of the Treasury, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the Environmental Protection Agency. The working group also includes Department of State officials from the Office of the Legal Adviser; the Bureau of Democracy, Human Rights and Labor; the Bureau of Oceans, International Environmental and Scientific Affairs; regional country desk officers; and officers at U.S. missions abroad, as appropriate.

The USNCP also benefits from the advice of its [Stakeholder Advisory Board](#) (SAB). Established in 2012, the Stakeholder Advisory Board provides recommendations on implementation of the OECD Guidelines, including their public promotion, collaboration between the USNCP and stakeholders to anticipate and address future challenges in a proactive manner, and the operations of the USNCP. The SAB is a subcommittee of the Advisory Committee on International Economic Policy and is led by co-chairs representing business and civil society.

The SAB released an extensive [report](#) on the operations of the USNCP and including numerous recommendations for the USNCP in February, 2014. The USNCP is currently completing its work on implementing these recommendations and has now completed 97% of them.

**6. Does the NCP have an oversight body? Please indicate composition and functions.**

No.

**7. Please provide any other information on how its structure enables the NCP to operate in accordance with the core criteria of visibility, accessibility, transparency and accountability.**

**8. How is the NCP funded?**

The USNCP is funded from the budget of the U.S. Department of State.

**9. Does the NCP have dedicated staff?**

Yes, the USNCP has three full time dedicated staff.

**10. Are the financial and human resources provided to the NCP sufficient for the NCP to carry out its mandate?**

The USNCP to date has been able to meet the expectations of and requests on its office with the current financial and personnel resources. That said, the USNCP anticipates more Specific Instances in the future, and more outreach opportunities, and will continue to evaluate resource challenges and opportunities to further the work of the USNCP.

**What challenges does the NCP face in fulfilling its mandate? (check all that apply)**

Lack of financial resources

Lack of personnel

**11. Please explain these challenges, and elaborate on additional elements that would be needed for the NCP to fulfil its mandate and functions.**

The USNCP assesses that it has been able to successfully fulfil its mandate of mediation, promotion, and the proactive agenda; in many cases expanding the work in all three areas in 2015. However, there will be a need to devote even more resources to the three areas of USNCP work, including financial resources to continue to promote and the Guidelines and proactive agenda effectively, and personnel for managing and resolving specific instances in a timely fashion.

**12. Does the NCP report to the government on its activities?**

Yes, through regular meetings and established reporting channels.

**13. Please specify to whom the NCP reports (ex. Parliament, governmental body, etc.)**

The USNCP reports to the Assistant Secretary for Economic and Business Affairs in the U.S. Department of State.

**14. Does the NCP coordinate with other domestic government bodies or representatives with regard to activities on responsible business conduct (RBC)?**

Yes. The USNCP is in close coordination with other domestic government bodies via the Interagency Working Group, but is also included in other discussions of responsible business conduct conducted within the U.S. government. The USNCP is the RBC team at the Department of State.

### C. Information and Promotion

**15. Does the NCP have a dedicated website or dedicated webpages? If yes, please provide link.**

[www.state.gov/e/eb/oe.cd/usncp/index.htm](http://www.state.gov/e/eb/oe.cd/usncp/index.htm)

**16. Are the Guidelines available online?**

Yes. [www.state.gov/usncp](http://www.state.gov/usncp)

**17. Are the Guidelines available in print?**

Yes.

**18. Is the NCPs Annual Report available online or in print?**

This report will be available online, for the first time.

**19. Does the NCP have a promotional plan on the Guidelines? If yes, please provide details.**

The USNCP intends to develop a promotion plan on the Guidelines in 2016.

**20. Has the NCP implemented the actions identified in the promotional plan? Why or why not?**

As described below, the USNCP has undertaken many outreach and promotional initiatives over the period and expects to lead many more such events in 2016.

**21. How does the NCP inform investors about the Guidelines and their implementation?**

The USNCP conducted a number of stakeholder outreach sessions in 2015, including meeting in New York, California, Oklahoma, and several in Washington D.C. A wide range of sectors and business stakeholders were represented at those outreach sessions, including from the financial sector. The USNCP also works with U.S. embassies, other government agencies, and other international bodies, as appropriate, to promote the Guidelines. The USNCP also distributed a first-time cable promoting the OECD Guidelines and the utility of the USNCP to U.S. consulates and embassies throughout the world.

**22. Has the NCP done any studies to assess awareness of enterprises on the Guidelines and the NCP?**

No.

**23. What were the results of these studies/surveys?**

N/A

**24. Has the NCP organised any events to promote the Guidelines and their implementation procedure?**

Yes. During 2015, the USNCP contributed to organizing events in New York City, Washington, DC, Berkeley, California and Tulsa, Oklahoma to promote the Guidelines and their implementation. Some 350 participants from business, labor, civil society and state and local governments attended these events in addition to many webinars and conference calls.

**25. Did the NCP participate in any event organised by stakeholders or other entities to promote the Guidelines and their implementation procedures?**

Yes. The USNCP participated in the UN Forum on Business and Human Rights in 2014, in five webinars sponsored by industry associations.

**26. Does the NCP cooperate with OECD partner organisations and/or other leading organisations working on responsible business conduct?**

Yes. The USNCP has cooperated with the following partner organizations, among others:

- ILO
- UN Global Compact and its local networks
- UN Office of the High Commissioner on Human Rights

**27. Did the NCP receive enquiries about the Guidelines and the NCP?**

The USNCP received some 54 enquiries over the period. The sectors from which these enquiries were received were not tracked.

**28. If available please provide web statistics regarding your NCP's website.**

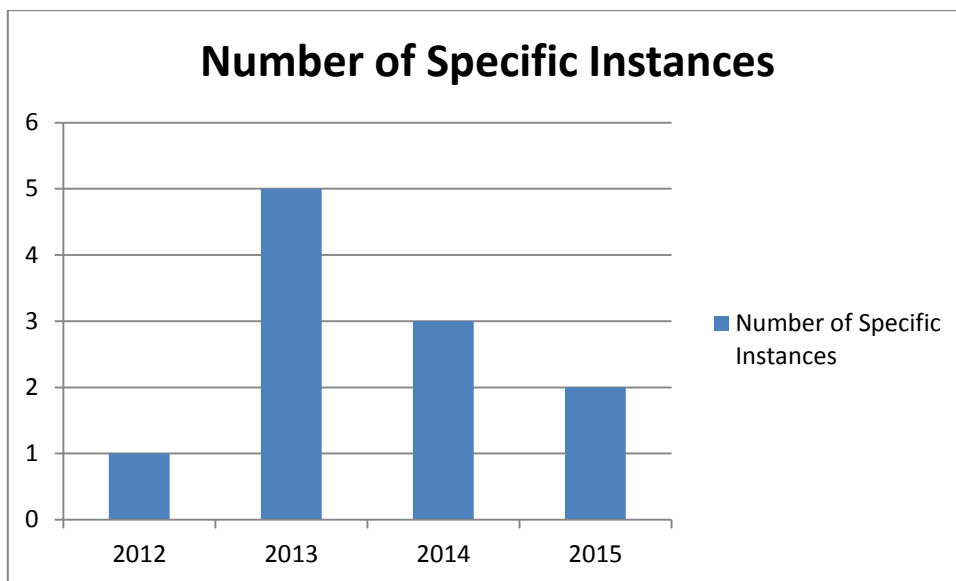
Web statistics on the USNCP website are not available.

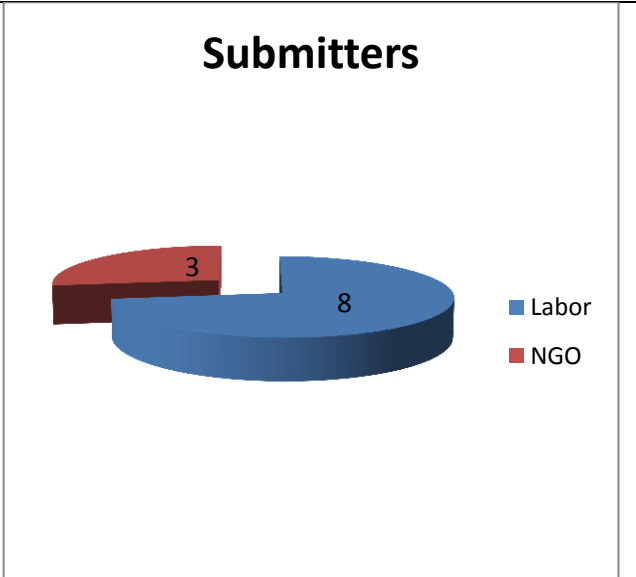
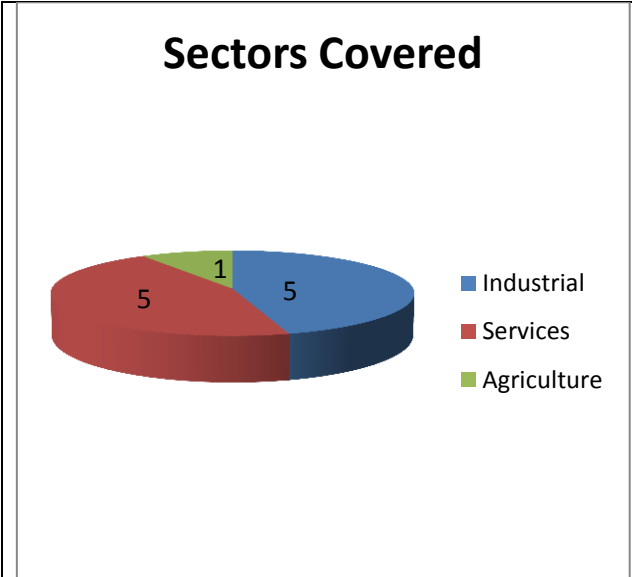
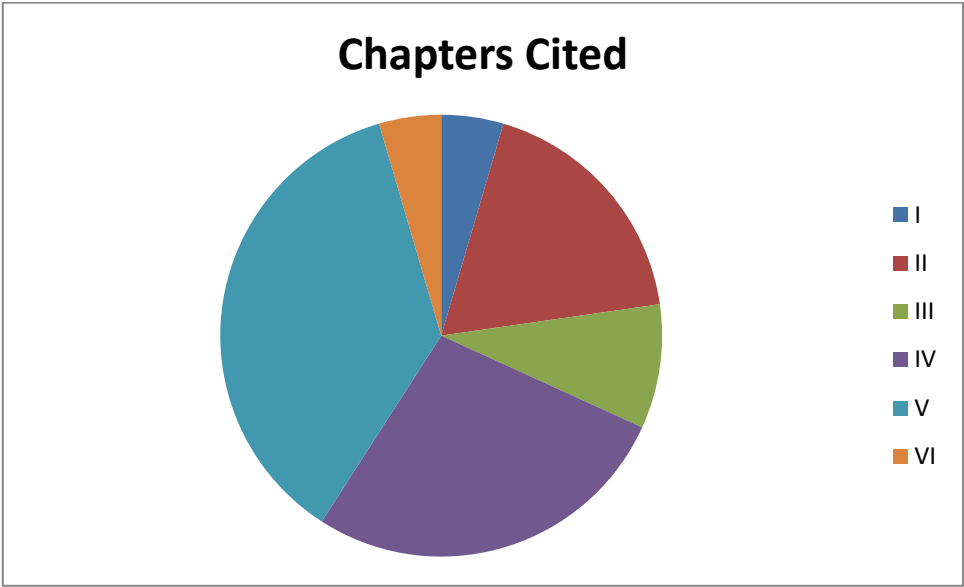
**D. Specific Instances**

*According to the Procedural Guidance, NCPs are expected to contribute to the resolution of issues that arise relating to the implementation of the Guidelines in specific instances in a manner that is impartial, predictable, equitable and compatible with the principles and standards of the Guidelines.*

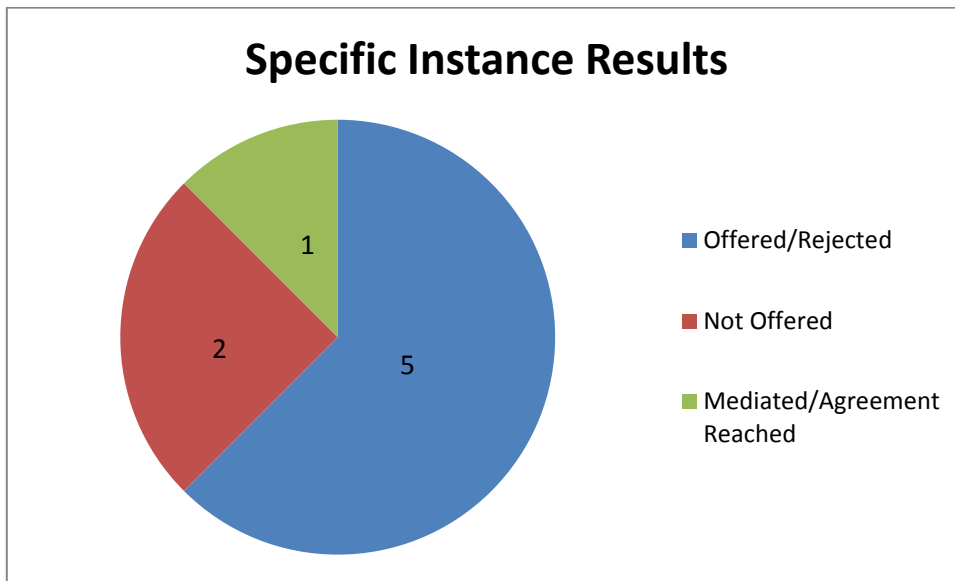
*Specific Instance Statistics*

*The following charts cover specific instances submitted since the update of the Guidelines in 2011.*









**29. What are the NCP’s procedures for handling Specific Instances?**

The USNCP procedures for handling Specific Instances are available in the USNCP Guide, which is online at [www.state.gov/documents/organization/249178.pdf](http://www.state.gov/documents/organization/249178.pdf).

**Where applicable please elaborate or note an absence of NCP procedures regarding:**

- **Requirements on submitting a complaint in a specific instance**

Procedures exist and are available online in the USNCP Guide at [www.state.gov/documents/organization/249178.pdf](http://www.state.gov/documents/organization/249178.pdf).

- **Standing requirements for participating in a specific instance (e.g. rules around who is allowed to bring complaints to an NCP mechanism, who is allowed to participate in mediation).**

Procedures exist. See the USNCP Guide at [www.state.gov/documents/organization/249178.pdf](http://www.state.gov/documents/organization/249178.pdf).

- **Confidentiality provisions**

Procedures exist. See the USNCP Guide at [www.state.gov/documents/organization/249178.pdf](http://www.state.gov/documents/organization/249178.pdf).

- **Indicative timeframes for the different steps of the procedure**

Timeframes have been established. See the USNCP Guide at [www.state.gov/documents/organization/249178.pdf](http://www.state.gov/documents/organization/249178.pdf).

- **Existence of a statute of limitations**

The USNCP has not established any statute of limitations.

- **Publication and availability online of Initial Assessments**

Per USNCP procedures, Initial Assessments are not made public.

**30. How many new Specific Instances did the NCP receive in the reporting period?**

Four new Specific Instances were received. Four were concluded, one via successful mediation. Three Specific Instances remained pending at the end of 2015.

**31. What are the main challenges the NCP encountered in handling specific instances during the reporting period? (check all that apply).**

- Parallel legal proceedings
- Parallel non-judicial proceedings
- Parallel public campaigning by complainant
- Unwillingness of the company to engage

## **E. Proactive Agenda**

*In accordance with the Investment Committee's proactive agenda, NCPs should maintain regular contact, including meetings, with social partners and other stakeholders in order to: a) consider new developments and emerging practices concerning responsible business conduct; b) support the positive contributions enterprises can make to identify and respond to risks of adverse impacts associated with particular products, regions, sectors or industries.*

**32. Does the NCP engage in any of the multi-stakeholder advisory groups under the proactive agenda?**

- Responsible Mineral Supply Chains? Yes
- Stakeholder Engagement in the Extractive Industries? The U.S. is not on the Advisory Group, but has provided input into the process.
- Responsible Business Conduct in the Financial Sector? The U.S. is not on the Advisory Group, but has provided input into the process.
- Responsible Agricultural Supply Chains? Yes
- Responsible Supply Chains in the Textile and Garment Sector? Yes

**33. How does the NCP use and rely on guidance developed as part of the proactive agenda projects mentioned above? (check all that apply).**

- Promotion and awareness raising activities

- Dealing with Specific Instances
- Handling inquiries

## **F. Co-operation and Peer Learning**

*In addition to contributing to the Committee's work to enhance the effectiveness of the Guidelines, NCPs are encouraged to cooperate and engage in horizontal, thematic peer reviews and voluntary peer evaluations. Cooperation and experience sharing can be carried out through meetings at the OECD or hosted by a government and can include mentoring and coaching, direct co-operation between individual NCP on specific issues, etc.*

### **34. How did the NCP engage in co-operation and experience sharing with other NCPs during the reporting period?**

- Horizontal learning activities
- Co-operation in handling Specific Instances
- Mentoring/capacity building events
- Participation in NCP meetings.

Details: The USNCP participated in the Budapest NCP event, the Vienna peer learning exercise, the Danish NCP peer review, and the UK NCP event on the ICT sector in addition to all of the OECD NCP meetings. Several of the Specific Instances submitted to the USNCP required coordination with other NCPs, including the Canadian, French, German, Japanese, Mexican, Turkish and UK NCPs. We have also been consulted by other NCPs regarding Specific Instances which were submitted to them.

### **35. Did the NCP encounter any difficulties in co-operating with other NCPs?**

No.

### **36. Is the NCP interested in volunteering for a peer review?**

Yes. President Obama committed to a peer evaluation in the G-7 Leaders' Declaration at Schloss Elmau, Germany on June 8, 2015 (<https://www.whitehouse.gov/the-press-office/2015/06/08/g-7-leaders-declaration>). The timeframe remains to be decided.

### **37. Is the NCP interested in being part of a peer review team?**

Yes, at any time, depending on funding and scheduling. The USNCP participated in the Danish NCP peer review in 2015.

### **38. Please provide suggestions for themes of future horizontal learning exercises.**

**39. Is the NCP interested in hosting an NCP learning/experience-sharing event?**

Yes.

#### **G. Impact and future work**

**40. Have there been any measurable impacts of the Guidelines and/or the efforts of the NCP in the past implementation cycle?**

Yes. For example, in July, 2015 the USNCP brought to closure its first successful mediation of a Specific Instance.