

Increasing impact, addressing challenges: A year in review of National Contact Points for Responsible Business Conduct

2023 Annual Report on NCP Activity

The [OECD Guidelines for Multinational Enterprises on Responsible Business Conduct](#) (the Guidelines) are recommendations from governments to business on how to act responsibly. Governments adhering to the Guidelines are required to set up [National Contact Points for Responsible Business Conduct](#) (NCPs) to further the implementation of the Guidelines. NCPs are the unique implementation mechanism of the Guidelines and currently exist in 51 countries.

A separate document including the comprehensive data on issues discussed here and reported by NCPs can be accessed in the online [annex](#).

NCPs:

1. Promote responsible business conduct (RBC) with business and other stakeholders
2. Act as non-judicial grievance mechanisms in cases of alleged non-observance of the Guidelines by companies
3. Provide support for government efforts to promote RBC-related policies.

Each year, NCPs report on their related activities, to the OECD. 2023 marked the first year in over a decade where 100% of NCPs reported on their activities. This report presents the key findings relating to how NCPs address their responsibilities.

The NCP Network largely stepped up to face increasingly complex RBC issues, however, not all NCPs functioned with an equivalent degree of effectiveness. Keep reading to see how the NCP Network fared in 2023.

Key findings for NCP activities in 2023 according to five thematic areas

POSITIVE TRENDS



The NCP grievance mechanism

56 cases received

66% of cases accepted

25 NCPs received a case

73% of agreements in cases with mediation

77% of cases without agreement included recommendations, and 62% included plans for follow up

AREAS FOR ATTENTION

12% of NCPs do not have case-handling procedures

Only 50% of cases submitted by individuals are accepted

962 day average case duration

In 64% of cases, refusal to engage is cause for no agreement



Promotion

196 events organised

20,000 people reached by NCP promotional efforts

59% of NCPs reported social media use

1/3 of NCPs engaged in two or fewer promotional events

Only 55% of NCPs reported a promotional plan

4 NCPs conducted no promotion and had not received a specific instance in the last five years



Support for government efforts to promote RBC

77% of NCPs reported involvement in the development of regulations and policies, adopted in 2023, that reference the Guidelines or the Recommendation

85% of NAPs adopted or in development in 2023 involved NCP participation

20% of NCPs involved in policy development referencing the Guidelines and the Recommendation included only one government entity in their structure



Institutional arrangements

80% of NCP structures incorporate stakeholders

63% of NCPs reported new staff, while 45% reported staff leaving

10% increase in the number of NCPs with more than 2 FTE staff

CSOs were included in 16% fewer NCP structures than business

65% of NCPs reported staff turnover

35% of NCPs without a FTE staff



Monitoring and capacity-building

65% of the NCP Network engaged in peer reviews in 2023

7 NCPs will not be peer reviewed before the end of 2024

2023: a milestone for the NCP Network

Opportunities for NCPs were expanded through the public launch of the Recommendation on the Role of Government in Promoting RBC (the Recommendation), the 2023 update of the Guidelines, and the adoption of the Declaration on Promoting and Enabling RBC in the Global Economy.

NCPs in brief

Ministerial Meeting on Responsible Business Conduct

Ministers and high-level representatives met in Paris on **14-15 February 2023** for the first-ever formal [OECD Ministerial Meeting on RBC](#). The Ministerial included a session dedicated to NCPs as the implementation mechanism of the Guidelines, as well as the broader access to remedy landscape relating to RBC.



2023 update of the Guidelines

The [2023 update of the Guidelines](#), released **8 June 2023**, provided updated recommendations for RBC across key sectors, such as climate change, biodiversity, technology, business integrity and supply chain due diligence. The update further included updated Implementation Procedures, which govern the activities of NCPs.

Updates for NCPs: The updated Procedures sought to achieve three main objectives;

- Ensure all NCPs operate with an equivalent degree of effectiveness
- Clarify the NCP mandate and reinforce NCP authority
- Ensure effective and efficient handling of cases.

Declaration on Promoting and Enabling Responsible Business Conduct in the Global Economy

The [Declaration](#) reiterates the importance of RBC in the global economy, signals policy priorities, welcomes the adoption of the Recommendation (see right), reiterates the commitment to having fully functional and adequately resourced NCPs, stressing the unique role of NCPs in implementing RBC standards, and calls on the OECD to assist governments.

Recommendation on the Role of Government in Promoting Responsible Business Conduct

The Recommendation on the Role of Government in Promoting Responsible Business Conduct, adopted on **12 December 2022** and publicly launched at the Ministerial, provides guidance on government policies to support and enable RBC without amending or modifying existing standards. The Recommendation notably recognises the important role of NCPs in fostering policy coherence for RBC and recommends that adherent countries promote access to remedy in their countries, particularly by ensuring that NCPs can effectively fulfil their responsibilities.

The NCP grievance mechanism

Any interested individual or organisation from any country can submit a case (referred to as a “specific instance”) to an NCP regarding the conduct of a company operating in or from the country of the NCP. NCPs handle such cases by assessing them, offering mediation, issuing recommendations, and making public statements. [Click here to learn how NCPs handle specific instances.](#)

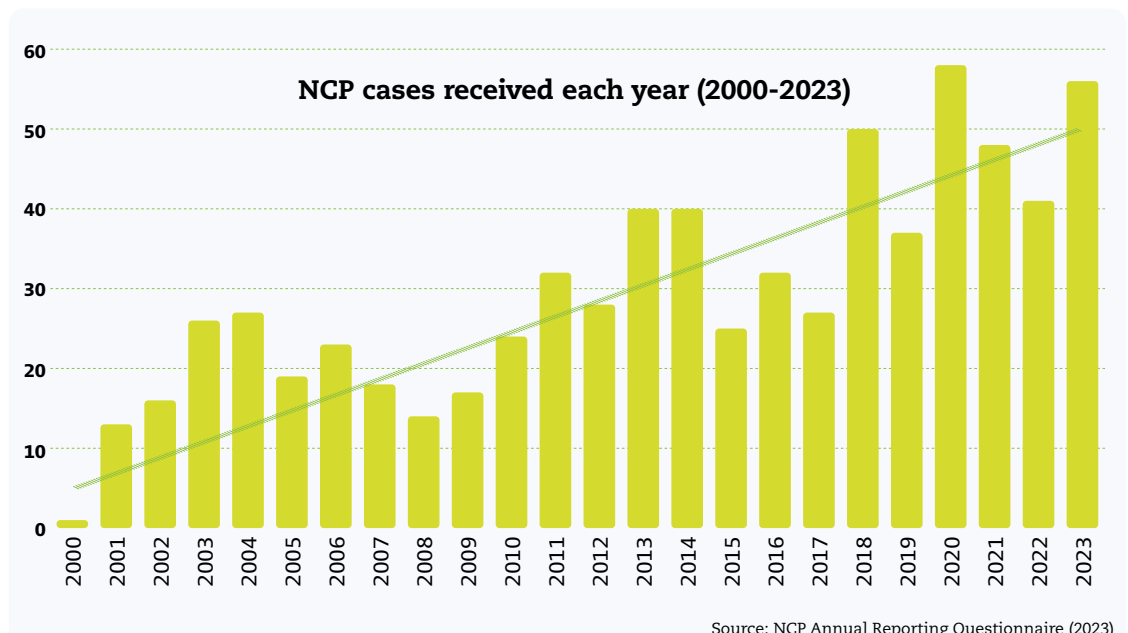
In practice, cases are handled in accordance with each NCP’s own case-handling procedures. In 2023, 45 NCPs had adopted such procedures, meaning that seven NCPs were still missing this foundational step to receiving and handling cases.

1

NCP case submissions reach near-record levels but some NCPs remain inactive

56

With 56 cases, 2023 had the second highest submission rate on record.



Handling cases provide NCPs with the opportunity to facilitate access to remedy for parties that may have been negatively impacted by business activity. Twenty-five NCPs received at least one case in 2023, a 10% increase as compared to 2022. While many NCPs received cases in 2023, as of the end of the year, sixteen NCPs (31%) had not received a case in more than five years¹.

Sectors and issues: mining, finance and human rights feature prominently year after year

Each year, the NCP Network is faced with new challenges and questions relating to a continually changing RBC landscape. Issues raised in 2023 covered a wide range of sectors and thematic issues. In 2023, the three most commonly referenced sectors were: financial and insurance activities (13 cases), electricity, gas, steam and air conditioning supply (8 cases), followed by mining and quarrying, and transportation and storage (7 cases each). The three most raised key issues were: human rights (29 cases), general policies – due diligence (28 cases), and employment and industrial relations (16 cases).

10%

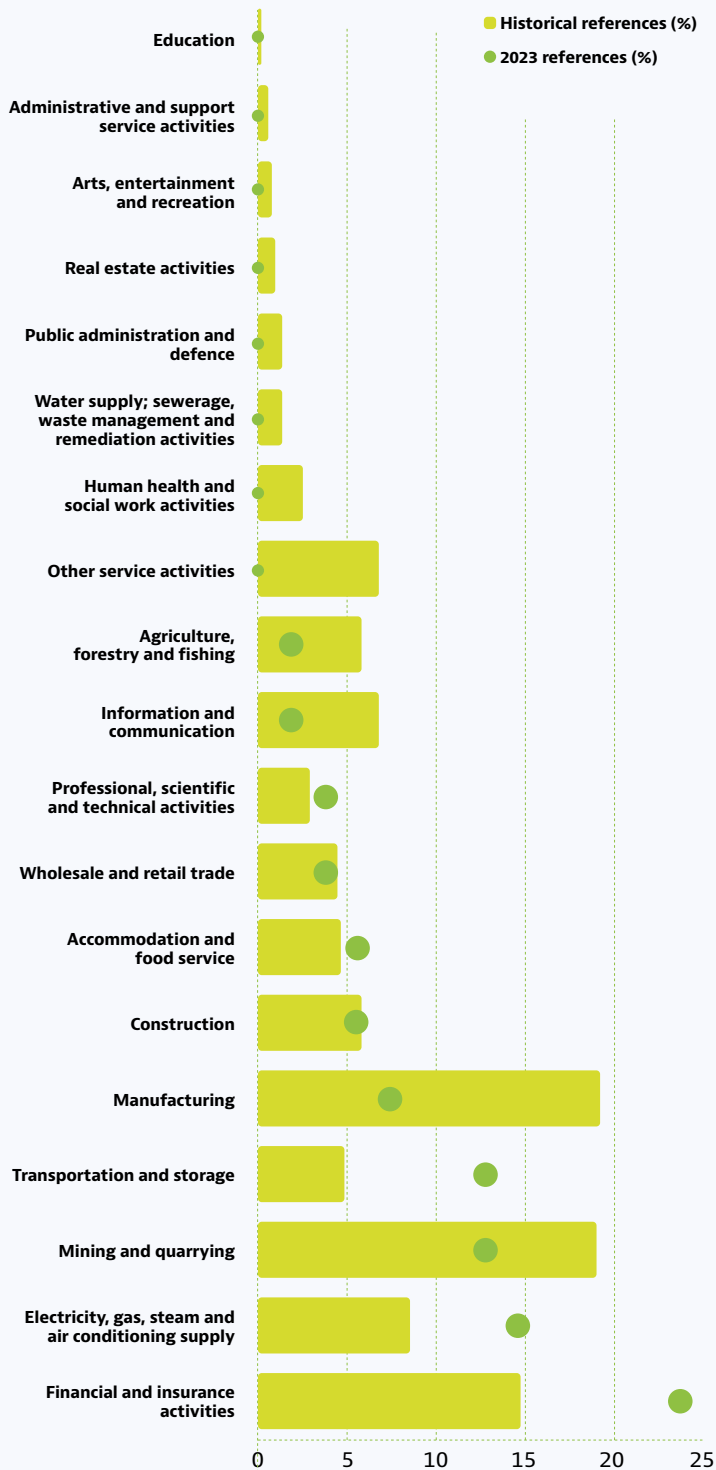
more NCPs received a case in 2023 than in 2022.

31%

have not handled a case in the last five years.

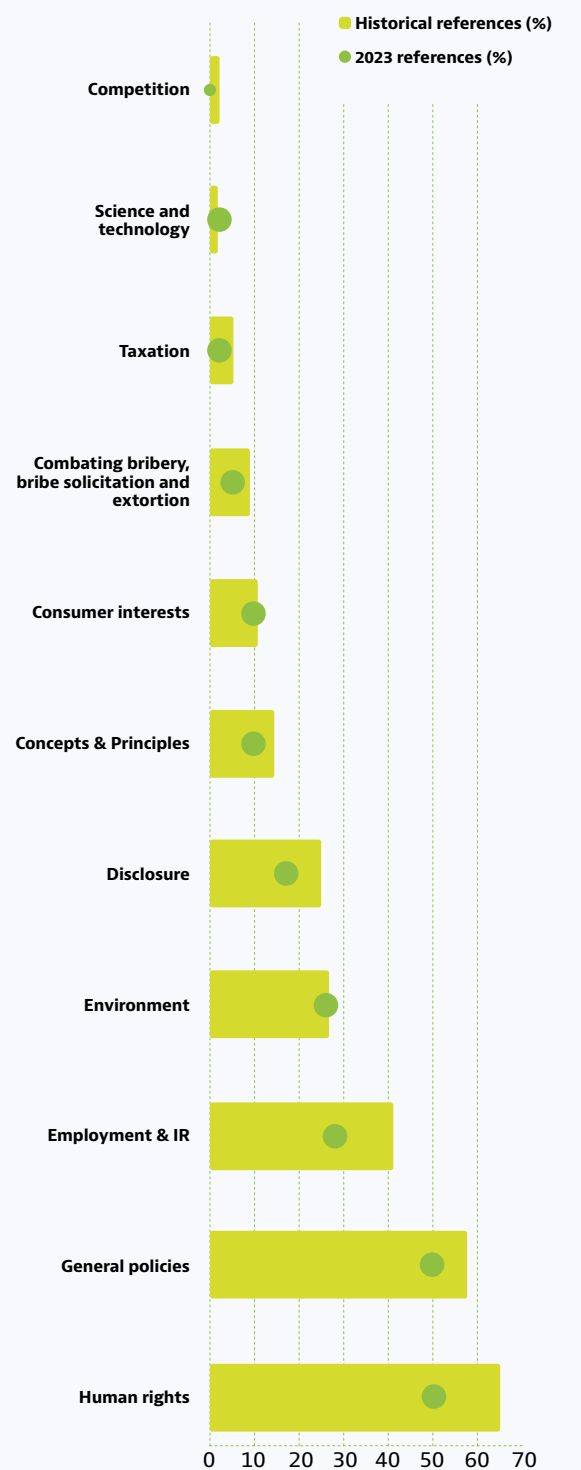
¹Bulgaria*, Costa Rica, Croatia*, Czechia, Egypt, Estonia, Greece, Iceland, Jordan, Mexico, New Zealand, Portugal, Romania, Slovak Republic, Ukraine, and Uruguay* (*denotes countries that have adhered to the Guidelines within the last 5 years)

Sectors referenced in specific instances from 2011-2023



Source: NCP Annual Reporting Questionnaire (2023)

Issues raised in specific instances from 2011-2023



Source: NCP Annual Reporting Questionnaire (2023)

While key sectors raised differ to some extent each year, some trends hold. Financial and insurance activities and mining and quarrying are historically in the top three most cited sectors in cases. The energy sector is a notable outlier in 2023, with the proportion of cases almost twice as high as the historical percentage. Human rights remain the most cited key issue, having been cit-

ed in the most cases since its introduction to the Guidelines in 2011. 'General Policies', i.e. the provisions on due diligence, has consistently been a close second. In terms of headquarter locations of companies involved in specific instances, two out of the 38 (5%) known headquarter locations were not in adherent countries, compared to 5% in 2022 and 0% in 2021.

NCP cases closed in 2023 achieved better outcomes than in previous years

The primary goal of the NCP grievance mechanism is to facilitate agreement between parties using ‘good offices’.

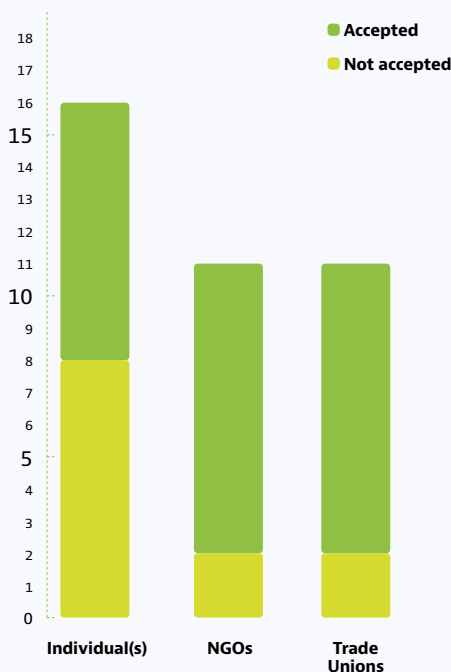
NCPs continue accepting a large proportion of cases

In order for a case to progress to the good offices phase, it must first pass initial assessment, during which the NCP evaluates whether the case merits further examination. The rate of acceptance for specific instances has fluctuated over the years. In 2023, 66% of closed cases had been accepted for further examination. Acceptance rates had previously been declining until 2018, at which time the NCP Network [clarified](#) the threshold for accepting cases and returned acceptance rates to historical averages. However, similarly to previous years, not all submitter groups have the same rates of acceptance. In 2023, specific instances submitted by NGOs and trade unions were accepted at a rate of 82%, well ahead of individuals with 50% of cases being accepted.

32%

Cases submitted by individuals were 32% less likely to be accepted than cases submitted by NGOs or trade unions

Acceptance status of cases closed in 2023 by stakeholder group



Source: NCP Annual Reporting Questionnaire (2023)

High acceptance rates show accessibility of the mechanism, but differences between submitter groups suggest barriers remain for many individual submitters, who may have less resources or expertise than professional organisations, to successfully engage in the process.

2/3

The acceptance rate of specific instances remains high with 2/3 of cases accepted

NCP-led mediation delivered more agreements in 2023

When a case is accepted and progresses to good offices, mediation is generally the preferred method of NCPs in facilitating agreement. Agreements between parties are often confidential, but may include provisions for continued dialogue, a stakeholder engagement strategy, some form of remedy such as compensation or reparation, or an updated company policy, such as on risk-based or human rights due diligence.

The year 2023 saw a high number of agreements reached between parties to specific instances, achieved both within and parallel to the NCP process. More than half (52%) of the twenty-nine cases concluded during the year reached agreement. This jumped to 73% for cases in which the NCP provided mediation. Agreements may be reached in parallel to the NCP process if the parties have engaged in parallel proceedings such as domestic legal systems, other NCPs, or company level grievance mechanisms prior to or during the NCP process. The presence of parallel proceedings does not remove an NCP’s ability to address issues raised, and NCPs can often complement access to remedy provided via other mechanisms. Almost half (48%) of cases closed in 2023 had involved parallel proceedings.

73%

Agreement was reached in 73% of cases in which NCPs provided mediation

NCP cases promote RBC beyond agreements

In addition to agreements, NCPs may facilitate other outcomes that may promote RBC. This could include:



Recommendations

- NCPs can issue recommendations to one or both parties on solving the issues or further implementation of the Guidelines.
- Recommendations were issued in over half (63%) of final statements, and in 77% of cases where the parties did not reach agreement. This represents a decrease from 2022 when 84% of final statements included recommendations. One reason for this decrease may be due to the high number of agreements reached, beyond which NCPs did not see a need for supplemental recommendations.



Determinations

- Some NCPs have the practice of issuing a determination as to whether or not a company has acted in accordance with the Guidelines. This is most often the case when a company has refused to engage in the specific instance process, or the parties were unable to reach an agreement.
- Determinations were issued in five specific instances concluded in 2023 (36% of cases without agreement), four of which determined non-observance of the Guidelines, and one determined observance. This represents a slight increase from 2022 when 21% of cases without agreement led to a determination.



Follow up

- Many NCPs have the practice of following up on the implementation of agreements or recommendations reached during the NCP's good offices. Expectations that NCPs follow up on cases were reinforced in the 2023 update of the Guidelines.
- Half (50%) of final statements in 2023 included plans for follow up. This rises to 62% when excluding cases that resulted in agreement external to the NCP process. This is on par with 2022 when 60% of final statements contained plans for follow up.

Irrespective of whether an agreement is reached, the Guidelines contain an expectation that parties will engage in good faith in the NCP process. Nevertheless, company refusal to engage is often the primary reason agreement cannot be reached, accounting for 64% of cases without agreement in 2023, up from 44% in 2022 and 57% in 2021. However, this expectation of participation was reinforced as part of the 2023 updates of the Guidelines, and now includes the possibility for NCPs to inform other government agencies of the parties' lack of good faith engagement.

Refusal

to engage remains the primary reason parties do not reach agreement after progressing to good offices

Labour rights and gender-based violence and harassment in luxury fashion

On 10 December 2021, the Chanel Korea Branch of the Korean Department Store and Duty Free Shops Sales Service Workers' Union submitted a specific instance to the Korean NCP (KNCP) alleging that Chanel Korea, a company active in luxury fashion, had not observed the Guidelines. Issues related to the company's alleged refusal to provide information and consultation rights to the labour union after allegations of sexual violence against a staff member, refusal to provide information for group negotiations, violation of the Labour Standards Act, improper communication with employees, and a lack of regard for Covid-related safety measures.

On 19 December 2023, the KNCP published a final statement concluding the specific instance after the parties reached agreement on some of the issues, such as non-discrimination of union members, discussed during mediation and on other issues in parallel to the NCP process. The KNCP made recommendations to the company on remaining issues, including that the company implement a disclosure policy and engage meaningfully with stakeholders, including on the implementation of a 'Better Workplace for Women' project. The KNCP is expected to follow up on the implementation of the recommendations and agreement in 2024.

Source: The Chanel Korea Branch of the Korean Department Store and Duty Free Shops Sales Service Workers' Union & Chanel Korea, <https://mneguidelines.oecd.org/database/instances/kr0024.htm>

EXAMPLES of NCPs reinforcing the implementation of the Guidelines in 2023

Environmental and human rights impacts of oil spill in Peru

On 19 April 2022, the law firm Justicia y Reparación submitted a specific instance to the Spanish NCP alleging that Repsol, a Spanish multinational energy and petrochemical company, had not observed the Human Rights and Environment provisions of the Guidelines. Specifically, issues related to an oil spill allegedly caused by the actions of the company and which resulted in adverse impacts on a group of artisanal fishermen.

Despite both parties participating in mediation, they were unable to come to an agreement. On 27 October 2023, the NCP published a final statement and issued the following recommendations:

- The parties continue dialogue on the issue, within the framework of good faith and in order to advance in a prompt manner for the sake of the reparation of those affected.
- Noting the company’s efforts thus far in cleaning the spill in the affected areas, the NCP recommends that it continues the task in order to avoid environmental degradation, as well as further threats to biodiversity.

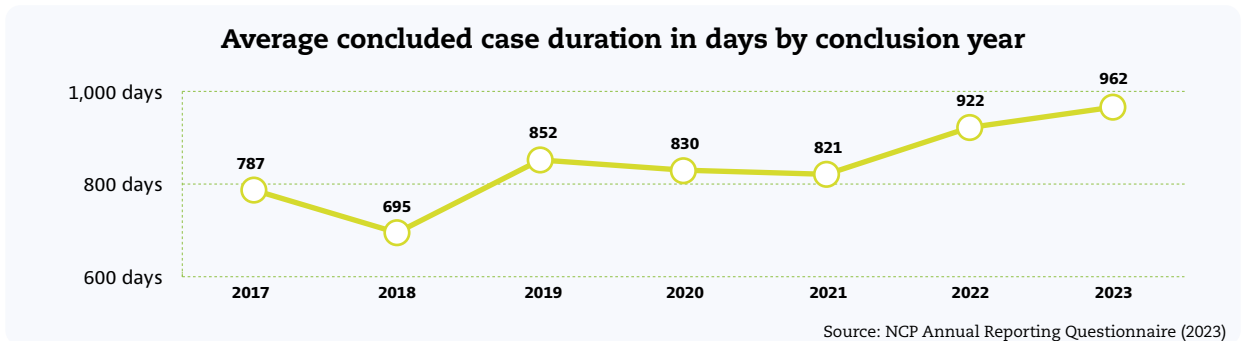
The NCP plans to follow up on the recommendations in 2024.

Source: Justicia y Reparación & Repsol, <https://mneguidelines.oecd.org/database/instances/es0010.htm>

NCPs struggle to keep the indicative time frames

The NCP grievance mechanism can be attractive to potential submitters for many reasons, such as the variety of thematic issues, the global reach of the mechanism, or because it is offered at no cost to the submitter. Submitters may also be drawn to the NCP mechanism due to its short indicative time

frame (12-14 months) to handle cases as compared to some judicial process, for example. However, handling cases within the indicative timeframe has proven to be a challenge for many NCPs, taking an average of 537-597 days longer than the indicative time frame to conclude cases in 2023.



There are many reasons why a case would exceed the indicative timeframe, many of which enable the case to reach a successful outcome, such as the elongation of mediation and good offices to allow ample time for discussion between parties. However, 2023 has continued a concerning trend of cases

that exceed the indicative timeframe, notably NCPs reported delays due to the complexity of the case, or insufficient staff resources at NCPs. This could pose an issue as, when delays are not properly communicated by the NCP, they contribute to decreased predictability and trust in the process.



KEY TAKEAWAYS ON THE NCP GRIEVANCE MECHANISM IN 2023

56 Cases received

Second record year in cases received

66% of cases accepted

Stable high rate of case acceptance

25 NCPs received a case

Percentage of NCPs engaged in handling cases is increasing

73% of agreements with mediation

High percentage of concluded cases leading to agreement

12% of NCPs do not have case-handling procedures

Underdeveloped capacity as grievance mechanisms

Only 50% of cases submitted by individuals are accepted

Acceptance rates are not even across stakeholder groups

962 day average case duration

Case handling durations are increasing

64% of cases without agreement noted an unwillingness of the parties to engage in good offices

Company engagement in good offices remains a challenge



Promotion

2

An important function of NCPs is to promote awareness of the Guidelines and the related due diligence guidance, as well as the visibility of the NCP itself. This requires sustained efforts to raise awareness among the business community, worker organisations, civil society organisations and other interested parties.

NCP promotion took a range of formats and covered a variety of topics

NCP promotional activities in 2023 included interviews with national media outlets, awareness surveys, workshops, seminars, webinars, training with businesses and government officials, and development and distribution of promotional materials, such as newslet-

ters. Topics for promotional activities covered such areas as the promotion of the Guidelines and related due diligence guidance, promotion of the NCP, public procurement and RBC, social responsibility policies, human rights policies, and SMEs.



Newsletter released by the Portuguese NCP

Promotion of RBC by NCPs held strong in 2023

Despite being a busy year for specific instances, NCPs largely maintained a high level of promotional activity. NCPs organised 196 events and participated in 245 events in 2023, in line with event numbers in recent years. A majority of these events (68%) organised by NCPs were held in-person for the first time since the Covid outbreak in 2020. Audience sizes varied, ranging from events with less than ten attendees, to events with over 1000 in at-

tendance, reaching more than 20,000 people in total. It is important to remember that promotional events are not the only outlet for NCPs promotion, and many NCPs contribute to awareness raising in other ways, for example through the development of materials or maintenance of the NCP website.

20,000
NCP promotional events reached over 20,000 people

EXAMPLE of NCPs reinforcing the implementation of the Guidelines in 2023

Climate change, biodiversity, and responsible business conduct

In December 2023, the Norwegian NCP, together with Ministry of Trade, Industry and Fisheries, Confederation of Norwegian Enterprise, Norwegian Confederation of Trade Unions, organised a conference on responsible business conduct with a focus on climate change, biodiversity, and environmental challenges. The event highlighted the 2023 update of the Guidelines and the implications for businesses relating to the updated environmental provisions, which now offer a framework for net-zero commitments by companies, particularly noting the need for a just transition.

The event brought together stakeholders from business, trade unions, civil society, academia, and international organisations to engage in dialogue and exchange on best practices.

Source: <https://www.responsiblebusiness.no/konferansen-om-ansvarlig-naeringsliv/>



NCP events are primarily targeted at business and government audiences

Audiences for promotion were not targeted in a balanced manner in 2023. Events targeting government representatives increased by 11% as compared to 2022, which may be partially explained by the changing RBC policy landscape and related developments in 2023.

11%

increase in promotion targeting government, possibly due to RBC policy developments

NCPs have flexibility in terms of how they structure their promotion but, to the extent possible, should strive to target different stakeholder groups in a balanced manner. Best practice in this regard has been the development of a promotional plan, which 55% of NCPs had reported developing for the coming year(s), representing the third consecutive decrease in NCPs with promotional plans.

55%

of NCPs have promotional plans, down from 67% in 2021

Target audience at events organised or co-organised by NCPs



Business

62%



Government

59%



Trade unions

40%



Civil society

38%



Academia

35%

Source: NCP Annual Reporting Questionnaire (2023)

NCPs increased their online presence in 2023

59%

of NCPs used social media for promotion

NCPs maintain dedicated websites or webpages to increase visibility and publicly display information on case handling and NCP updates. For many stakeholders, NCP websites have served as a principal point of contact for submitting specific instances.

In 2023, as in 2022, 49 NCPs had dedicated websites or webpages². In addition, 30 NCPs (59%) reported using social media for promotion during the year, an increase from 2022 when 24 NCPs (49%) made use of social media.

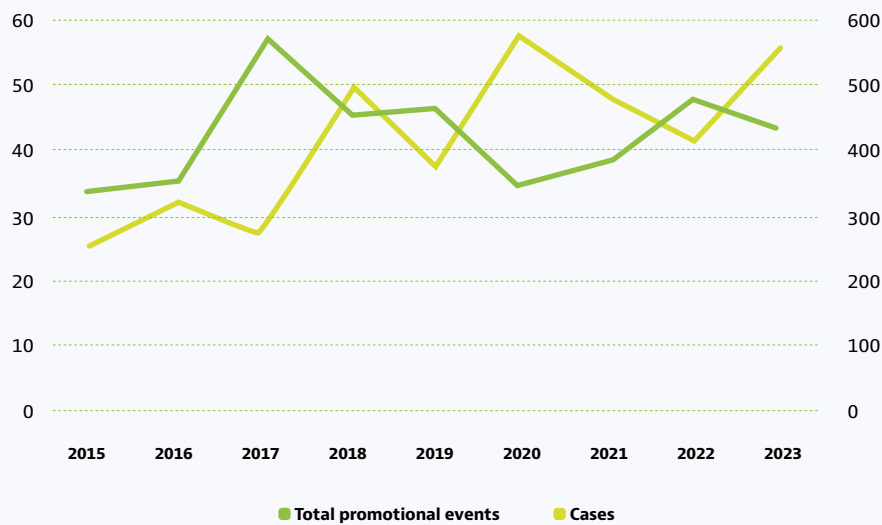
²As of the time of writing, the NCPs of Greece and Jordan did not have dedicated webpages or websites.

Yet promotion and visibility remain uneven across the network

Maintaining continuous promotional efforts is integral not only to the visibility of NCPs, but also to the success of the NCP grievance mechanism. Promotion enables relevant parties to understand their options as potential submitters and enter the process with confidence. Over the years, it has been shown in the network that

high levels of promotion one year are routinely followed by higher levels of case submissions the following year, and vice versa, indicating that resources available to NCPs are probably not sufficient to maintain both a high level of cases and promotion.

Total promotional events compared to case submissions (2015-2023)



NCP Annual Reporting Questionnaire (2023)

While by most metrics the NCP Network has overall been more active in 2023 than in previous years, some NCPs maintain a low level of activity, or have not been active at all. One third of NCPs were engaged in two or fewer promotional events in 2023³. There is notable overlap between the NCPs that did not conduct any promotion and the NCPs that have not received specific instances in the last five years. Conducting a limited number of promotional events does not allow the NCP

to cover a breadth of relevant issues and target specific audiences in a strategic way. Stakeholders have often expressed an interest in receiving targeted messaging for their stakeholder groups to understand the applicability of the Guidelines and NCP for them, which is not typically possible if only a couple high level events are organised each year.

1/3

of NCPs engaged in 2 or fewer promotional events in 2023

³Greece, Israel, Jordan, Mexico, Slovak Republic, Slovenia did not engage in promotional events in 2023.

KEY TAKEAWAYS ON PROMOTION IN 2023

196 events organised

Promotion has remained steady despite increasing NCP workloads

20,000 people reached by NCP promotional efforts

NCP promotion reaches large audience

59% of NCPs reported social media use

Promotional strategies may be diversifying

55% of NCPs reported a promotional plan,

while still representing more than half of the NCP Network, this is a third consecutive decrease, down from 67% in 2021

1/3 of NCPs engaged in two or fewer promotional events

Some NCPs conduct limited or no promotional activities

4 NCPs conducted no promotion and had not received a specific instance in the last five years,

4 out of 6 NCPs with no promotion also had no specific instances in 5 years

Support for government efforts to promote RBC

According to the 2023 version of the Guidelines, NCPs can lend support to their governments' efforts in the development, implementation, and coherence of public policies to promote RBC. This can include, for example, providing expertise on due diligence policies, or leading or participating in the development on national action plans and strategies on RBC.

This role for the NCP is further supported by [the OECD Recommendation on the Role of Government on Promoting Responsible Business Conduct](#) (the Recommendation), which recognises the role that NCPs can play in promoting policy coherence for NCPs.

While having to adjust to the updated Guidelines and the Recommendation, NCPs were faced with a unique global RBC landscape characterized by intense policy activity in 2023.

NCPs are increasingly involved in regulation or policy work

In 2023, 77% of the countries that reported adopting a regulation or policy referencing the Guidelines or the Recommendation reported NCP involvement in the development of such regulations and policies. In addition, 15% of these regulations and policies referenced the NCP specifically, or gave a role to the NCP in their implementation. While recent changes, such as the updated Guidelines, have further empowered NCPs to support government ef-

forts to promote RBC, challenges remain for some to fully take advantage of this opportunity. For example, 20% of the NCPs that reported involvement in the development of policies with references to the Guidelines and Recommendation included only one government entity in their institutional arrangements, compared to the other 80% that included two or more government entities.

77%

reported involvement in the development of regulations and policies that reference the Guidelines or the Recommendation

NCP input on due diligence policies

Twenty-five NCPs belong to member countries of the European Union. Over the course of 2023, EU institutions have discussed the draft Directive on Corporate Sustainability Due Diligence (CSDDD). Given that the directive references the OECD Guidelines and due diligence guidance, and will have an impact on certain companies in EU countries, and thus also their international business partners, many NCPs used resources over the year to inform various audiences of the potential implications of the draft directive, notably as 30 events organised by NCPs had at least a partial focus on the CSDDD. Some NCP staff were additionally engaged directly in the negotiations.

EXAMPLE of NCPs reinforcing the implementation of the Guidelines in 2023

NCPs are consistently given a role in National Action Plans

85%

of NAPs adopted or in development in 2023 involved NCP participation in their development

Thirteen NCPs reported involvement in adopted or developing NAPs or strategies on Business and Human Rights or RBC in 2023. Among these, eleven NCPs reported that they participated, or are participating, in the development of such plans, and ten NCPs reported that the plans had or foresaw a role for the NCP in its implementa-

tion. This clearly shows the part that NCPs can play in supporting their government efforts to promote RBC, both in the development and implementation of related policy. As the first full year under the Recommendation, and considering the adoption of the 2023 updates of the Guidelines, NCPs showed that they have a role to play and activity could increase in future years as NCPs adjust to their updated responsibilities and work to address them.

NCP promotion across government can support policy coherence

NCPs can further support the creation of an enabling policy environment for RBC in line with the Recommendation on the Role of Government to Promote RBC through their engagement with other government officials and agencies. In practice, government representatives are targeted in a majority (59%) of NCP promotional events. Tar-

geted promotion has involved sharing relevant NCP statements and data, engaging with public procurement, trade and investment, or other relevant officials, and working to promote the Recommendation within their own government (see the annex for more information on this promotion).

Establishment of the Responsible Business Forum in Ireland and webinar by the NCP

In 2023, the Irish NCP established the Responsible Business Forum to act as a consultative body to inform on government and international policies relating to RBC. The Forum allows for the NCP to coordinate promotion relating to different initiatives and capture views from relevant stakeholders. A webpage is available for businesses to directly access and learn about current and pending obligations.

In May 2023, the Irish NCP, in its remit acting as the Responsible Business Forum, organised a webinar for business, NGOs, trade unions, academia, and government focusing on the responsible business landscape. The webinar covered initiatives such as the Guidelines, EU Corporate Sustainability Reporting Directive, and draft EU Directive on Corporate Sustainability Due Diligence.



Source: <https://enterprise.gov.ie/en/what-we-do/the-business-environment/responsible-business/responsible-business-forum/>

EXAMPLE of NCPs reinforcing the implementation of the Guidelines in 2023



KEY TAKEAWAYS ON NCP SUPPORT FOR GOVERNMENT EFFORTS TO PROMOTE RBC

77% of NCPs reported involvement in the development of regulations and policies, adopted in 2023, that reference the Guidelines or the Recommendation

NCPs have already increased activity relating to their formalised role to engage with governments to promote RBC

85% of NAPs adopted or in development in 2023 involved NCP participation in their development

NCPs demonstrate their role in support government efforts to promote RBC

20% of NCPs involved in policy development referencing the Guidelines and the Recommendation included only one government entity in their structure

Not all NCPs are equally well-placed to be able to address this responsibility

Institutional arrangements

4

NCP structures in 2023

NCP institutional arrangements refer to the structuring and operations of an NCP, including how they engage with or incorporate stakeholder participation. Governments have flexibility in how they structure their NCPs so long as they make available the human and financial resources necessary for the NCP to fulfil their responsibilities.

19 Single agency NCPs

The NCP is composed of one official in a single ministry, or by a group of officials belonging to the same service in the same ministry.

9 Interagency NCPs

The NCP is composed of a group of representatives from several ministries or government agencies, usually with the Secretariat located on one of these ministries, composed of one or more officials.

17 Multipartite NCPs

The NCP is composed of a group of government officials and stakeholder representatives, usually with a Secretariat located in one of the government agencies represented in the NCP.

4 Expert-based NCPs

The NCP is composed of experts who are appointed by, but external to, the government.

2 Hybrid NCPs

Composed of elements derived from different models above.

Note: Some NCPs choose to support their main structural body with a multi-stakeholder or interagency advisory body.

More NCPs included stakeholders in their structures in 2023

80%

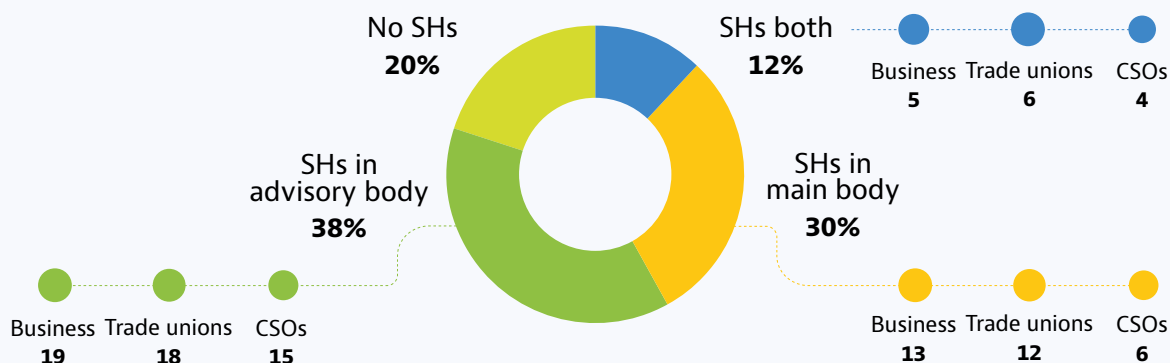
of NCPs include stakeholders in their institutional arrangements

A key component of an NCP's structure is how it enables it to engage with and maintain the confidence of stakeholders. NCPs may incorporate stakeholders in their institutional arrangements via membership in the NCP's main body, or as a member of a multi-stakeholder advisory body. Inclusion of stakeholders can increase the expertise available to an NCP

and support stakeholder relations, ultimately making it easier for the NCP to deliver its responsibilities and uphold the Guidelines.

In 2023, 80% of NCPs included stakeholders in their institutional arrangements, as compared to 69% in 2022. This continues the trend of NCPs increasingly including stakeholders in their structures, notably as this aspect was reinforced in the updated Guidelines. Despite enhanced engagement of stakeholders in NCP institutional arrangements, challenges remain in identifying new stakeholders beyond the NCPs' existing networks, for example for the purposes of promotion. This could be a particular challenge for NCPs that do not include all categories of stakeholders within their institutional arrangements.

Stakeholder (SHs) involvement in NCPs' institutional arrangements



Note: N=50. Jordan is in the process of restructuring its NCP and is therefore not included - Source: NCP Annual Reporting Questionnaire (2023)

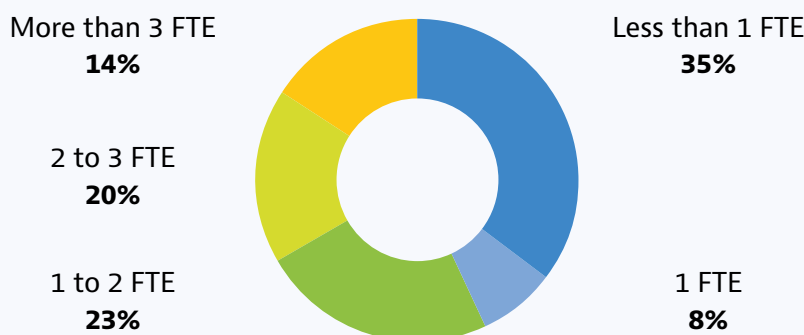
Most NCPs remain under-resourced

Other challenges that NCPs faced during the year were related to human and financial resources. Access to sufficient resources has long been a challenge for NCPs and has, in some cases, prevented NCPs from being able to effectively address their responsibilities and uphold the Guidelines. In 2023, more than 1/3 of NCPs were operating with one or fewer full-time equivalent (FTE) staff, often leaving them under resourced to effectively

ly address responsibilities. While this was largely in line with previous years, NCPs operating with more than two FTE staff increased from 24% to 34%. This suggests a gap in NCP functioning as a sizeable portion of the NCP network continues to operate with low resources, while others are increasing resources.

More than **1/3**
of the NCP Network operated
with one or fewer FTE

FTE staff resources available to the NCP Network in 2023



Note: N=51 - Source: NCP Annual Reporting Questionnaire (2023)

Staff turnover has remained high in 2023

65%

of NCPs
reported staff
turnover in 2023

Beyond the total number of staff, staff turnover may impact the effectiveness of NCPs. In 2023, 65% of NCPs reported staff turnover (either loss or gain of staff), as compared to 70% in 2022. Given also that more NCPs reported staff joining (63%) than reported staff leaving (45%) in 2023, NCPs overall were operating with more staff, and a more stable staff, than in previous years. Nevertheless, over 1/4 (27%) of NCP staff were new to their roles in 2023.

This significant level of staff turnover can create problems to ensure institutional memory, maintain continuity in handling ongoing specific instances or other activities, and it occupies NCP resources in training new staff. Furthermore, frequent turnover can be damaging for stakeholder relations if contacts are not maintained.

More staff
With more staff joining
than leaving, and less staff
turnover than in 2022, NCPs
operated with more staff,
and more stable staff than
in previous years



KEY TAKEAWAYS ON NCP INSTITUTIONAL ARRANGEMENTS IN 2023

80% of NCP structures incorporate stakeholders

Increased stakeholder engagement in NCP structures

63% of NCPs reported new staff, while 45% reported staff leaving

NCPs operated with larger absolute staff numbers

10% increase in the number of NCPs with more than 2 FTE staff

Human resources have increased for many NCPs

CSOs were included in 16% fewer NCP structures than business

Stakeholders are not included in NCP structures in a balanced manner

65% of NCPs reported staff turnover

Continued high levels of staff turnover

35% of NCPs without a FTE staff

High rate of NCPs without at least 1 FTE staff, widening gap in NCP resource levels

Monitoring and capacity-building

NCPs have to achieve ‘functional equivalence’ or in other words, all NCPs should operate with an equivalent degree of effectiveness, regardless of their differences. Effectiveness of NCPs is measured according to the following criteria: visibility, accessibility, transparency, accountability, impartiality and equitability, predictability, and compatibility with the Guidelines. In order to achieve this, NCPs regularly engage in monitoring and capacity building activities, such as [peer reviews](#), biannual NCP network meetings, or other training activities.



NCPs officials at an NCP Network meeting at the OECD Headquarters (Paris).

5

Peer reviews

NCPs routinely engage in peer reviews as a way to increase effectiveness. 2023 was the busiest year for peer reviews so far. Over 1/4th (28%) of all peer reviews conducted since the cycle began in 2009 took place in 2023. Overall, 65% of the NCP Network was directly engaged in peer review visits during the year, with ten NCPs undergoing their peer review and 23 peer reviewer NCPs.

65%

of the NCP Network was directly engaged in NCP peer reviews in 2023.

NCP under review	Visit date	Peer reviewer NCPs
Czechia	February	Luxembourg, Romania, Sweden
Slovak Republic	February	Denmark, Ireland
Latvia	March	Germany, Lithuania
Portugal	May	Chile, Spain
Poland	June	Bulgaria, Germany, United States, Ukraine (observer)
Estonia	September	Argentina, Canada, Israel
Kazakhstan	October	Egypt, France, Korea
Hungary	October	Croatia, Italy, Switzerland
Türkiye	November	Luxembourg, Peru
Iceland	December	Finland, Poland

Source: OECD (2023)

The high level of engagement contributed to progress towards the [commitment made at the OECD Ministerial Council Meeting in 2017](#) to have all NCPs

peer reviewed by 2023. The peer review cycle will extend into 2024, as the Covid-19 pandemic prevented any peer reviews from taking place in 2020.



Prof. Christine Kaufmann, Chair of the WPRBC, presents on due diligence at a promotional event held on the occasion of the Polish NCP peer review.



NCPs of Egypt, France, Korea, and Kazakhstan, together with the OECD Secretariat and the Minister of National Economy of the Republic of Kazakhstan at the peer review of the NCP of Kazakhstan.

In 2023, eight new NCP peer review reports were published⁴, which include recommendations on the establishment of NCPs through a legal instrument, establishing advisory bodies with stakeholder representatives, adopting promotional plans, and updating case-handling procedures in line with the 2023 version of the Guidelines.

Peer reviews were also shown to have an impact, as three NCPs reported back on implementation of their peer review recommendations⁵, highlighting the adoption of new terms of reference

for their advisory body, establishing new partnerships with stakeholders, adopting a work plan, and updating their promotional material and case-handling procedures.

One of the main achievements of the 2023 updated Guidelines is that NCPs will be required to undertake their peer review from 2025 onwards under a new system of mandatory and periodic peer reviews, pending adoption by the WPRBC of modalities for the new system.

Other capacity-building activities

As RBC is a fast-moving agenda, and new issues and priorities emerge regularly, NCPs constantly have to build capacity, and set themselves specific objectives such as increasing visibility and stakeholder engagement, increasing the expertise available to the network, and ensuring effective and efficient handling of specific instances. In 2023, NCPs have continued to implement the [Action Plan to Strengthen NCPs](#) (2022-2024), with the support

of the OECD Secretariat. Activities notably included a training programme on mediation, to support positive outcomes in specific instances, and a promotional handbook to increase the impact of NCP promotion of RBC.

The OECD Secretariat also provides tailored capacity-building to certain NCPs as part of dedicated projects. In 2023, the Tunisian NCP benefitted from such a project with the support of the French NCP.

⁴Czechia, Latvia, Luxembourg, Morocco, New Zealand, Peru, Portugal, Slovak Republic. The reports are publicly available at [NCP Peer Reviews](#)

⁵Brazil, Spain, Slovenia.

Capacity-building for the Tunisian NCP

Capacity-building activities with the NCP in May-June 2023 took place in Tunis and Paris, and included i) an introduction to RBC standards, and the functioning, structures, and mandate of NCPs; ii) the envisaged structure of the Tunisian NCP; iii) planning of promotional activities and stakeholder mapping; iv) the process of handling specific instances; and v) peer learning with the NCP of France.

During the week of activities in Tunis, the NCP organised a public event with high-level speakers introducing the NCP to government and stakeholders with participation of GIZ and the OECD. The event strengthened the NCP’s visibility and links with experts in RBC-related issues.



KEY TAKEAWAYS ON MONITORING AND CAPACITY-BUILDING IN 2023

65% of the NCP Network engaged in peer reviews in 2023

Many NCPs are engaging in peer reviews and peer learning activities

7 NCPs are not scheduled for a peer review before the end of 2024

Some NCPs remain inactive in this area

2023, a year in review

NCPs had a good year in 2023 with many positive trends and continued work to address their responsibilities, evidenced by strong numbers on specific instances and promotion, as well as a growing inclusion of NCPs in policy processes. 2023 was a reflection that NCPs are active in an ever-changing global RBC landscape, which necessitates continuous capacity building to enable NCPs to address pressing priorities. A cause for concern also remains the gap that seems to be widening between the majority of NCPs and a small minority that is struggling for effectiveness. Work remains to achieve complete functional equivalence in the network.

Access further data on the NCP Network in 2023 in the annex



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Additional resources

Read the OECD Guidelines for Multinational Enterprises on
Responsible Business Conduct:
<https://www.oecd.org/en/topics/responsible-business-conduct.html>

