

DEVCOOT

21 September 2012

Communiqué of the French National Contact Point for the OECD Guidelines for Multinational Enterprises

The French National Contact Point (NCP) for the implementation of OECD Guidelines for Multinational Enterprises received a specific instance on 22 October 2010 from the Sherpa (France) association and the European Center for Constitutional and Human Rights (ECCHR, Germany) in relation to the application of the OECD's Guidelines for Multinational Enterprises by the company DEVCOOT in Uzbekistan.

The referral focuses on Chapter II of the Guidelines relating to General Policies aimed at achieving sustainable development and respecting human rights. Chapter II stipulates "*Enterprises should take fully into account established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard, enterprises should:*

II.1) Contribute to economic, social and environmental progress with a view to achieving sustainable development.

II.2) Respect the human rights of those affected by their activities consistent with the host government's international obligations and commitments.

II.10) Encourage, where practicable, business partners, including suppliers and sub-contractors, to apply principles of corporate conduct compatible with the Guidelines".

The referral also focuses on Chapter IV, Employment and Industrial Relations, in relation to the abolition of child labour and forced labour. In particular, it stipulates that "*Enterprises should, within the framework of applicable law, regulations and prevailing labour relations and employment practices:*

IV.1b) Contribute to the effective abolition of child labour.

IV.1.c) Contribute to the elimination of all forms of forced or compulsory labour.

Based on the date the referral was made, the applicable version of the Guidelines is dated 27 June 2000. NCP discussions nevertheless took into account the revised version of these Guidelines published on 25 May 2011.

The NCP exercised its good offices through prolonged dialogue and took into account the information made available by the various parties. Consultation of the ECCHR delayed the process slightly but helped to effectively relaunch discussions in which DEVCOOT took part.

The NCP notes that DEVCOOT states that it has not purchased cotton in Uzbekistan in the last few years and that it had promised to no longer obtain supplies from Uzbekistan "*until there is an improvement and they put an end to the use of child labour*".

The NCP reminds DEVCOOT of the importance of the Guidelines as well as good corporate governance, particularly regarding its responsibilities in the cotton supply chain. The forced labour and child labour situation in Uzbekistan evidently remains critical, as illustrated below.

The NCP therefore recommends that DEVCOT complies with the Guidelines by implementing reasonable due diligence procedures and applying the OECD's recommendations in dealings with trading partners to *“seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship”* (see art 12, Chapter II). The NCP would like DEVCOT to keep it and the Economic Department of the French Embassy responsible for Central Asia informed of:

- Measures implemented by DEVCOT to ensure that the company and its suppliers and potential business partners do not use child labour to produce or harvest cotton.
- Resumption in the future by DEVCOT of cotton purchases in Uzbekistan.

The NCP acknowledges the utility of DEVCOT's membership of the Association of Cotton Merchants in Europe (ACME) and encourages it to take part in the work being carried out by ACME in conjunction with the International Labour Organization (ILO) to combat forced labour and child labour in Uzbekistan.

The NCP issues a reminder that, in all circumstances, child labour and forced labour in Uzbekistan's cotton fields constitute a serious and blatant violation of the OECD's Guidelines. In general, the NCP would also like to state that the trade of products manufactured on the basis of forced child labour, regardless of where it occurs, is a serious and blatant violation of the OECD's Guidelines.

The NCP reiterates that Uzbekistan has been the subject of reports and recommendations by the ILO's Committee of Experts on the Application of Conventions and Recommendations, highlighting the violation of the Forced Labour Convention (No. 29), the Abolition of Forced Labour Convention (No. 105) and the Worst Forms of Child Labour Convention (No. 182). In its latest report presented at the 100th session of the International Labour Conference in June 2011, the ILO's Conference Committee on the Application of Standards stated that it was still very concerned about the forced labour and child labour situation in Uzbekistan¹. As part of its mission to oversee application of the Worst Forms of Child Labour Convention, 1999 (No.182) ratified by Uzbekistan in 2008, *“The Committee joins the Committee on the Application of Standards in urging the Government to take immediate and effective time-bound measures to eradicate the forced labour of, or hazardous work by, children under 18 years in cotton production, as a matter of urgency. In this regard, it requests the Government to take the necessary measures to ensure that thorough investigations and robust prosecutions of offenders are carried out and that sufficiently effective and dissuasive sanctions are imposed in practice.*

The Committee accordingly requests the Government to provide information on the concrete impact of the various measures taken to monitor the prohibition of the use of forced child labour in the agricultural sector. Furthermore, the Committee urges the Government to strengthen the capacity and expand the reach of the labour inspectorate in enforcing the laws giving effect to the Convention to ensure that school-age children in rural and disadvantaged areas are not removed from school for the purpose of cotton production and harvesting. It requests the Government to provide detailed information on the results achieved in this regard, particularly the number and nature of violations detected with regard to children under 18 working in the cotton harvest, and the penalties imposed.

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¹ See pages 262-263 (Convention No. 105) and 396-399 (Convention No. 182) of the 2011 Report of the Committee of Experts on the Application of Conventions and Recommendations, ref. ILC.100/III/1A http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_151556.pdf