

CEDHA files OECD Specific Instance Complaint Against Finish Company Botnia for Violations to OECD Guidelines for Multinational Enterprises in Uruguayan Mills Project

Tuesday April 18, 2006 – Helsinki – The Center for Human Rights and Environment, CEDHA, filed today a Specific Instance Complaint to the Finnish National Contact Point (NCP) in Helsinki for Botnia's failure to comply with OECD Guidelines for Multinational Enterprises.

Amongst the allegations made by CEDHA in the Specific Instance complaint, which are grounded in many violations already confirmed in Botnia's project respective of IFC Environmental and Social Safeguards as well as human rights violations denounced before the Inter-American Commission on Human Rights, is failure to comply with the Concepts and Principles of the Guidelines, General Policies, Disclosure, Environment, Bribery, Science and Technology, and Taxation dimensions of the Guidelines and related aspects of Botnia's megamillion dollar investment in Uruguay. The complaint also points to Botnia just about terminating hopes for an amicable solution to the rising conflict between Argentina and Uruguay over this and one other controversial mill to be constructed by the Spanish company ENCE. Botnia's refusal to accept stopping construction of its mill for 90 days while Uruguay and Argentina examined missing information and conducted further impact studies, essentially collapsed presidential negotiations which were finally and for the first time, advancing. The Botnia President and CEO claimed they would not stop construction as this hurt stock market prices in New York and Helsinki.

The OECD Complaint comes on the heels of falling stock prices for Botnia as a result of its poor image as causing collapsed negotiations between the Argentine and Uruguayan presidents, as well as ING Group's (Dutch) US\$480 million pullout from intended support to Botnia. Meanwhile, the World Bank has also stalled a decision on pending loans to Botnia, due to a new report contracted by the IFC that suggests that original environmental impact studies were largely incomplete and on many fronts, inconclusive.

Governments adhere to the Guidelines on Multinational Enterprises, and subsequently must encourage companies under their nationality operating in or from their territories to abide by them. Finland, which became a member of OECD in 1969, subscribes to the Guidelines, and has a National Contact Point which receives Specific Instance complaints regarding Finnish companies and attempts to bring actors together in a friendly resolution dispute mechanism. The Guidelines provide principles and standards for responsible business conduct in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation. They are ultimately geared to promote sustainable development by multinational enterprises.

For OECD Complaint see:

http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/oecd-specific-instance-botnia-eng.pdf

For a copy of the guidelines see:

<http://www.oecd.org/dataoecd/56/36/1922428.pdf>

More Information

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