

Pulp Mill Conflict

CEDHA Appeals to OECD Investment Committee over Finnish NCP Handling of Botnia Specific Instance

Swedish NCP Opens Nordea Specific Instance

Córdoba – 23 January 2007 – CEDHA communicated to the Chair of the OECD Investment Committee, Mr Manfred Schekulin, concerns over the Finnish Government's handling of the complaint alleging violations by pulp mill company Botnia to the OECD Guidelines for Multinational Enterprises. The complaint (called a Specific Instance, in OECD jargon), was filed before Finland's National Contact Point (NCP) the body charged with addressing issues arising from Guideline compliance following Botnia's refusal to comply with a request from the presidents of Argentina and Uruguay to stop work for 90 days in what has been the only real chance of resolution to the ever escalating pulp mill conflict. Seemingly against Finland's decision to close the case, Sweden's NCP has today offered its 'good offices' to facilitate dialogue between complainants CEDHA and Bellona, concerning Guidelines violations by Nordea Bank cited in a separate specific instance filed with regards to the bank's financing of Botnia's troublesome project.

Largely grounded on the World Bank's decision to approve the controversial loan to the Botnia, Finland's NCP published a statement on Botnia's actions, dismissing all concerns of Guideline violations and interpreting the Guidelines to exclude all Argentinean stakeholders. The statement, released on 21 December last year, denied that multinational enterprises had obligations under international law, stating that enterprises must 'trust' that host countries such as Uruguay have complied with international law.

In its communication to the Investment Committee, the body that oversees the implementation of the Guidelines, CEDHA argued that by advising companies to trust that countries had complied with international law despite the existence of open complaints at international tribunals, the Finnish NCP was effectively pre-judging the outcome of the international tribunals and setting a dangerous precedent in a realm it should not enter into. Relative to the pulp mill conflict, action is ongoing at the International Court of Justice and the Inter American Commission on Human Rights.

Finland declared that other voluntary Corporate Social Responsibility initiatives such as the UN Global Compact would ensure that Botnia will use acceptable methods and adhere to internationally acceptable practices, effectively rendering the OECD Guidelines redundant in

the realm of corporate social responsibility. CEDHA has informed John Ruggie, the ideologue behind the Global Compact and now the Special Representative on the Norms for Human Rights and Transnational Corporations, of the latest developments and is closely following the case.

CEDHA requests that the OECD Investment Committee review Finnish NCP treatment of the Specific Instance and that it reopen of the case, citing the Finnish NCP failure to facilitate dialogue between the parties, its principal commended task. Concerned over the independence of the NCP due to Finland's Government support of the project (Finnvera, Kemira, Nordic Investment Bank) the Investment Committee was asked by CEDHA to consider another NCP take control of the proceedings.

Last year CEDHA engaged Nordea Bank, the Nordic private bank arranging finance for the Botnia project, a project which has no social license, to discuss its transparency and responsibility relative to the bank's involvement. Efforts to establish open lines of communication were met with a wall of silence by the bank, leading to the specific instance lodged concurrently to the Swedish and Norwegian NCPs. Swedish NCP has decided to take the lead in dealing with the case, and has offered its 'good offices' to facilitate a dialogue meeting between parties to discuss issues related to the Guidelines.

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Letter to the OECD Investment Committee:

http://www.cedha.org.ar/en/initiatives/paper_pulp_mills/oecd-invest.pdf