

To: Czech Republic National Contact Point & OECD Centre for Responsible Business Conduct  
From: OECD Watch  
Date: 27 January 2023  
Re: OECD Watch submission to the 2023 Peer Review of NCP Czech Republic

---

OECD Watch welcomes NCP Czech Republic's willingness to undergo a peer review to improve the NCP's effectiveness in promoting the OECD Guidelines for Multinational Enterprises (Guidelines) and contributing to resolving irresponsible business conduct by multinational enterprises (MNEs) in specific instances. We appreciate the opportunity to provide input into this peer review.

This submission highlights areas for improvement of particular concern to OECD Watch. We direct NCP Czech Republic, the Czech Republic government, and the peer reviewers to [OECD Watch's most recent evaluation of NCP Czech Republic](#).<sup>1</sup> As our evaluation shows, aspects of the NCP's procedures, organisational structure, and communications do not meet civil society's expectations for NCPs. This submission includes recommendations in relation to these issues.

### **NCP Czech Republic's procedures**

*Issuance of recommendations and determinations:* The NCP's Rules of Procedure do not commit the NCP to making determinations (or decisions) of (non-)compliance with the Guidelines, but do permit the NCP to make recommendations to the parties on how to handle the case further in accordance with the Guidelines. OECD Watch encourages the NCP to issue recommendations in future, final statements on how MNEs can correctly and completely implement the standards in the Guidelines and/or remedy their adverse impacts. The NCP should also consistently issue determinations on MNEs' (non-)compliance with the Guidelines. Determinations are useful as they clarify the often vague standards in the Guidelines and enable MNEs to understand and comply with the Guidelines. Both determinations and recommendations increase MNEs' accountability and can also represent a form of remedy for complainants in terms of public validation of their experiences and concerns.

*Consequences for MNEs refusing to engage in good faith in NCP processes:* OECD Watch recommends that all NCPs be permitted in their Rules of Procedure to request consequences from their respective governments, where this doesn't already exist, for poor faith of MNEs in specific instance processes. However, there is no indication that the Czech Republic government has committed to apply any such consequences, nor that NCP Czech Republic has requested its government to do so.

*Facilitating mediation:* NCP Czech Republic's Rules of Procedure do not commit the NCP to offering alternative mediation locations and/or remote video conferencing to increase accessibility for complainants. Including this in its Rules of Procedure would increase the NCP's accessibility in future specific instances.

*Plausibility standard:* OECD Watch recommends that NCP's consider specific instances "material and substantiated" if they are plausible or credible. This is in line with the OECD's Guide for NCPs on the Initial Assessment of Specific Instances. We recommend the NCP's Rules of Procedure be amended to specifically state this.

*Who can complain:* It is recommended by OECD Watch that NCPs set a low threshold for accepting specific instances by ensuring the use of a broad definition of "interest in the matter" when evaluating

---

<sup>1</sup> OECD Watch's NCP evaluations were last updated in 2021.

complainants. However, NCP Czech Republic's Rules of Procedure do not mention nor define the requirements for complainants' interest in the matter. We recommend the NCP's Rules of Procedure be amended to do so.

### **NCP Czech Republic's organisation**

*Stakeholder involvement in NCP:* The NCP has a quadripartite structure composed of representatives from multiple government ministries, employers representatives, workers representatives, and the NGO sector (Czech representatives in OECD Watch). This structure ensures accountability and broad expertise in the NCP's dual mandate: (1) raising awareness of the Guidelines among all relevant stakeholders and strengthening alignment with the standards by MNEs, and (2) identifying and contributing to resolving irresponsible conduct and adverse impacts related to MNEs' incorrect or incomplete implementation of the standards in specific instances.

*Location in bureaucracy and structure:* Despite its quadripartite structure, specific instances are handled by government officials and there is no formal stakeholder advisory body, affecting the accessibility of the NCP. Further, the NCP is located in the Ministry of Industry and Trade. OECD Watch strongly recommends NCPs not be housed within ministries focused on economics, trade, or investment to ensure there is no real or perceived conflict of interest.

### **NCP Czech Republic's communication**

*Website:* NCP Czech Republic's website generally complies with the requirements in the OECD Guidelines and OECD Watch's recommendations. The website is in both Czech and English, and key information is included, such as on the Guidelines and the role of NCPs, as well as specific instance filing instructions. Certain improvements could be made, however. For example, the NCP's website does not include sufficient information on its structure nor the OECD's Due Diligence Guidance.

*Budget:* NCP Czech Republic's website does not show the NCP's annual budget and spending streams. The NCP does not have a dedicated budget and instead receives financial resources on an *ad hoc* basis. OECD Watch recommends that all NCPs be provided an adequate and regular budget to facilitate them carrying out their dual mandate, and for NCPs to publish their budget and spending terms on their websites.

### **Contact details**

For questions or clarification on this submission, please contact the OECD Watch Secretariat.

**OECD Watch Secretariat** (c/o SOMO)  
KNSM-laan 17  
1019 LA Amsterdam  
The Netherlands  
Ph: +31 20 6391291  
[info@oecdwatch.org](mailto:info@oecdwatch.org)

Katharine Booth, Researcher and Policy Advisor  
[k.booth@oecdwatch.org](mailto:k.booth@oecdwatch.org)

Marian Ingrams, Director  
[m.ingrams@oecdwatch.org](mailto:m.ingrams@oecdwatch.org)