

**Annual Reporting by National Contact Points
for the period June 2007-June 2008**

BRAZIL/BRÉSIL

A. Institutional Arrangements

The OECD Guidelines for Multinational Enterprises were formally implemented in Brazil in May 2003. The Secretariat of Foreign Affairs of the Ministry of Finance is responsible for coordinating the National Contact Point (NCP) in Brazil.

Other ministries are also full members of the NCP: the Ministry of Foreign Affairs, the Ministry of Labour and Employment, the Ministry of Planning, Budget and Management, the Ministry of Justice, the Ministry of Environment, the Ministry of Science and Technology, the Ministry of Development, Industry and Trade, the Ministry of Agriculture, and the Brazilian Central Bank.

Since the NCP in Brazil is composed by several ministries it has a widespread representation among government entities, which enables the group to count with specialized feedback in almost all relevant areas covered by the Guidelines. If any specific case demands further representation of any other public institution, the NCP is authorized to invite it to join its meetings. The invitation can even be extended to join the NCP group on a permanent basis, since the Brazilian National Decree which stipulates the composition of the NCP allows other government bodies to join the group.

Despite the pervasive representation within the public sector, the NCP still lacks formal representation channels among civil society entities. This gap is partly offset by the intense activity of some NGO's – like the ETHOS Institute –, the National Confederation of Industry – CNI – and labour unions – like CUT, the largest labour union in Brazil — with good communication with the government. Nevertheless, several social segments that are less vocal are rather underrepresented in their claims towards the NCP. To partly remedy this, the Brazilian NCP created a mailing list which is open to membership to all interested parties and allows fast and direct consultation to its registered members. Even though this rather informal channel does not substitute formal ones, it has the advantage of being expeditious, open to immediate membership and immune to bureaucratic impediments.

In this context, one of the NCP's challenges is to establish formal communication channels with all relevant social actors. The NCP constantly invites civil society representatives to join their regular meetings, allowing them to express their concerns, present their criticisms with respect to the functioning of the group and also to orally support their claims in specific instances. The group's future challenge is to formally create an Advisory Committee to cooperate with it in establishing strategies, proposing measures and activities to effectively promote the implementation of the Guidelines in Brazil.

In April 2007, the Brazilian NCP issued a decision to regularly invite CUT to the forthcoming meetings. Initiatives of this sort have the main goal of developing participation links with all interested parties, as a means to confer increased legitimacy to the NCP. In the other two meetings held in 2007, the Labour Union was present. Its representatives stressed that they would like to be informed of the meeting schedule for 2008 beforehand, so that they are sure to be present.

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The OECD Liaison Office of the Brazilian Embassy in Paris has a supporting role in relation to the Guidelines and its implementation. The OECD Liaison Office is responsible, within the Brazilian Embassy in France, for the follow-up and coordination of all activities related to the cooperation between the OECD and Brazil.

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B. Information and Promotion

The OECD Guidelines and the Implementation Procedures are available in Brazil and the translations of the text into Portuguese are provided in the website

of the Ministry of Finance (<http://www.fazenda.gov.br/pcn>). The website was completely recreated and updated in order to maximize this tool to promote and divulge the Guidelines. The NCP has been constantly contacted by organizations and individuals which come across the issue of corporate social responsibility through the Internet. The website also contains a link to the OECD homepage and to other important multilateral and bilateral agencies, labour union confederations, science and technology institutions, industry and trade confederations, chambers of commerce and industry, consumer protection agencies, among others.

NCP Resolution N° 01/2007 is intended to confer transparency, predictability and organization to the routine of the Brazilian NCP. Moreover, it offers guidance and relevant information to potential users of the Guidelines. Particular attention is driven to actions to be taken while receiving a complaint and to the relevant required information. With the goal to spread the Brazilian experience to other NCPs on how to proceed in receiving a claim, an English version of the Resolution was made available at the Brazilian NCP's website: <http://www.fazenda.gov.br/sain/pcnmulti/documentos/resolucoes/resolution-ncp-english-version.asp>.

During the last year, some other actions were undertaken in the area of implementation and promotion, including a number of activities ranging from interviews in specialized magazines to participation in conferences, roundtables and seminars. We provide a list below of the main activities in this field:

- participation in thesis, researches and academic dissertations in the field of corporate social responsibility;
- Speaker at the Second Meeting of Latin American NCP's in Buenos Aires, Argentina.

Finally, one last important initiative is to particularly disseminate the OECD guidelines within multinationals to entice them to operate more accordingly with its dispositions. Most multinationals in Brazil ignore the existence of the OECD guidelines. The disclosure of information related to the topic among parties affected by formal offences to the guidelines is much more intense if compared to those potentially responsible for them, i.e., the multinationals. This occurs because NGO's and trade unions help to divulge the topic among the possible complainants while the dissemination work directed towards multinationals rests uniquely dependent upon the NCP.

Therefore, as an initiative to disseminate the guidelines among the business community, the Brazilian NCP is implementing a database with the name of the multinational enterprise and the person in charge for the Corporate Social Responsibility Department. Until now, the Brazilian NCP has contacted the multinational enterprises within the automotive sector.

C. Implementation in specific instances

During the last year, a few complaints have been filed to the Brazilian NCP, probably as a result of its continuous efforts in activities of promotion. The main cases are summarized below. Due to the fact that the new complaints were

filed in a context of limited resources available, the Brazilian NCP decided to focus on the new cases and on institutional activities. The old complaints are expected to be gradually concluded. This decision aimed at privileging a pragmatic approach to the issues before the Brazilian NCP and represented a need to maximize efforts in an effective way subject to our current working restraints.

1. Shell Brazil Holding B.V.

Complainant: Coletivo Alternativa Verde – CAVE, a NGO acting on environmental issues, and Labour Union of Petroleum By-Products Workers in the State of São Paulo (SIPETROL).

Complaint: The Company has not taken appropriate safety measures to prevent workers and the surrounding population from incurring in health problems. The company's activities also allegedly harmed the local environment area.

Norm: Chapter V, article 1 and Chapter V, article 3.

Date that specific instance was received: May 8th, 2006.

Sector of activity: Distribution of petrol and its derivatives.

Present situation: After a long mediation, several meetings and contacts held with the opposing parties, on March 25th 2008, the Brazilian NCP decided to close the complaint held against the multinational enterprise Shell through a comprehensive final Report in Portuguese.

The Brazilian NCP is currently undergoing some administrative changes – as the nomination of a new coordinator and the addition of two new technicians from the Secretariat's branch located at the city of Rio de Janeiro. Therefore, apart from the Shell's case, the other specific instances under analysis will be dully updated to the OECD in the months to come.

D. Other

The Brazilian NCP is fully aware of the importance of the Guidelines and also about the need of establishing a more functional and organizational structure. We recognize that much more work has to be done to increase the visibility of the Guidelines and the activities of implementation. It has also been part of our task to promote of the guidelines in Brazil in partnership with labour unions, confederations, and NGO's.

During the last years, an important evolution has been made, especially in the field of institutional developments and promotion. This progress has been relevant considering the working constraints. The current endeavours in the institutional domain are particularly important to assure long-lasting public policies, cooperation structures and channels aimed to continue, independently of cabinet reshuffles and political changes. In this sense, it is our task to promote a continuous improvement path.