



Ministry of Foreign Affairs

External Report Market Consultation

Expert support for training, educate and share knowledge in
the Dutch ICSR covenants process

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Colofon

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1 Introduction

The Dutch government is interested in supporting the development of **sector-based International CSR (ICSR) covenants** with 10-13 sectors over the next 2 years. At a general level, the covenants will represent commitments by sector-based industry associations, their member companies and other parties such as trade unions, civil society organizations and the government to undertake collaborative approaches to identify and address key human rights, environment and other Corporate social responsibility (CSR) risks within their respective industries, following the OECD guidelines for Multinational Enterprises (MNE). These sector-based commitments are intended to help meet the government's expectation that companies give practical effect to the expectations of key international frameworks for human rights and other CSR risks, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The covenants are envisioned as an outgrowth of multistakeholder engagement processes with relevant sector associations, companies, civil society organizations, trade unions and the Dutch government. Sector associations are anticipated to initiate the process and play a coordinating role, at least in the early stages. The process may also be supported by intermediary organizations with relevant expertise.

While the process for arriving at covenants is intended to allow for flexibility in approach, each covenant is expected to reflect the guidance included in the Advisory Report on ICSR covenants by the Social and Economic Council of the Netherlands (SER), both the substance of the covenants and the process for developing them. This guidance provides the basis for the commitments by the confederations of employer organizations and unions in the Netherlands to engage in this process.

In addition to the SER Advisory Report, the context for the covenant process is also shaped by the Dutch government's commitment to undertake a sector risk analysis, outlined in the 2011 policy paper 'CSR pays off'. The Sector Risk Analysis prepared by KPMG was recently submitted to the Dutch Parliament, with an accompanying letter from the Minister for Foreign Trade and Development Cooperation and the Minister of Economic Affairs. The KPMG report explores risks in 13 sectors: Agriculture, Food, Electronics, Metals, Construction, Chemicals, Retail, Energy, Finance, Wholesale, Wood and Paper Products, Oil and Gas, and Textiles/Apparel.

From 18th February until 12th March, Ministry of Foreign Affairs conducted a market consultation. The market consultation consist a written round. This report presents the result of the market consultation.

2 Consultation and follow-up process

On 18th February 2015, the Ministry of Foreign Affairs announced the market consultation on Tendered. In the period to 12th March 2015, parties were able to participate in the written round by submitting a completed questionnaire. Three parties responded to this. The report was published after the completion of the market consultation. This formally completes the market consultation.

The Ministry of Foreign Affairs would like to thank all parties for their input. Based on the information provided, the Ministry of Foreign Affairs will not make a procurement assessment. Only one party satisfies the requirements and wishes. Further details can be found in the results of the market consultation (Chapter 3).

3 Results of the market consultation

3.1 Information needed to make the best possible tender

The Market Consultation Document provides extensive information on the tender. Some parties stated that it will be interesting to get a better understanding of the specific contours of the sectors the Dutch government is eager to develop sector-based ICSR covenants with.

3.2 Any other ideas / suggestions or comments

Parties recommended to appoint various service providers as the characteristics of all sectors might differ extensively.

Parties also suggested that in order to really involve the private sector for the execution of this project it is important to apply the right 'business' language. A too strong top-down approach, for example strongly emphasizing backgrounds of OECD guidelines and UN Guiding Principles, should be avoided.

3.3 Minimum requirements

Only one party satisfies the requirements and wishes.

The other interested parties have not provided evidence of the thorough understanding, broad experience, professional and technical competence required, in particular with implementing the UN Guiding Principles. They have not provided evidence of facilitating workshops on identifying, prioritizing and mitigating risks in a multistakeholder setting. The parties cannot demonstrate the broad and high-level experience required to guide governments, businesses and stakeholders to put the UN Guiding principles into practice.