

Annex D.

Selected Examples of Public Sector Roles used in other Developing Countries that Strengthen CSR

CSR Themes	Examples of Public Sector Roles
ECONOMIC	<p><u>Example 1: Publish What You Pay</u></p> <p>A coalition of NGOs and civil society organizations is calling on governments to take leadership in promoting transparency over resource revenues worldwide. A recent move by the UK government calls for voluntary disclosure of revenues paid to developing country governments by extractive industries. The aim is to encourage the transparency and accountability of the national authorities receiving these payments. However, the coalition argues that regulation linking disclosure to stock exchange listing requirements is required to prevent companies flouting a voluntary agreement.</p> <p>Source: www.publishwhatyoupay.org</p>
ECONOMIC	<p><u>Example 2: Public Procurement, Taiwan</u></p> <p>The Taiwan Environmental Protection Administration (EPA) has run an eco-labeling scheme (Green Mark) since 1992. In 1998 a Government Procurement Act was introduced which included a clause to promote the scheme. This stipulates that products bearing the Green Mark or with comparable characteristics should be given priority in government procurement bids and benefit from a price advantage of 10%. The EPA and the Public Construction Commission have since drawn up Regulations for the Priority Procurement of Eco-Products by Government Organizations. The EPA provides training and guides in green procurement for government procurement staff. By November 2000, the Green Mark program had drawn up 67 product criteria and awarded the logo to 906 products manufactured by 225 companies, with a combined product value equivalent to the annual turnover of the Taiwanese clothing industry.</p> <p>Source: www.epa.gov.tw</p>
ENVIRONMENT	<p><u>Example 3: Proudly South African</u></p> <p>Proudly South African is a non-profit company set up by the government-led NEDLAC. It involves a campaign to promote South African companies, products and services in order to support job creation and economic growth, but crucially also requires companies to demonstrate their commitment to social responsibility. A logo signifies to consumers that the company satisfies criteria on local content, quality, commitment to fair labor standards and sound environmental practices. By June 2002 two hundred members had been granted membership, and the campaign expects to have around 400 members by the end of 2002.</p> <p>Negotiations are under way to recognize membership status as a factor in government procurement decisions, with the Department for Education so far having committed itself to giving preference to members in awarding tenders. Future plans for the campaign also include international promotions and publicity, and export advice.</p> <p>Source: www.proudlysa.co.za</p>

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ENVIRONMEN T	<p><u>Example 4: Environmental Management Cooperation Agreements, South Africa</u></p> <p>A key outcome of post-1994 environmental policy debates in South Africa has been a statutory recognition of voluntary agreements or 'Environmental Management Co-operation Agreements' (EMCAs) in section 35 of the National Environmental Management Act (NEMA). Influenced by the Dutch experience with environmental covenants, EMCAs are conceived of as a type of <i>administrative agreement</i> between public authorities and 'any other person – or community' for the purpose of compliance with NEMA (Acutt, 2002). Work within the Department of Environmental Affairs and Tourism to implement EMCAs has met with resistance from some South African NGOs, who argue that the minimum conditions for these kinds of tools to be effective instruments for environmental protection are not present in South Africa.</p> <p><i>Sources: Acutt, N. (2002), Corporate Environmental Responsibility: The South African Experience with Voluntary Initiatives, paper presented to CEMSA conference, Johannesburg, August 2002</i> Albertyn, C. and G. Watkins (2002) <i>Partners in Pollution: Voluntary agreements and corporate greenwash</i>, Groundwork and Friends of the Earth International</p>
ENVIRONMEN T	<p><u>Example 5: Green Markets Program, Colombia</u></p> <p>The Ministry of the Environment created the Green Markets Program in order to develop instruments and mechanisms that induce the production of "green" goods and services that may be competitive in both national and international markets. A voluntary National Eco-labeling Program will support the Green Market Program. The Green Markets Program is in charge of coordinating various related government initiatives, including:</p> <ul style="list-style-type: none"> • <i>Organic Agricultural Program (Ministry of Agriculture and Rural Development):</i> promoting the production and consumption of organic food in Colombia. • <i>Clean Development Mechanism (Ministry of the Environment):</i> promoting and approving projects oriented to the reduction of Greenhouse Gases. • <i>Industrial Eco-products and Environmental Services Initiative (Ministry of the Environment):</i> promoting the production of environmental friendly goods and services. • <i>Bio-commerce Initiative (developed by the Alexander Von Humboldt Institute):</i> promotes projects and companies that are aware of the ecosystems surrounding them and use them in a sustainable way. <p><i>Source: www.minambiente.gov.co/mercadosverdes/</i></p>
ENVIRONMEN T	<p><u>Example 6: Kaleen Label, India</u></p> <p>The Rugmark program was initiated by civil society groups in response to European consumer awareness of child labor in the South Asian carpet industry. In response to pressure from some carpet exporters, who perceived Rugmark as overly stringent and "unnecessary foreign intervention in Indian commercial affairs" (Hilowitz, 1997), the Indian government introduced its own carpet labeling initiative, Kaleen. This is based on an industry-wide, self-regulated code of conduct administered by the quasi-governmental Carpets Export Promotion Council and a national monitoring committee chaired by a government representative.</p> <p><i>Source: www.india-carpets.com</i></p>
ENVIRONMEN T	<p><u>Example 7: Mandatory sustainability reporting, France</u></p> <p>In 2001, the French Parliament passed a law requiring mandatory disclosure of social and environmental issues in companies' annual reports and accounts. It requires all French corporations listed on the "premier marché" (those with the largest market capitalization) to report against a template of social and environmental indicators, including those related to human resources, community issues and engagement, labor standards and key health, <i>safety and environment issues</i>.</p> <p><i>Source: www.occes.asso.fr/fr/comm/nre.html</i></p>

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ENVIRONMENT	<p><u>Example 8: Capacity building on CSR standards, India</u></p> <p>The Indian Textiles Committee, part of the Ministry of Textiles, has taken up a national campaign to sensitize the textile and clothing industry, particularly in the “decentralized SME sector”, to the emerging challenges resulting from the forthcoming liberalization of the Indian textile and clothing industry. The Committee is working with the Ministry of Commerce, State Governments and local industry & trade associations on the campaign. Approximately 7500 company representatives will have taken part in 25 workshops, titled “Quality and Compliances: Route to Global Competitiveness for Indian Textile & Clothing Industry.” The aim is to disseminate information on various standards and compliance mechanisms including ISO 9000 QMS, ISO 14000 EMS and Social Accountability (SA 8000) standards, offering technical assistance to encourage implementation.</p> <p>Source: http://textilescommittee.nic.in/ncompain.htm</p>
SOCIAL	<p><u>Example 9: Reforming political financing, Thailand</u></p> <p>The 1997 Thai Constitution introduced new party, political finance, and election laws, under the Organic Law on Political Parties and the Organic Law on Elections, and empowered an independent Election Commission of Thailand (ECT) with oversight authority. These laws strictly regulate party operations and accounting practices in order to enhance transparency and accountability within the party system. A key objective of the new legislation is also to strengthen parties as ideological bodies and broaden their membership bases, with the aim of reducing the prevalence of patronage and vote buying.</p> <p>Source: NDI/CALD (2002)</p>
SOCIAL	<p><u>Example 10: Social Responsibility Agreements, Ghana</u></p> <p>One outcome of the overhaul of forest policy in Ghana in the 1990s was a new regulation stipulating that companies tendering for timber cutting permits would be assessed in terms of their respect for the social and environmental values of local residents. Under the new law, which came into operation in 1998, logging companies are required to secure a ‘Social Responsibility Agreement’ with the customary owners of the land. This agreement follows a standard pattern, to include a code of conduct for a company’s operations – guiding environmental, employment and cultural practices – and a statement of social obligations, which is a pledge of specific contributions to local development. Each agreement must be fully negotiated with the local community. There is a strict procedure for developing an Agreement with local representatives and the district forest office before submission to a central evaluation committee. While these agreements are still in their infancy, the policy itself already provides useful lessons for other countries where high-value timber is logged in community areas, in how to implement a fairly simple, cost-effective, accountable system to support sustainable and socially responsible logging.</p> <p>Source: Mayers, J. and S. Vermeulen (2002), <i>Company-community forestry partnerships: From raw deals to mutual gains?</i> IIED, London</p>
SOCIAL	<p><u>Example 11: Tax incentives for corporate donations - Law of Donations, Chile</u></p> <p>The Chilean government offers a variety of tax credits to corporations for charitable donations. Most are oriented to support for educational activities, such as schools, universities and vocational institutions. Donations may attract tax deductions or be deducted as an expense, thus reducing tax liability.</p> <p>Source: CONAMA (2000)</p>
CORPORATE GOVERNANCE	<p><u>Example 12: Sao Paolo’s Novo Mercado, Brazil</u></p> <p>The Novo Mercado is a listing segment of the Sao Paolo stock exchange designed for the trading of shares issued by companies that voluntarily undertake to abide by key corporate governance practices and disclosure requirements beyond those already required by Brazilian legislation. The national government is supporting the new exchange with a directive that allows pension funds to invest a higher percentage of assets in domestic equities, as long as they are listed on the Novo Mercado.</p> <p>Source: www.bovespa.com.br</p>

