



EU-LAC Foundation and Red Forum Empresa

Baseline and suggestions for bi-regional cooperation

# Corporate Social Responsibility in the context of Relations between the European Union and the Community of Latin American and Caribbean States





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20149 Hamburg, Germany

[www.eulacfoundation.org](http://www.eulacfoundation.org)

**STRATEGIC GUIDANCE AND SUPERVISION:**

Renaud Guillonnet and Red Forum Empresa

**AUTHORS:**

Yanina Kowszyk (dirección), Emilie Besnier,  
Irene Haddad, Rajiv Maher, Grissel Meneses

**DATA ANALYSIS:**

Valentina Muñoz, Fernando Penedo y

Ana Clara Maestre

**EDITING:**

Edmundo Borel, Julia Willemse y Rodrigo Duran

**GRAPHIC DESIGN:** [tinakoeppert.de](mailto:tinakoeppert.de)

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- ALBA – Bolivarian Alliance for the Peoples of Our America
- CAN – Andean Community
- CARICOM – Caribbean Community
- CELAC - Community of Latin American and Caribbean States
- MERCOSUR - Southern Common Market
- OAS - Organization of American States
- Pacific Alliance
- SIECA - Secretariat for Central American Economic Integration
- UNASUR – Union of South American Nations

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## ABREVIATIONS

**ABIS:** Academy of Business in Society  
**AFD:** French Development Agency  
**BEUC:** European Consumers Organisation  
**BIS:** Department for Business, Innovation & Skills UK  
**BLF:** Business Leaders Forum  
**BMAS:** Federal Ministry of Labour and Social Affairs  
**CDR:** Committee of the Regions  
**CE:** European Commission  
**CEE:** European Economic Community  
**CEEP:** European Centre of Enterprises with Public Participation  
**CELAC:** Community of Latin American and Caribbean States  
**ECLAC:** Economic Commission for Latin America and the Caribbean  
**CERES:** Coalition Environmental Responsible Economies  
**CERSE:** State Council for CSR  
**CIDD:** Interdepartmental Commission on Sustainable Development  
**CSR:** Corporate Social Responsibility  
**DG:** Directorate General  
**DG EMPL:** Directorate-General for Employment, Social Affairs and Inclusion  
**DG ENTR:** Directorate General Enterprise and Industry  
**DG MARKT:** Directorate General Internal Market and Services  
**EEAC:** European Environment and Sustainable Development Advisory Councils  
**EESC:** The European Economic and Social Committee  
**EIGE:** European Institute for Gender Equality  
**EMAS:** Eco-Management and Audit Scheme  
**ERT:** European Round Table of Industrialists  
**ESG:** Environmental Social and Governance  
**ESNDN:** European Sustainable Development Network  
**ETUC:** European Trade Union Confederation  
**EUROSIF:** European Sustainable Investment Forum  
**FIDH:** The International Federation for Human Rights  
**GRI:** Global Reporting Initiative  
**IDDDRI:** Institute for Sustainable Development and International Relations  
**IFC:** International Finance Corporation  
**IIRC:** International Integrated Reporting Council



**IPCC:** Intergovernmental Panel on Climate Change  
**IRDO:** Institute for Social Responsibility Development  
**ISO:** International Organization of Standardization  
**SRI:** Socially Responsible Investment  
**KPI:** Key Performance Indicator  
**MAEDI:** Ministry of Foreign Affairs and International Development  
**MERCOSUR:** Southern Common Market  
**MIT:** Massachusetts Institute of Technology  
**MS:** Member States  
**NCP:** National Contact Point  
**OHCHR:** Office of the High Commissioner for Human Rights  
**OECD:** Organization for Economic Cooperation and Development  
**OAS:** Organization for American States  
**OECS:** Organization of Eastern Caribbean States  
**ILO:** International Labour Organization  
**NGO:** Non-Governmental Organizations  
**UN:** United Nations  
**ONUDI:** United Nations Programme for Industrial Development  
**OPEC:** Organization of Petroleum Exporting Countries  
**ORSE:** Observatoire de la Responsabilité Sociale des Entreprises  
**NAP:** National Action Plan  
**UNDP:** United Nations Development Programme  
**UNEP:** United Nations Environment Programme  
**PPT:** President Pro Tempore  
**SMEs:** Small and Medium sized Enterprises  
**SICA:** Central American Integration System  
**SIECA:** Secretariat of Central American Economic Integration  
**SR:** Social Responsibility  
**SSE:** Sustainable Stock Exchanges  
**EU:** European Union  
**UEAPME:** European Association of Craft and SMEs  
**UNGPs:** United Nations Guiding Principles on Business and Human Rights  
**UNIFEM:** United Nations Programme for Women  
**UNPRI:** United Nations-supported Principles for Responsible Investment  
**WBCSD:** World Business Council for Sustainable Development

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### In the CELAC area:

- Adriana Solano, Ministry of Foreign Affairs and Culture, Costa Rica;
- Alejandra Daza, CEMEFI, Mexico;
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- Álvaro Bazán, COBORSE, Bolivia;
- Álvaro Urquijo, Ministry of Commerce, Industry and Tourism, Colombia;
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- Carolyn Rodrigues-Birkett, Ministry of Foreign Affairs, Guyana;
- César Salazar, SICA;
- Claudia de Windt, Organization of American States (OAS);
- Claudia Sierra, Ministry of Foreign Affairs and International Cooperation, Honduras;
- Colin Granderson, Caribbean Community (CARICOM);
- Colin Murdoch, Ministry for Foreign Affairs, Antigua;
- Dante Negro, Organization of American States (OAS);
- Diana Chávez, Regional Centre for Latin America and the Caribbean (Global Compact);
- Eduardo Shaw, DERES, Uruguay;
- Enrique Oviedo, Economic Commission for Latin America and the Caribbean (ECLAC);
- Erwan Varas, Ministry of Foreign Affairs, Chile;
- Evangelina Gómez, Ecuadorian Consortium for Social Responsibility (CERES), Ecuador;
- Fabian Novak, Organization of American States (OAS);
- Felipe Cajiga, CEMEFI, México;
- Fernando Elias Peneido, Baobá - Práticas Sustentáveis, Brasil;
- Geannina Dinarte, Ministry of Commerce, Industry and Tourism, Costa Rica;
- Gustavo Blandón, company executive, Nicaragua;
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- Inti Núñez, Development Corporation of Production (CORFO), Chile;
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- Jesús Elías Michelén Embarek, Pontificia Universidad Católica Madre y Maestra (PUCMM), Dominican Republic;

- Jorge Enrique Vega Vargas, CONEMPRES, Colombia;
- Jorge G.A. Vera Castillo, Ministry for Foreign Affairs, Chile;
- Juan Felipe Santos Gomez, Regional Centre for Latin America and the Caribbean (Global Compact);
- Juan Pablo Morataya, Centrarse, Guatemala;
- Juliana Márquez Mancini, Global Compact Network, Colombia;
- Lilimar López, Sequilibre, Dominican Republic;
- Lourdes Pérez, Secretariat of Central American Economic Integration (SIECA);
- Luis Cerón, Fundemas, El Salvador;
- Luis Martínez Cerna, Centro Latinoamericano con las relaciones con Europa (CELARE);
- Luis Yañez, Economic Commission for Latin America and the Caribbean (ECLAC);
- Luz Sosa Leiva, Social Responsibility Council for Sustainable Development, Chile;
- Malaïka Bécoulet, World Bank (WB), Haití;
- María Fátima de León, Universidad de los Andes, Venezuela;
- María Fernanda Pérez, Business Association for Development AED, Costa Rica;
- María Laura Vargas, Ministry of Foreign Affairs, Costa Rica;
- María Lenguizamon, Senate, Argentina;
- Marilyn Melissa Molina López, Secretary of Foreign Affairs and International Cooperation, Honduras;
- Mirta Garcia Montejó, Office for Planning and Budgets, Uruguay;
- Mónica Calo, Forética, Argentina;
- Nydia Neer, Ministry of Labour, Employment and Social Security, Argentina;
- Olga Sauma, Business Association for Development AED, Costa Rica;
- Oneida Florez, Colombian Confederation of Chambers of Commerce (Confecámaras), Colombia;
- Paulina Rodriguez, Pizzolante;
- Rafael Stand Niño, International Centre for Social Responsibility and Sustainable Development, Colombia;
- Rafaela Gandino, Ministry of Social Development, Argentina;
- Roberto Leiva, Fundharse, Honduras;
- Rossana Taquia, Ministry of Labour and Employment, Perú;
- Sandra Sierra, Fenalco Solidaria, Colombia; Sergio Andrade, Agenda Publica, Brasil;
- Sergio Rengifo, Colombian Business Council for Sustainable Development (CECODES), Colombia;
- Silvia Lara, Business Association for Development AED, Costa Rica;
- Solange Arredondo, Fundes, Chile;
- Sonia Correa, Ministry of Commerce and Industry, Panama;
- Teresa Alfaro, SUMARSE, Panamá;
- Terry Nelidov, BSR;
- Thomas Lagathu, French Embassy – Southern Cone, Latin America Delegation;

- Trinidad Inostroza, ChileCompra, Chile;
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- Vivian Caje, ADEC, Paraguay;
- Xoan F. Garcia, FOMIN.

**In the EU:**

- Susan Bird, DG Employment, Social and Inclusive Issues;
- Sophie Mueller DG Industry and Business
- Daphné Gogou, DG Justice,
- Tomislav Ivančić, DG Internal Market, Industry, Entrepreneurship and SMEs;
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- Ivana Petovska, CSR Europe;
- Rune Gottlieb Skovgaard, Senior Advisor, Danish Business Authority;
- Pablo Garcia- Valdecasas Rodriguez de Rivera, Ministry of Labour and Social Security, Spain;
- Tomás Sercovich, Forética, Spain;
- Josep Maria Canyelles, Respon.cat, Spain;
- Marine de Carne de Trecesson, Ministry of Foreign Affairs and International Development, France
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- Smulders Eva, CBI, Netherlands;
- Dávide Fiedler, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- Iris Gasch Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH; Germany,
- Lina Zinzinger, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
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# FOREWORD

At the core of the relationship between the European Union and the countries of the CELAC area are shared values and principles including the rule of democracy, the rule of law, human dignity, including humans rights and a common aspiration to sustainable development. This report is about these values, though, not always present in the relations each region has with third parties that the bi-regional strategic partnership between the EU and CELAC is built.

In a period in which groups often feel they are immersed in a globalization that often imposes realities and circumstances that are beyond the capacity of states and global governance mechanisms, to share these principles is a valuable and irreplaceable heritage accentuating even more the distinctive nature of the EU-CELAC connection. These shared values are essential and appreciated by societies on both continents.

This finding is reflected in the CELAC-EU 2013-2015 Action Plan which the Heads of State and Government adopted to promote bi-regional investments to enable sustained economic growth with social cohesion and inclusion, which also respects the environment. Thus, the objective was also for investment grants between the European Union and Latin America and the Caribbean to be consistent with these values also allowing both regions meet the challenge of competitiveness that emerges from globalization.

In this logic of corporate social responsibility (CSR) contributes to building the foundation for more and better sustainability in which the balance between economic dynamism, environmental commitment and social inclusion drive growth, while also strengthening economic ties between the two regions. The co-chairs of the EU and CELAC have taken the initiative to organize a series of meetings on this issue have highlighted that asymmetries between both regions, however, at the same time, shown a shared interest in the subject.

The EU-LAC Foundation, through its programme VENTURE, is interested in the bi-regional economic relations from a perspective that facilitates forms of association based on criteria of economic, social and environmental sustainability. It is in this context that the Foundation identified the need for a study that maps relevant CSR actors in both regions, while providing the progress in public programme policies of private sector practice and how these actors, with some coordination in their work, contribute to the progress of CSR in their countries and regions.

Moreover, the study also seeks to contribute with some recommendations regarding possible bi-regional cooperation. We therefore hope it will serve as a basis for discussion to help determine areas for joint action.

It should be emphasized that due to material limitations, the study has had to resort to selected sampling - particularly in the case of EU countries - looking at representative trends and realities. Furthermore the extensive interviews have allowed highly relevant CSR actors in both regions to validate the research.

The large differences between and within regions around the meaning of CSR, may have contributed to limitations on the level of response from some countries, perhaps because they are in their infancy in the development or implementation of CSR policies and activities. There is no doubt that in any future bi-regional dynamics CSR should be incorporated into these countries. The Foundation thanks the network of experts gathered by Forum Empresa for their valuable contribution to this perspective across the two regions. We trust that this report provides significant progress towards the achievement of the objectives set by the Heads of State and Government in Santiago in January 2013 and feed into the discussions in the context of the forthcoming EU-CELAC Summit in June this year.

Hamburg, May 2015



## SYNTHESIS - PRESENTATION OF THE BOOK

- The objective of this study mandated by the EU-LAC Foundation is to report on the progress of the countries of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) in the construction of their NAPs or in the integration of CSR in their public policies, and propose some guidelines for a piece of bi-regional cooperation within each zone and between the two regions studied.
- The 1st CELAC-EU Summit 2013 (the 7th EU-LAC Summit) resulted in the Declaration of Santiago, its priorities were included in the Action Plan CELAC - EU 2013-2015. Chapter eight, called “Investment and Entrepreneurship for Sustainable Development” in subsection first addresses the issue of CSR. Additionally, it mentions the purpose of reporting on the “National Action Plans” (NAPs) on CSR at the next summit in June 2015 in Brussels. This study was conducted between August 2014 and March 2015 to take stock of progress made and highlights some conclusions of the process.
- In the EU, there is a further development of aspects related to the regulation of the environment in which economic activities, such as government institutions that interact with businesses, incentives to the private sector, and clarity is developed within the framework legal. A demonstration of major differences in regulation between the two areas is, for example, than in Latin America can be considered a voluntary practice CSR on labour issues for example, is the legal minimum in the EU.
- Another important element to consider is the objective CSR seeks: while in Europe the focus is directed towards sustainable development in CELAC the priority, for now, is to achieve corporate legitimacy or a social license to operate whilst making a contribution to social development. This is also why CSR is often more across industries in Europe than in Latin America. However, faced with this situation, there is an element about prospects in both regions: the fact that CELAC has a clear intention of entering into the world economy, which means that the region is increasingly open to the adoption of guidelines and standards for sustainable development.
- In order for CSR to progress in both regions, the perspective of different stakeholders, such as communities and workers, should be integrated to the agenda, else CSR has a high risk of not being implemented effectively, of generating conflicts and disagreements rather than improvements in the quality of life and developing of countries. Therefore, any strategy for bi-regional cooperation between the EU and the CELAC should be considered as a key objective the creation of NAPs processes and public policies and incentives should include dialogue and the search for harmony between these actors.



# EXECUTIVE SUMMARY

Corporate Social Responsibility (CSR) has taken a leading role in economic and social development since 1990. The financial, social and climate related crises of recent years, combined with growing consumer empowerment, generated a scenario where a permanent public scrutiny on models of corporate governance, requiring much more than doing business as usual. On the one hand, stakeholders are well aware of how business operates and impacts their human rights. Furthermore, recent corporate scandals and crises have shown that not considering social and environmental indicators can have a negative impact on economic performance of firms.

The concept of CSR is associated with sustainable development. It is not only the private sector that seeks to reduce its negative externalities. The European Commission (EC) defines this concept as “the responsibility of enterprises for their impacts on society” which can be understood as follows: “voluntary integration, by companies, concerns, social and environmental in their business operations and relationships with their stakeholders “. Thus, it comprises of an inner dimension around the relationship with employees and a management model; and an external dimension, including the relationship with communities, other stakeholders, and environmental impacts of its operations.

However, it can be said that the situation of CSR varies in different countries depending on the environment in which the company operates, conditions are created, among other factors, for political power. In other words, “public performance lines are one of the socio-environmental forces that influence in shaping the environment in which the company operates and external pressures” key to business actions. This study focuses precisely on public policies that promote CSR.

## Context and objective of the study

The 1st CELAC-EU Summit 2013 (the 7th EU-LAC Summit) resulted in the Declaration of Santiago, its priorities were included in the Action Plan CELAC - EU 2013-2015. Chapter eight, called “Investment and Entrepreneurship for Sustainable Development” in subsection first addresses the issue of CSR, noting that it “includes guidelines and internationally recognized principles on corporate social responsibility in defining policies and plans, in order to promote good corporate behavior, promote public policies that promote transparency from companies on social, environmental and human rights matters. “ Additionally, it mentions the purpose of reporting on the “National Action Plans” (NAPs) on CSR at the next summit in June 2015 in Brussels, and points

to the importance of bi-regional meetings on the subject, specifically on social, environmental and human rights issues. The topic of CSR is seen as key to the sustainability of business and national competitiveness.

In this context this study is presented, which aims to report on the progress of the countries of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) in the construction of their NAPs or in the integration of CSR in their public policies, and propose some guidelines for a piece of bi-regional cooperation within each zone and between the two regions studied.

### **Preliminary definitions**

This report focuses on public policy understood as “all activities of the institutions of government, either directly or through agents or associations, which are intended to have a certain influence on the lives of the citizens. “ It is clear that laws, regulations, decrees and resolutions are the instruments of state action par excellence. However, this analysis policies, plans, programs, projects and incentives, and public institutions that promote the development of CSR are included. Around the concept of CSR there are various definitions and approaches. In this study, both the concept and the materials including CSR are based on both definitions performs ISO 26000, as a guide to great success worldwide, and the guidelines of the “Strategy 2011-2014 the European Union for CSR “, being an approach relevant to the aspects under study. Thus, the dimensions of CSR considered for this study are:

1. Human Rights (including gender equity)
2. Corporate governance and labour practices
3. Environment (including “climate change”, “biodiversity”, “energy”)
4. Transparency and fair operating practices (including “corruption”, “fair competition”, “report”)
5. Value chain (including “consumer affairs” and “providers”)
6. Socially Responsible Investment (SRI) and social innovation (including “active participation and community development”)
7. Education to promote social inclusion
8. Public Procurement and Public Enterprises
9. Small and medium enterprises (SMEs)

### **Research Metodology**

The research was based on the analysis of secondary sources, such as official reports, academic articles, information and statements of the institutions that participated in some way in the NAPs or CSR public policies, and the review of newspaper articles. Information collected in more than 70 in-depth interviews with responsible public agencies or experts on the subject are also contemplated.

In the EU, the analysis focused on six countries with different levels of experience with CSR: Germany, Denmark, Spain, France, Czech Republic and Romania. In the CELAC zone, a country analysis was performed using the support of national experts. In most cases, interviews were conducted with government officials who confirmed information on their respective country in writing, except the Caribbean region where we met a group of government representatives without obtaining confirmation of information written afterwards.

This document contains the following sections: first, mapping of stakeholders, including an overview of key stakeholders regarding the preparation of CSR NAPs and public policy on the subject is proposed. Then an analysis of the progress of public policies and incentives that promote CSR, such as NAPs in the EU or the various initiatives that have emerged in Latin America and the Caribbean is exposed. This section is referred to as the baseline. The third section highlights both some processes that facilitated the development of NAPs and crosscut CSR policies that were considered interesting to be considered by other countries as good practice to replicate. Finally, we outline and propose a roadmap of possible courses of action suggested for international cooperation at a bi-regional level to advance CSR. We also include seven annexes that provide detailed information analysed for the drafting of this document.

## **Main findings**

In both the EU and the CELAC area, there are actors from the public, private and civil society sector involved in the construction of a working agenda for the advancement of CSR. This gives CSR a multi actor perspective, which could be considered timely for reflecting upon bilateral relations and priorities of each country. The big difference between the two regions is reflected both in the number of organizations as well as with the levels of formality and coordination seen in both regions. While EU governments have encouraged the development of NAPs through formal participatory bodies, in CELAC, most government agencies addressing CSR issues have done so without any coordination or cooperation at the regional level.

Progress on NAPs or public CSR policies are very different in both regions. In Europe, the NAPs were promoted by the EU and coordinated from different ministries, considering the priorities of each country, while respecting the guidelines of a regional strategy that provides a framework and thematic lines on which to define and seek consensus . The most important progress includes:

- The evolution of the NAPs from the perspective of CSR as a competitive advantage with a focus on human rights and business.
- The difference in the levels of progress on the NAPs in different EU countries.
- The role of the private sector as the main engine for the development of the contents of the NAPs, albeit that coordination is conducted by governments.
- The freedom granted by the EU to each country to focus on the priority issues according to their specific context.

In contrast, in the CELAC area, the analysis of secondary data and interviews with key experts indicates that there is no regional cooperation, we found poor coordination levels at the national level to promote CSR. However, there are three exceptional cases: Chile, Colombia and Costa Rica. In these countries, mechanisms for collaboration with the private sector were developed, which has led to progress in formulating and promoting public policies that integrate key aspects of CSR.

The issues that were identified more frequently in policies and regulations in the countries studied in CELAC are related to the environment, social development and transparency/communications (sustainability reporting). These issues were present, mainly in the more developed and larger countries, found in South America, such as Brazil, Colombia, Chile and Argentina.

When comparing the countries studied, it was noted that within each block (EU-CELAC) there are important differences with how each nation addresses CSR, but when comparing both blocks together, the gaps are even larger. Some of these distinctive elements are analysed.

The first element is linked to the level of development and market regulation in both areas, clearly differentiating factors. In the EU, there is a further development of aspects related to the regulation of the environment in which economic activities, such as government institutions that interact with businesses, incentives to the private sector, and clarity is developed within the framework legal. A demonstration of major differences in regulation between the two areas is, for example, that in Latin America can be considered a voluntary practice CSR on labour issues for example, is the legal minimum in the EU.

Also, the existence of strong institutions belonging to welfare states in a supranational body as large as the EU, radically favours the deployment of CSR and its impact on quality of life and sustainable development.

Additionally, market models in Latin America tend to be less redistributive than the European ones, generating levels of inequality that can not be compared with the levels of the EU. This factor, coupled with the weakness of public institutions, explains partly why in Latin America the private sector, in several cases, has to deal with matters that are insignificant in Europe. This includes having to respond to social demands or creating a favorable environment for the development of business, for example, providing training, education, health or access to basic services<sup>1</sup>.

It is also necessary to consider that in Latin America public institutions have fewer resources to monitor compliance of laws both by businesses and by citizens. As such, the expectations placed on Latin American and Caribbean companies are proportionally greater than those that exist in Europe, since it is expected that companies in CELAC solve some issues that legally are not their responsibility and certainly not issues for companies in Europe. Therefore, in Latin

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<sup>1</sup> Vives, Antonio, y Peinado-Vara, Estrella (compiladores), "La responsabilidad social de la empresa en América Latina", Banco Interamericano de Desarrollo, mayo de 2011, página 80

America they develop and encourage a number of innovations promoted by the private sector for social development, going beyond the classic CSR strategies. For example, the movement around social entrepreneurship and dissemination of B Corps is very strong and has grown exponentially in recent years. B Companies are those that are recognized by the international organization "Sistema B" (in Latin America), which was created to promote the development of business models with positive social and environmental impact. They award "B Company" certification to companies that develop high social and environmental standards, and that integrate stakeholders into their decision-making.

However, it is worth mentioning that, following the economic crisis that began in 2008, Europe has experienced imbalances in inequality and poverty. The welfare state models have been destabilized, and although they have made great efforts to reduce the effects of the crisis, this still has not been achieved. Therefore, both blocks are facing many socio-economic tensions, and social inclusion and social entrepreneurship could be part of key solutions to include in the design of bi-regional cooperation mechanisms.

Another important element to consider is the objective CSR seeks: while in Europe the focus is directed towards sustainable development in CELAC the priority, for now, is to achieve corporate legitimacy or a social license to operate whilst making a contribution to social development. This is also why CSR is often more across industries in Europe than in Latin America. However, faced with this situation, there is an element about prospects in both regions: the fact that CELAC has a clear intention of entering into the world economy, which means that the region is increasingly open to the adoption of guidelines and standards of CSR.

It is also worth noting, from a critical perspective, CSR and policies to mitigate the impacts on Human Rights does not always work as we can observe from the significant number of company - community conflicts around the world mainly within the extractives and natural resources sectors. For fenceline communities in Latin America that have experienced or witnessed such conflicts, their confidence in CSR is very low. For many of such communities (in particular indigenous ones) CSR represents a divisive strategy that helps companies to "conquer" the local community and move ahead with their operations, despite companies touting CSR as a form of "development, poverty alleviation and progress". As a result many projects in Latin America have gradually entered ended up in the courts of justice with community groups demanding their withdrawal and some projects have been suspended outright by courts of justice.

According to the organization European Justice Atlas, funded by the EU, there are currently 427 environmental conflicts between communities and major projects in Latin America. In Europe, the six countries studied, Germany, Denmark, Spain and Romania have around 71 environmental conflicts, mainly in the mining, oil, gas, infrastructure construction, hydroelectric, forestry, agribusiness, among others.

In such conflicts, the companies try to implement CSR programs and strategies based on respect for human rights, however, communities may not be willing to accept the environmental

impacts of the project in exchange for these CSR and mitigation strategies. In some indigenous cultures of Latin America, their worldview values land and water as sacred and it provides them with their economic livelihoods. As such these communities do not view nature as a commodity or resource that be extracted or even “mitigated” via technology. In other cases, such as in Ro-sia Montana in Romania, the community does not identify with the gold mines, preferring to pre-serve biodiversity instead of accepting promised jobs and CSR projects by the company. This shows that there are communities that see some projects of private investment incompatible with their cultures, ways of life and their own plans for local territorial development. It is therefore key that CSR is not designed in isolation in NAPs or in public policies from the perspectives of communities and citizens. Despite being far removed from the centers of decision making, the communities and workers are those who will live the consequences of the CSR NAPs and public policies achieved in both regions.

In this regard, it is important to mention that complaints mechanisms for civil society to express their disagreement with a project such as the well-intentioned instruments provided by the OECD’s National Contact Points, (considered by many as an appropriate mechanism for dealing with grievances within the UN Guiding Principles on Business and Human Rights) have been questioned because of their low effectiveness and objectivity delivering solutions. Therefore, much remains to reflect and debate in relation to controversial projects that have proven difficult to define jointly or come to a consensus on between the state, private sector and civil society. This constitutes a challenge both the CELAC area and in the EU area.

The above demonstrates the complexity facing the CSR agenda going forward in both regions. If this agenda does not consider the perspective of different stakeholders, such as communities and workers, CSR has a high risk of not being implemented effectively, of generating conflicts and disagreements rather than improvements in the quality of life and developing countries. Therefore, any strategy for bi-regional cooperation between the EU and the CELAC should be considered as a key objective the creation of NAPs processes and public policies and incentives include dialogue and search for harmony between these actors.

The implementation of the Guiding Principles on Business and Human Rights of the UN can be a good instrument. In addition, ILO Convention 169 from the International Labor Organization (ILO) incorporates the principle of Free, Prior and Informed Consent of the indigenous peoples regarding the development of any project that affects their territory. In this regard, although most of the countries of the CELAC region have ratified the ILO Convention 169, its implementation has not been effective and, as such, has not helped towards diminishing socio-environmental justice conflicts between the State, Market and Community actors. Indeed, this issue is one of the main tensions linked to CSR in the CELAC area and therefore deserves special attention when identifying priorities to consider its agenda going forward.

To conclude this overview, it is worth noting that the full study document provides comprehensive information that accounts for the situation of CSR in both regions, key aspects to consider include the priorities should consider the roadmap ahead bi-regional cooperation the coming



years. In terms of CELAC, the willingness of their countries to insert themselves into the global economy and the increased importance of the private sector contribution to national welfare as a priority of the EU countries are perhaps arguments where CSR will help to make a concrete contribution to the sustainable development of both regions.

Keywords: Community of Latin American and Caribbean States (CELAC), Bi-Regional Cooperation, Public Policy, Social Responsibility (CSR), European Union (EU).

## SYNTHESIS – MAPPING KEY STAKEHOLDERS

- We were unable to identify any bi-regional cooperation mechanisms at government level that are specific CSR upon reviewing secondary sources and conducting more than 70 interviews. However, we did discover some relevant programmes driven by the private sector. This observation is relevant for pondering any future bi-regional cooperation.
- The most significant differences between EU-CELAC lie mainly in their level of institutionalization. While the EU has an institutional mechanism to coordinate the creation of NAP and for addressing the issue in different countries, in the area CELAC regional actors are less coordinated and differ on how to advance the CSR agenda. The lack of coordination and consensus among actors CELAC works as an obstacle to the implementation of Plan 2012- 2015 of the EU CELAC, being convenient to generate greater coordination if the PNA is expected to take into account the reality of the region.
- In the CELAC area, soft law standards by multilateral and international organizations have little insertion in the daily practice of companies and institutions, since they are not binding and address CSR from different approaches.
- In the EU, all CSR NAPs were led by national government agencies, meanwhile, in the CELAC area, the approach taken by governments on CSR varies from country to country, according to national priorities. In general, there is little inter-ministerial coordination to address the issue.
- In the area CELAC the private sector began to push the issue, which could be explained by the low level of coordination between the economies of the region and the international market. In the preparation of the NAPs in the EU, a large number of organizations actively participated, such as foundations, and NGOs, which gave a broad overview of the subject.
- The main role of civil society and other intermediate associations in the EU aims to create a better living relationship between society, business and the state. In the CELAC area, it is worth mentioning how civil associations are empowering consumers, in a context characterized by increased laws adopted to protect their rights. In addition the CELAC area has many NGOs who empower communities with regards to their human rights when faced with unwanted private and public sector projects such as mining or hydropower, for example El Observatorio Ciudadano in Temuco, Chile and Perú Equidad from Peru.

- In the EU many educational and academic organizations have been part of the dialogue forums led by governments in the formulation of the NAPs. In the CELAC area, although increasingly universities are adopting University Social Responsibility strategies, and a growing number of educational institutions include CSR in their curricula, these institutions have not participated much in the NAPs process except in the case of Chile, where they were invited to dialogue and give their point of view.



# 1 MAPPING OF RELEVANT ACTORS

Promoting CSR is an issue in which multiple stakeholders participate wishing to create an impact at a national and/or international level. This section presents the actors who, in one way or another, have impacted the advancement of CSR and public policies that favour its development, both in the countries studied as a regional or subregional level.

## CSR: A SHARED AGENDA

The aim of this section is about characterizing different stakeholders around CSR. In particular, we sought to investigate the national focal points for creating the CSR NAPs. However, since the none of the CELAC nations have developed NAPs at the time of writing this report, a description of the actors that promote policies related to the issue is included. In the case of the EU, there are actors responsible for the creation of NAPs and promoters of regional policy actors and their respective stakeholders. In this geographical area, they are considered three levels: national, regional (EU) and international or multilateral (beyond the EU).

The following are six categories of actors with a reference to their influence or level of participation in public policies in the EU and CELAC are included.

- Multilateral and International Organizations
- Government
- Private Sector
- Organized Labour Collectives
- Civil Society and other associations
- Educational Institutions

In the case of the EU, the actors have been classified by interest representing the organization. This is done so because most of the identified organizations are composed of multiple actors in the public, private, NGO sector, and in some cases, trade unions, consumers and academics. Multilateral and International Organizations

This category includes the Organization for Economic Cooperation and Development (OECD); International Labour Organization (ILO); the Human Rights Council; the Office of the High Commissioner for Human Rights (OHCHR); the International Finance Corporation (IFC) and the Danish Institute for Human Rights. While these organizations are quite different in size, focus and objective our research identified them as the organizations that have influenced most the development of the NAPs in CSR (or Business and Human Rights) in the EU. The reason for including the Danish Institute for Human Rights in this category is that the institute works mainly in international areas, including with Latin America, collaborating in the promotion of NAPs in human rights and business.

In the CELAC area there are many international organizations that support the objectives linked to CSR, offering models addressing the issue and providing policy guidelines. Some notable examples include CELAC, the Organization of American States (OAS) and the Southern Common Market (MERCOSUR).

For example, the OAS has undertaken a project called “A Vision of Social Responsibility from Congress,” which seeks to inform about the scope that CSR on legislators in Latin America and the Caribbean. It is also important to note that MERCOSUR promoted “An Open Agenda for Latinoamerican Social Responsibility” (AALARS) initiative in November 2014. For further analysis, please see the MERCOSUR section in the regional section entities. However, it is worth noting that the resolutions of these organizations are not binding, and that their CSR approaches are different, and there is no cooperation between them, weakening, in a sense, the impact of their efforts.

## Government

This group brings together different public entities that have a regulatory guidance providing on the subject.

**In the EU**, this category is together with the private sector the one with most actors that have impacted the agenda of CSR NAPs in the region. To a large extent this is explained by the fact that all CSR NAPs were led by national government agencies.

In turn, we can distinguish within this category two levels of institutions: the supranational EU level and the national level of the Member States.

At EU level, we can say that the most active player in this category is the European Commission (EC), which from its CSR Strategy calls on Member States to develop NAPs, and provides support and monitoring in developing thereof by different mechanisms. In this regard, the EC published the “Compendium: Social responsibility of companies - National Public Policies in the European Union 2014” after holding seven meetings with four countries each to account for the progress of national plans.

Likewise, the EC has made a public consultation in 2014 to analyze its role in promoting CSR. The results confirmed not only the importance of CSR for a wide range of actors, but also the key role of the Commission in this area.

The EC is also the institution responsible for formulating legislative proposals and therefore is the actor that proposed to the European Parliament and the Council of the European Union the “Directive on disclosure of non-financial and information about diversity” Transparency and performance EU companies, which was adopted by these bodies in late 2014.

At the national level, the ministries of employment, social affairs, economy, business and innovation lead the processes of developing NAPs.

**In the CELAC area**, the approach taken by governments on CSR varies from country to country, according to national priorities. Some examples of public bodies are the Board of Social Responsibility for Sustainable Development in Chile, the Ministry of Social Development in Argentina, the Ministry of Economic Development, Investment and Competitiveness in Honduras, among others.

To review the profiles of each country please click:

*Anexo 1. Reportes América del Sur* <http://tinyurl.com/p3wcbn4>

*Anexo 2. Reportes América Central y México* <http://tinyurl.com/psfvq6b>

*Anexo 3. Reportes nacionales Caribe* <http://tinyurl.com/pr9kcyg>

There are also countries where the issue is promoted primarily at the local level, as in the case of federal states like in Argentina, Brazil and Mexico, where local governments and some municipalities are very active in this area. The Caribbean region is where the weak government commitments are recorded in promoting CSR as a management model. This not only has to do with the will but also with the lack of education and training in the subject, leading to a lack of trained personnel to lead on the issue. This point was well expressed by the group of delegates from this region when they were consulted on the subject.

## **Private Sector**

The private sector category includes a large number of actors that together with the public sector took part in the development of the CSR NAPs in the EU. Within this category there are several sub categories of actors who, although legally are a foundation, NGO or nonprofit organization, we classified them in this group because they reflect private sector interests.

This study has classified the Global Compact, CSR Europe, the Principles for Responsible Investment UN (UNPRI), the European Sustainable Investment Forum (EUROSIF), the Global Reporting Initiative (GRI) and the World Business Council for Sustainable Development (WBCSD) as the private sector and not as part of the multilateral and international organizations. The reason being that these organizations bring together private companies, representing their interests. Also worth mention the Academy of Business in Society (ABIS) network within

this category, as it brings together more than 130 companies and academic institutions working on the issue.

This category also includes organizations that are considered as a European stakeholders. They are mostly grouped networks with national members through an organization representing their interests at EU level. These organizations, due to their regional representative character, interact with EU institutions, representing the interests of its members. Thus, in terms of CSR, these organizations are part of the Multi Actors Forum coordinated by the EC. Some examples include: EUROCHAMBRES (Association of Federations of Chambers of Commerce and Industry), BusinessEurope (Business Network), European Association of Craft and SMEs (employers), Cooperatives Europe (business network promoting the cooperative business model) European Savings Banks EUROCEF group and, among others.

As indicated above, CSR Europe is also in the private sector category. Besides being part of the Multi Stakeholder Forum, it is considered a key player in both organizations is to promote CSR and companies in almost all EU countries. CSR Europe has a permanent channel of dialogue with the European institutions and promotes the generation of NAPs through its members.

In the CELAC area the private sector first drove the issue, which could be explained by the level of international trade and relations between the economies of the region and the international market. Indeed, countries with greater integration into world trade have multinational companies that promote CSR in the territories of its operations, while in countries that are more closed from the global economy, international CSR standards are less clear. A prime example is the Caribbean, where so many multinational companies operate, which may explain the limited progress in this area. An exception to this phenomenon is Trinidad and Tobago for having oilfields.

Other key players in the CELAC area are associations and networks promoting CSR, bringing together businesses and nonprofit organizations. Latin America has a lot of actors who have launched numerous initiatives and public-private partnerships at national and regional level. Thus, they have contributed since 2000 to the dissemination of the guidelines promoted by international references such as GRI and ISO 26000.

Finally, another prominent member of the private sector in the CELAC area are SMEs. On the one hand, large companies are gradually becoming aware of the importance of transferring best practices to their suppliers, which are mainly SMEs. On the other hand, there are still few SMEs that have formally adopted the approach of CSR in business management, which becomes a real challenge for the region, given the large number of SMEs in the area.



## Labour Organizations

In the EU area we have considered only relevant regional actors, the European Trade Union Confederation and the EUROCADRES. These organizations are not classified in this study as part of civil society as they exclusively represent workers.

In the CELAC area, labour associations have developed gradually. While workers decades ago were not considered in the decisions of companies, they have recently been empowering and organizing themselves to defend their labour rights, which in many cases has led to the development of increasingly robust labour codes.

## Civil Society and other Associations

The main objective of these actors is to create a relationship between society, business and the state. In the EU, these actors have an important role both in terms of the large number of entities and the role they play. This category includes organizations that have collaborated in the preparation of the CSR NAPs in the EU, such as Amnesty International and the European Coalition for Corporate Justice.

Consumer associations were also identified in this category, such as the European Consumers Organization, and other independent bodies like the Scottish Human Rights Commission. These organizations had an important voice in the development of national plans in the EU were also identified in this category.

In the **CELAC area** it is worth mentioning that consumers, grouped into civil associations are gradually becoming more empowered, in a context characterized by increased laws aimed at protecting their rights.

Other actors who gradually take more importance are the specialized media in the issue of sustainability, which allow sharing information at regional level on present activities and seminars. One example is the Mexican magazine “Win-Win”, focused on issues of corporate social responsibility, or Argentina ComunicaRSE website,<sup>2</sup> which broadcasts regional news.

## Educational Institutions

Our study did not identify a specific educational institution **in the EU** which has contributed to the development of a CSR NAP. However, it is worth mentioning that a lot of education and academic organizations have been part of the dialogue forums led by governments in the formulation of the NAPs. In turn, a number of universities across Europe promote the study of CSR at different levels, contributing to a better understanding and development of the subject.

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<sup>2</sup> <http://www.comunicarseweb.com.ar/>

In the **CELAC area** universities are increasingly adopting “University Social Responsibility“ strategies and a growing number of educational institutions include CSR in their curricula, offering training and support services to companies, in order to create the skills needed for the development of CSR in the region. An example is the Chilean entity “Nodes of Higher Education for Social Innovation“ (NESIS), which seeks to create a multisectoral network in order to promote the development of social enterprises. Another example is the Center for Responsibility and Sustainability Company IDEARSE Anahuac University in Mexico, which conducts studies and offers support services to companies. These actors create dynamics of cooperation between public and private actors in a scenario in which this type of relationship is still incipient but very relevant in promoting adequate public policies.

In summary, it should be proposed that in both the **EU and the CELAC area** private, public sector and civil society actors take part in the constructing a working agenda for the advancement of CSR. The big difference between the two regions can be seen in the number of organizations and formality in their participation. This is mainly explained by the fact that various EU national governments encouraged the development of NAPs through their ministries with the private sector, civil society, trade unions and academia. In addition, development processes in the EU plans were developed through formal instances, coordinated by special committees within ministries. This did not happen in the CELAC area, being smaller the participation of non-state actors and the absence of coordinating bodies from the public authority, which is likely to facilitate and formalize this participation.

## REGIONAL BODIES

The following contains information on some regional multilateral agencies involved and/or that promote the NAPs in the European case, and the development of public policies related to CSR in the CELAC area.

### European Union

**CELAC - Community of Latin American and Caribbean States**  
**Created in 2010 and includes 33 Latin American and Caribbean States.**  
**Focus on CSR**

- The CELAC-EU action plan for the years 2013-2015, propose in paragraph No. 8 of “Investment and Entrepreneurship for Sustainable Development“, “guidelines and internationally recognized principles on corporate social responsibility in the definition of national policies and plans, in order to promote good corporate citizenship, promote public policies that encourage transparency from companies on social, environmental and human rights issues.“ Additionally, it mentions reporting on CSR NAPs at the next summit, to be held in June 2015 Brussels, and points to the importance of bi-regional meetings on companies implementing the concept of **CSR in social, environmental affairs and Human Rights.**

- Sustainable development and some sub-themes of CSR have been mentioned since the first meetings and summits held in the framework of CELAC. Some examples are:
  - **Declaration of Santiago of the 1st CELAC Summit in 2013:** “57. We reaffirm our commitment to **sustainable development and the promotion of economic, social and environmentally sustainable future.**“
  - **Declaration of Havana in 2014 CELAC:** “11. We reaffirm our will to promote growth, progress, social inclusion and sustainable development, developing plans, policies and programs aimed at the realization of **economic, social and cultural rights**, with special attention to people living in extreme poverty and vulnerable sectors [...]“

During the exercise of Costa Rica as President Pro Tempore of CELAC, between January 2014 and January 2015 meetings on **CSR and the alignment of this concept with the European Union** were held. The most significant meeting on this subject was held on November 27, 2014.

## European Union

**Created in 1958 currently has 28 member states**

Different EU institutions participate in CSR policies.

The EC defines CSR as “the responsibility of businesses for their impacts on society“.

In 2001 the EC published a Green Paper on CSR entitled “Promoting a European framework for corporate social responsibility“. This is regarded as the de facto definition of CSR in Europe and, thereafter, the Commission has promoted social responsibility in the region through various initiatives and policies in line with its strategy “Europe 2020“, which seeks growth smart, sustainable and inclusive.

A year later, the Commission convened the first “Multi CSR actors Forum“, which brings together key stakeholders: employer’s organizations, business groups, trade unions and NGOs. The aim is to raise the level of understanding of CSR, and promoting dialogue between the actors and stakeholders.

Since then the EC has presented its position on CSR in three following Communications.

2002 Corporate social responsibility: a business contribution to sustainable development. (COM 2002/347).

2006 Promoting Corporate Social Responsibility (COM 2006/0136),

2011 A renewed EU strategy 2011-14 for Corporate Social Responsibility (COM 2011/0681).

The renewed EU strategy for CSR 2011-2014 raises eight areas of action:

- Increase the visibility of CSR and dissemination of good practices.
- Improve and monitor the levels of trust in business.
- Improve the processes of self and co-regulation.
- Improve market rewards to companies for CSR.
- Increase the dissemination of information on the social and environmental dimensions of business.
- Increase the integration of CSR into education, training and research.
- Emphasize the importance of national and sub-national policies on CSR.
- Optimize the alignment of European and global approaches to CSR.

The strategy does not have a normative or legal aim, but shows the high priority that is given to CSR as a tool for overcoming the current economic crisis in a sustainable way. It urged member states to develop their own CSR NAPs in mid 2012, based on the main reference documents of CSR, such as the OECD Guidelines, the ten principles of the Global Compact, ISO 26000 and the ILO Tripartite Declaration.

This strategy also invited the private sector to implement the UN Guiding Principles of Business and Human Rights. In June 2012 in the Action Plan of the European Union for Human Rights, which called on Member States to develop plans before the end of 2013.

Through the initiatives taken by different DGs of the EC they have been supporting and monitoring the implementation of the CSR Strategy and resulting NAPs. Likewise, the DGs work together through consultation, joint initiatives and inter service working groups.

Twice a year, DG Employment, Social Affairs and Inclusion holds meetings called High-Level Meetings. Here Member States share their different approaches to CSR, exchange information and best practices, and are accountable to each other on their progress. Indeed, the “peer reviews meetings 2013 and 2014” gave rise to the “Compendium: Social responsibility of companies - National Public Policies in the European Union 2014” (hereinafter called “The Compendium”) which is the result the revision of the seven meetings held between 2013 and 2014, constituting an update of the activities of the Member States on CSR, and giving account of progress on the NAPs.

The current DG for Internal Market, Industry, Enterprise and SMEs (formerly DG for Enterprise and Industry) conducted between April 30 and August 15, 2014 a public consultation on the CSR Strategy 2011-2014. The results show that for different stakeholders, the Commission plays a key role in implementing European policy on CSR. Likewise, this DG coordinated the realization of the last actors CSR Multi forum, which took place on 3rd and 4th February 2015 in Brussels, culminating in a hundred policy suggestions made by the delegates.

This forum marks the end of the peer review process and prior to the adoption of a new European strategy on CSR.

Thus, the EC plays an active role in the promotion of CSR at regional level and invites the creation of flexible policies in this area, working closely with stakeholders. Thus, adopting responsible practices and transparency are motivated, you need both the financial balance in the Member States, and regional and global level.

As the European Parliament, two resolutions adopted on 6 February 2013. The first called social responsibility of companies: responsible and transparent business behavior and sustainable growth that emphasizes transparency and advocates the adoption of a proposal legislation allowing companies flexibility in acting and a sufficient level of compatibility in terms of the publication of extra-financial information to meet the needs of investors and other stakeholders.

The second European Parliament resolution is the “social responsibility of business: promoting the interests of society and a path to sustainable and inclusive recovery.” This resolution focuses on four priority areas: sustainable economic recovery, the implementation of CSR globally, the need for a multilateral approach and integration between the public and private sectors.

The European Council and the European Parliament adopted September 29, 2014 the “Directive on the disclosure of non-financial information and information about diversity“ in order to increase transparency and performance of businesses in the EU. Member States have two years to integrate this disposición in their national legislation, which will apply from 2017. Through this, both public and private companies that have an average number greater than 500 employees are forced to publish an annual statement on environmental, social, employees on issues concerning respect for human rights and the fight against corruption and bribery.

Annex 4. EU focus on CSR offers a more complete analysis on the EU’s focus on CSR.

Under the EU-CELAC dialogue, and in the implementation of the Action Plan 2013-2015 EU-CELAC (see also chapter CELAC below) the EU through the European External Action Service and the relevant EC Directorates General has organized 2 meetings in Brussels bringing together actors representing both regions linked to CSR.

## In the CELAC area

The following section outlines some regional multilateral organizations in the Latin America and the Caribbean area, that influence and/or participate in the development of public policies related to CSR. This section highlights those agencies with most impact of their work are presented, however, [Annex 5. Regional Organizations CELAC - http://tinyurl.com/q5gqd8w](http://tinyurl.com/q5gqd8w) contains others with less impact on the development of public policies, whose initiatives are also related to CSR.

### Pacific Alliance

Created in 2011 includes Chile, Colombia, Mexico and Peru.

#### Focus on CSR

- The Pacific Alliance promotes sustainable **production and consumption**. In late November 2014, in Lima, the first phase of a project on that subject was designed.
- A high-level group devoted to **Mining Development, Social Responsibility and Sustainability**, composed of Vice Ministers of Foreign Affairs and Foreign Trade. In its work, the group aims to support the construction of public policies regarding mining and promotes the exchange of experiences on **social responsibility and sustainability** between Member States.
- There is a technical group dedicated to **public procurement**, which aims to ensure transparent terms and conditions at all stages of the procurement.

**A Business Council**, whose objectives related to CSR issues are the following were also created:

- cooperation in education.
  - Business Networks.
  - Entrepreneurship and Innovation.
- Finally, there is a technical group on **SMEs**, which aims to support projects aimed at providing long-term stability in this group of companies, allowing integration into the regional market. It has developed the “**Synergy between the countries of the Pacific Alliance for improving the competitiveness of MSMEs**” project, in which member governments have exchanged experiences applied to these businesses. In addition, Mexico submitted a proposal for the implementation of a monitoring network for entrepreneurs whose businesses have been incubated and/or supported by accelerator or other public-private programs.

## CAN – Andean Community

Created in 1969 includes Bolivia, Colombia, Ecuador and Peru.

### Focus on CSR

Has great interest and progress in various sub-themes of CSR, for example:

- An **Andean Working Group** on the Promotion and Protection of Consumer Rights, which seeks to promote the participation of public institutions and civil society in the decision-making process within the CAN, when the subject is of interest to consumers.
- Some EU rules that seek to protect and promote free competition in the field of CAN.
- The Executive Committee of the Andean Plan for Combating Corruption, which promotes the creation of policies and goals to promote effective struggle in the Andean countries.
- The development and use of renewable energy is promoted, and defined an Environmental Agenda Andean.
- The Andean Council of High Authorities on Women and Equal Opportunities was created in order to promote cooperation in the development of standards and mechanisms for citizen and community involvement in 2009.
- To facilitate citizen participation in the Andean integration process, they created the Andean advisory councils and tables, which may present their views to the CAN agencies, sometimes with the right to speak at meetings.
- The Advisory Council of Indigenous Peoples of the CAN, which produces associated programmes to promote their rights.
- On SMEs, the CAMIPYME Action Plan 2012-2017, which aims to facilitate cooperation on political support to this group of companies.
- The Andean Labour Observatory, which provides sectoral analysis.
- The Andean Employment Network, which seeks to facilitate access to employment for citizens of the CAN.

The CAN also works closely with the **CAF, which is the Development Bank of Latin America.**

## MERCOSUR – Southern Common market

Created in 1991 includes Argentina, Brzsil, Paraguay, Uruguay, Venezuela.

### Focus on CSR

- **ECONOMAS** action program: aims to facilitate the harmonized **development of a common regulatory** basis between the Member States of MERCOSUR, in relation to aspects of quality and safety of products.
- One of the lines of action Econormas is the “**promotion of sustainable production and consumption**” (PCS), for which it organized meetings, workshops and training.
  - Example 1: at the event “**SMEs MERCOSUR produce sustainably**,” SMEs benefited from the Econormas-MERCOSUR Project were recognized for the implementation of good production practices in their respective sectors.
  - Example 2: Manual of Good and Best Practices for Cleaner Production and Sustainable Management in Environmental Matters.
- Project “**Social and Solidarity Economy for Regional Integration**” aims at social inclusion of families in vulnerable socioeconomic, employable, productive activities that sustain them and associative groups working in the areas of established border. This project is part of the focus of the Strategic Social Action Plan (ESAP) of the Meeting of Ministers and High Authorities of Social Development of MERCOSUR.
- During the third Business Forum of MERCOSUR, held in Caracas in July 2014, the concept of “Extended Social Responsibility” was discussed, which refers to the need that businesses, governments and communities cooperate to provide solutions societal challenges in the region. This forum was introduced the idea of launching a program of Social Responsibility and Expanded Regional Integration, articulated with MERCOSUR, UNASUR and CELAC<sup>3</sup>.
- Open Agenda on Latin American Social Responsibility (AALARS) established at the International Congress of Social Responsibility, organized by the MERCOSUR in Buenos Aires, in 2014. Its objective is to implement CSR-based activities in any sector, whether public or private and promote socially responsible public policy in the area. It is open, ie you can incorporate new proposals and considerations, and is based on different actors and multinational multi Councils. It is planned to create a computing platform that will include Guidelines for the presentation of initiatives and a bank of ideas and projects.

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<sup>3</sup> Source: Venezuela-Brazil Santa Catarina Camber of Commerce:

[http://www.venezuela-brasil.org.br/es/index.php?secao=noticia&id\\_editoria=2&id=241](http://www.venezuela-brasil.org.br/es/index.php?secao=noticia&id_editoria=2&id=241)



## OEA – Organization of American States

Created in 1948 includes the 33 States from CELAC, Canada and the USA

### Focus on CSR

- The Executive Secretariat for Integral Development (ESID) is focused on social inclusion, water resources, climate change, sustainable cities and biodiversity, among other issues, including topics of CSR.
- For example, the “Programme for cleaner production and energy efficiency” has supported countries such as Panama in strengthening the institutions on this subject, in the case of that country, the Intergration Technical Committee “CP” (Cleaner Production).
- ESID also works to implement the programme “Promotion of Corporate Social Responsibility in Latin America and the Caribbean”, which aims to encourage sustainable development between the legislatures of each nation. As part of this initiative has launched a pilot project called “Social Responsibility and Parliamentary Management in Latin America”.
- A key OAS project is entitled “A Vision of Social Responsibility from Congress” aims on the one hand, to inform about the level of CSR reporting and the benefits of its application, and secondly, to train legislators Latin America on the benefits of incorporating this management model for decision making. In 2012 the Resolution was signed by the Forum of Presidents and Presidents of Parliaments of Central America and the Caribbean Basin.
- In the OAS Department of Sustainable Development there are various projects aimed at promoting sustainable development in the Americas region. It deals with the development needs of trade-related capacities in the area of environmental management, addressing the following areas: (a) Proper management of chemicals; (B) Public participation and enforcement of environmental legislation (c) market-based approach to biodiversity conservation; and (d) Training on trade and sustainable development.
- Other initiatives on CSR:
  - Anti-corruption actions: since the adoption of the Inter-American Convention against Corruption, in Caracas in March 1996, it promotes and facilitates cooperation among States, for example with the OAS Network of Information for Mutual Assistance in Criminal Matters and Extradition.
  - Project “Mechanisms of public participation for Sustainable Development” with national workshops proposed.

Finally, it is important to state this wealth of OAS resolutions containing recommendations on CSR.

## **SIECA – Secretariat for Central American Economic Integration**

**Created in 1991 includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic.**

### **Focus on CSR**

- SIECA, has developed a partnership with the regional CSR network IntegraRSE , all within the framework of the Association Agreement with the European Union. In recent years, a project of capacity building for the dissemination and implementation of ISO 26000 in Central America, an initiative that included workshops, forums, training and analysis, panels of experience and tables was developed with financial support from GIZ, work, activities, among which can be highlighted:
- Forum “Challenges of Integration of Social Responsibility for Sustainable Development for Central America,” held in Guatemala, in order to sensitize the public and private sectors about the importance of the strategic incorporation of CSR in Central America.
- Regional Validation Workshop: Challenges, Opportunities and Business Importance of Social Responsibility for Increasing Competitiveness session’s main objective was to identify the challenges and opportunities of the most important productive sectors of the region. The forum emphasized the responsibility of the public sector in promoting the competitiveness and sustainability, considering CSR as a sustainable strategy for business access to the European market under the Commercial Association Agreement with Europe.
- The last workshop held to date took place on July 22, 2014 at the headquarters of the Central American Integration System - SICA, and was directed to the various institutions of SICA.
- Each event is led by IntegraRSE and the Centro Vincular, which has also developed a benchmark on public policies related to CSR in Central America.

SIECA seeks to promote the fulfillment of the commitments made in the region, with a strong coordinating concrete CSR initiatives among countries gathered in the SICA.

## BI-REGIONAL LINKS: A FIRST APPROACH

A vast number of actors take part in the development of the CSR NAPs and public policies on the issue, both within the EU area and the CELAC area. The private sector is key in both areas due to their well developed networks for promoting CSR unlike other actors (consumers, trade unions, NGOs, communities). This group of actors in some cases uses advocacy, and in others, acts more like a partner or “critical friend“ of States in their public policies. Therefore, we can reaffirm the importance of including the private sector in both the design and implementation of bi-regional cooperation in order to advance the sustainability agenda.

The most significant differences in the mapping between the EU and CELAC areas can be found mainly at different levels of institutionalization. While the EU has an institutional mechanism to coordinate the development of NAPs and for addressing the issue in different countries, in the CELAC area influential regional actors in the subject are less coordinated, and have different approaches on how best to advance the CSR agenda in this region. It is worth considering this reflection in terms of the steps that must be taken to effectively develop and adopt the CSR NAPs in Latin America and the Caribbean. That is, the lack of coordination and consensus among stakeholders acts as an obstacle to the implementation of the Plan 2012- 2015 EU-CELAC. We would recommend that future NAPs in CELAC countries take into account the contextual reality of the region.

Finally, it is worth noting that there are no bi-regional mechanisms at government level that are specific to CSR cooperation, although there are some within the private sector. This observation is relevant when thinking about a possible roadmap to advance the bi-regional international cooperation, as observed in the Roadmap Outline section of this study.

## BASELINE SYNTHESIS: THE PROGRESS IN COUNTRIES

There are differences between the CELAC and EU areas studied, in meeting the objectives of the Declaration of Santiago.

- In the case of the EU, most CSR public policies are grounded in the international regulatory framework that includes various conventions, declarations and guidelines. At the same time, the CSR NAPs in the EU, are aligned around fostering economic growth as the objective of the European Commission related to the employment of the most vulnerable groups.
- In this research we identify three factors having strengthened the progress of EU countries on the subject: the establishment of a regional strategy valid across the EU that focuses, among other things, the creation of the NAP; the joint work of different DGs of the EC; and the promotion of dialogue and work shared between different countries in the region.
- The EU framed its main lines of action in the “Europe 2020” strategy in 2010. However, the turning point from which it began to address the issue of CSR with a specialized regional approach dates from 2001 with the publication of the Green Paper.
- Among the issues to further progress in the EU is that of transparency which gained momentum with the publication of reports of sustainability and social inclusion, from the promotion of programmes to ensure gender diversity in positions of company managers. They also include issues such as non-discrimination based on ethnic origin or sexual orientation, and the inclusion of people with disabilities into the workplace.
- In the CELAC countries of the CSR NAPs are not in existence, except for in the case of Chile where it was published in late March 2015. Therefore, to study CSR in CELAC we needed to conduct a more general analysis around the state of CSR inclusion within the public sphere of each country, including the study of its regulations, policies and incentive programmes.
- To promote CSR in the CELAC area, one of the most important challenges is to promote regional cooperation at the political and economic level on the issue. Existing supranational initiatives are promoting the theme, however this does not translate to practice and to date, as effective frameworks for coordinated action among the countries of the region.

- In most Latin American and Caribbean countries, CSR is still in its infancy, without much standardization, except for within economic sector, geographic expansion and in international companies. In that sense, the vast majority of public-private partnerships that can be observed in the region to date, seek to provide basic housing or correct flaws in the provision of basic public services.
- The South American nations most advanced with CSR and the public sector include Chile, Brazil, and Colombia. Chile for having launched its NAP in March 2015, Colombia for having designed various instruments like a CSR NAP and Brazil by the impulse of many initiatives in the public sector, both federal and local levels. Paraguay and Venezuela are the countries where fewest government incentives for CSR were identified.
- In the area of Central America and Mexico is the only case evidence of international cooperation on CSR in the CELAC, driven by SIECA. Mexico highlights initiatives from the private world as the Sustainability Index of the Mexican Stock Exchange, and government as the National Environmental Education for Sustainability. Costa Rica has advanced consistently and is in the process of developing a CSR NAP.
- In the Caribbean few incentives are developed to encourage it. While CSR practices exist in some companies, such practices are still scattered and limited in scope, since the concept is linked to philanthropy.



## 2 BASELINE: STATE OF PROGRESS IN THE COUNTRIES

The following Baseline aims to synthesize and analyse the progress of the NAPs in the EU and CELAC.

Because none of the CELAC countries have adopted a CSR NAP, this baseline points more broadly to the level of CSR inclusion in public policy in the countries of this region, referring to laws, policies, incentives, public-private partnerships, and governmental institutions related to the topic.

It is worth mentioning that most public CSR policies in these countries are based on the international regulatory framework that includes various conventions, declarations and guidelines. In this regard, and to facilitate understanding of the context of government action, the following section lists these regulations. For more information on these documents, please check the [ANNEX 6: International CSR standards - tinyurl.com/pj4s9qf](#)

- Guidelines of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises © OECD 2013 (first version 1976)
- Universal Declaration of Human Rights, United Nations General Assembly, Geneva, Switzerland, 1948
- Charter on Human Rights
- Rio Declaration on Environment and Development, United Nations Conference on Environment and Development “Earth Summit” in Rio de Janeiro, Brazil, 1992
- Principles concerning the fundamental rights enshrined in the Declaration of the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, International Labour Conference, Geneva, Switzerland, 1998
- Principles of the Global Compact of the United Nations. Global Compact Office, New York, 2000
- United Nations Convention against Corruption, United Nations, New York 2004
- Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, International Labour Office (ILO), Geneva Switzerland 2006

- Guiding Principles on Business and Human Rights: implementation of the framework of the United Nations New York Office of the High Commissioner and Geneva 2011 HR / PUB / 11/04 © 2011 United Nations
- Principles of Corporate Governance OECD © 2004 OECD
- Ecuador Principles, IFC International Finance Corporation within the World Bank, Washington DC 2003
- Program leadership in corporate sustainability, Office of the United Nations Global Compact, New York, 2010
- Resolution No. 2194 of the Organization of American States (OAS), “Promotion of Corporate Social Responsibility in the Hemisphere”, 2006
- ISO 26000, Geneva, 2010
- Declaration of Mar del Plata, Argentina, 2010

## COUNTRY REPORTS

In the European case, an extensive analysis on the progress of the NAPs was undertaken during 2013 by the European Commission from the Directorate General for Employment and Social Affairs and Inclusion, through peer reviews and subsequent update of the 2014 Compendium. The previous work involved seven meetings between ministries of EU Member States involved in drafting the NAPs.

This study, in consideration of these documents, analyzes six countries in-depth in order to obtain relevant findings and reflections. The selected countries are Germany, Denmark, Spain, France, Czech Republic and Romania. Factors considered in the choice of these countries were their different times of joining the EU; their large differences in economic, business culture, and identity; all of which influence the development of their CSR policies. The six cases of analysis are available in [Annex 7. EU Country Reports - tinyurl.com/orwe7mx](http://tinyurl.com/orwe7mx).

In the case of CELAC area, by March 2015, no member State had adopted a CSR NAP. However, three countries could produce such plans in the medium term:

Chile, from the Council of Social Responsibility for Sustainable Development.

Colombia, the Ministry of Commerce, Industry and Tourism.

Costa Rica, the Ministry of Economy, Trade and Industry.

To understand the progress of all the CELAC countries, considering that none of them have a CSR NAP we conducted a more general analysis of the state of inclusion of CSR in the public sphere of each country. Secondary sources were used to compile Country Reports which were then reviewed by national experts. In addition, interviews with government officials, who contributed and/or confirmed information about his/her country in writing, except for the case of the Caribbean region, where we interviewed a group of government representatives, without obtaining a final confirmation of our written report. The national reports of the CELAC area are available in national reports Annexes. South America, Central Central America and Mexico, and the Caribbean.



The following section outlines the state of progress of each region.

## STATE OF PROGRESS: EU

In 2010, the EU framed its main lines of action in the strategy “Europe 2020” with a view to smart, sustainable and inclusive growth. The EC also expressed its position on CSR in three core statements:

- 2002 Corporate social responsibility: a business contribution to sustainable development. (COM 2002/347).
- 2006 Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility (COM 2006/0136).
- 2011 A renewed EU strategy 2011-14 for Corporate Social Responsibility (COM 2011/0681).

As mentioned above, the EC states that “CSR refers to the responsibility of enterprises for their impacts on society”. From this definition, the EU based its strategy on the following guidelines and principles:

1. United Nations Global Compact.
2. Guiding Principles of the United Nations on Business and Human Rights.
3. ISO 26000.
4. Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy of the International Labor Organization (ILO).
5. Guidelines of the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

For a better understanding of the situation at the regional level a timeline that includes milestones related institutions, strategies and policies that have contributed to the development of CSR policy in the EU is presented.

2000 - Principles of the Global Compact of the United Nations considered the largest corporate responsibility initiative in the world.

2000 - The Lisbon European Council in particular appeals to the sense of social responsibility of enterprises with regard to good practice in lifelong learning, work organization, equal opportunities, social inclusion and sustainable development.

2001 - Communication from the Commission “A Sustainable Europe for a Better World: European Union Strategy for Sustainable Development”

2001 - Green Paper “Promoting a European framework for Corporate Social Responsibility” (2001) setting out, for the first time, the foundation of the policy of Corporate Social Responsibility (CSR) in the European Union.

- 2001 - Eco-Management and Audit Scheme (EMAS) was developed by the European Parliament and the EU Council. This is a voluntary initiative that seeks to promote the environmental performance of organizations.
- 2002 - Transparency International (TI) introduced the Business Principles for Countering Bribery.
- 2002 - In July, the EC announced its intention to create a Multi Forum CSR actors to facilitate the exchange of experiences, practices and tools and improve understanding of CSR. The following organizations are represented on the coordinating committee of the Forum: European Trade Union Confederation (ETUC), EUROCADRES, BUSINESSEUROPE, European, Association of Craft and SMEs (UEAPME), EUROCHAMBRES, CSR Europe, Cooperatives Europe, Amnesty International, European Coalition for Corporate Justice, European Sustainable Investment Forum (EUROSIF), European Savings Banks Group, European Academy of Business in Society (EABIS). Social Platform and the European Consumers Organisation (BEUC) also attended though not as members.<sup>4</sup>
- 2002 - European Communication “Corporate Social Responsibility: A business contribution to sustainable development”
- 2002 - Launch of the Global Reporting Initiative project incubated by CERES and the United Nations Program for the Environment Organisation UNEP.
- 2003 - IFC Equator Principles
- 2004 - After months of debates and roundtables a report with the final results and recommendations of the European Forum Multi CSR actors was published.
- 2004 - United Nations Convention against Corruption
- 2004 - Principles of Corporate Governance OECD
- 2004 - Project (A4S) Accounting for sustainability launched by the Prince of Wales
- 2005 - “The 2005 Review of the EU Strategy for Sustainable Development: Initial Stocktaking and Future Orientations”
- 2006 - Launch of the UN “Principles for Responsible Investment”

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<sup>4</sup> “Coordination Committee of the European Multistakeholder Forum on CSR”, Final report, European Commission, 29 de junio de 2004, available from [http://ec.europa.eu/enterprise/policies/sustainable-business/files/forum-members\\_en.pdf](http://ec.europa.eu/enterprise/policies/sustainable-business/files/forum-members_en.pdf) accessed in October 2014

- 2006 - Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organisation (ILO)
- 2006 - First version of the “Framework for the Development of Sustainability Reporting” Global Reporting Initiative (GRI).
- 2006 - Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee - (COM 2006/136 final) “Implementing the partnership for growth and jobs: making Europe a pole of excellence on responsibility social enterprises “
- 2009 - European Commission Communication “Mainstreaming sustainable development into EU policies: 2009 report on the EU strategy for sustainable development” (COM 2009/0400).
- 2009 - Publication of the guide for the integration of environmental social, and governance in reports of companies Connected Reporting Framework project “A4S” and Accounting Bodies Network
- 2010 - Launch of “Europe 2020” of European strategy aimed at smart, sustainable and inclusive growth through efficient investment in education, research and innovation, the drive to a low carbon economy and with an emphasis on job creation and reducing poverty.
- 2010 - Creation of the international standard ISO 26000 Social Responsibility
- 2010 - Program leadership in corporate sustainability in the context of the Global Compact
- 2011 - UN Guiding Principles on Business and Human Rights: implementation of the framework of the United Nations “Protect, Respect and Remedy.
- 2013 - European Parliament resolution “Social responsibility of businesses: Responsible and transparent business behaviour and sustainable growth”
- 2013 - European Parliament resolution on the social responsibility of business: promoting the interests of society and a path to sustainable and inclusive recovery
- 2013 - Presentation of the International Integrated Reporting Framework (IR) by the International Integrated Reporting Council (IIRC)
- 2014 - DG Enterprise and Industry of the European Commission held a public consultation on the renewed CSR from 2011 to 2014 (August).

2014 - „Directive on disclosure of non-financial information and diversity“ adopted by the European Parliament and the Council of the EU „(October).

2014 - Publication of the Compendium „social responsibility of companies: national public policies in the European Union 2014“ prepared by DG Employment, Social Affairs and Inclusion (November).

2015 - Last forum Multi CSR actors coordinated by the EC.

As shown in the timeline, the turning point from CSR began to be treated with a specialized regional approach dates from 2001 with the publication of the Green Paper on CSR entitled „Promoting a European framework for corporate social responsibility the companies „. The aforementioned book is considered the germ of CSR in Europe.

However, the global economic crisis that occurred in 2008 showed the economic and social consequences of the deregulation of financial markets and other imbalances in the global economic system.

At this point we can highlight the work of the former European Commissioner for Internal Market and Services, Michel Barnier, who made around 40 legislative proposals between 2010 and 2014, in order to establish a new architecture for transparency and financial stability in the banking system. These proposals involved long-term commitments and were mostly adopted. In this context, the proposed „Directive on the disclosure of non-financial information and diversity“ adopted by the Council and the European Parliament on September 29, 2014 was performed.

After the financial crisis, major international initiatives on CSR, such as the OECD Guidelines for Multinational Enterprises, the ISO26000, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact, renewed their efforts presenting operational guides for the application of their principles. Parallel to this, initiatives emerged to enhance transparency in business activities.

This could be considered as a new starting point for CSR, as it appears since then as a management model of economic, social and environmental risks for multinational companies. The publication of sustainability reports is emerging as a way to promote transparency and as a tool for finding a better balance in the global economy.

Indeed, the various European institutions and policies have fostered the advancement of both the NAPs that were already made and those who are under development throughout the region. The only exception is Luxembourg who has not developed a NAP.

Furthermore, the actions taken increased levels of understanding of CSR towards a more homogeneous concept at the Community level. Added to this is, firstly, the treatment of CSR across the board at different Directorates-General (DG) of the European Commission, and other financing mechanisms that they included amongst their lines of work. They looked to target

SMEs, with education programmes, and exchange of best practices between regions of different countries. Other institutions also incorporated this issue on their agenda, such as the European Parliament and the European Foreign Service with non-member countries of the EU and those comprising the CELAC.

Finally, it is important to integrate two crucial factors for CSR policies at the regional level. The new composition of the EC, chaired by Jean-Claude Juncker, which is very focused on growth policies, which will certainly have an impact on the new CSR strategy and linked to this, the end of the 2011-2014 Strategy and the latest multi stakeholders forum in February 2015, which could ignite a new CSR strategy.

### **Six cases for reflection**

The last CSR NAPs in the EU were developed in the context of the international financial crisis. The EU was in full economic crisis between 2008 and 2013 and, therefore, attention was directed towards governments to cut spending and create jobs. This scenario affected the development of CSR NAPs.

Among the countries studied, Germany and Denmark have a long tradition of consultation between the various stakeholders, which can lead to an extension of the development of public policies. It is also the case of France, which is currently in the final stages of approval of an ambitious CSR NAP. It seeks to integrate the views of different social partners in the process of building intelligent policies cooperated. The idea is that the voluntary and mandatory regulation are combined in form of the smart-mix formula proposed in the European CSR Strategy 2011- 2014. However, despite the difference in stages of CSR NAPs, countries also share some commonalities. The following section highlights the most important points of these cases, based on the Compendium 2014 “Corporate Social Responsibility National Public Policies in the European Union”<sup>5</sup>.

### **Alignment with international standards on CSR**

1. The six countries adhering to the OECD Guidelines for Multinational Enterprises, which means that each of them has a national contact point which allows the public to bring complaints for irresponsible behavior of a multinational company operating in the country of the aggrieved party. Denmark is a case of point here, as it implemented a special law called Mediation and Complaints-Handling Institution for Responsible Business Conduct in 2012, which aims to resolve complaints and allegations received about Danish companies operating abroad who allegedly breach the OECD Guidelines.
2. These Member States demonstrate their commitment to the negative impacts generated by companies, in other words their commitment to the UN Guiding Principles on Business and

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<sup>5</sup> Williamson, N; Stampe-Knippel, A; Weber, T (2014) Corporate Social - Responsibility National Public Policies in the European Union - Compendium 2014 European Commission Directorate-General for Employment, Social Affairs and Inclusion Unit C.1

Human Rights. Denmark already has its own NAP on Business and Human Rights. Meanwhile, Germany and Spain are in the process of preparing their respective NAPs. In France, this task has been assigned to the Advisory Commission on Human Rights, while the Czech Republic provides for the integration of this issue in its CSR NAP. Romania meanwhile is only at an early stage on the issue of human rights and business.

### **Reflections upon the importance of SMEs**

The six case studies emphasize the importance of SMEs in the region.

The Czech Republic, for example, is working on a publication on basic information about the „business case“ to allow SMEs to achieve greater competitiveness by applying CSR.

Denmark once again stands out for its attention to SMEs. The country has development centers for SMEs to receive education and training on CSR. Thus, SMEs play a central role in the Danish CSR NAP.

Germany and France have also dedicated resources to the promotion of CSR for their SMEs. Germany has invested about 40 million euros, including financing from the European Social Fund, to train employees on the subject of SMEs. Germany has also funded research programs on the subject SMEs and CSR, and has training programmes for SMEs belonging to developing that provide services to German companies countries.

France, meanwhile, also has initiatives on raising awareness and training on CSR in SMEs at the local level initiatives that are implemented by the communities. In addition, in 2012, the French government created the Public Investment Bank „Bpifrance“ with the aim of promoting the development of SMEs in collaboration with regional governments. The above initiative has a local development approach, emphasizing the company financing the Social Solidarity Economy (ESS).

### **Social and Employment practices**

The six countries have some examples of good practice in this area:

Germany, Spain, France and the Czech Republic are pursuing project financing programmes for the employment of certain vulnerable groups such as women, youth, the elderly and immigrants.

The six countries have programs to promote gender diversity in management positions in companies. Issues such as non-discrimination based on ethnic origin or sexual orientation, and the inclusion of people with disabilities into the workplace are included.

## CSR Certification for consumers

1. This section highlights Denmark, as part of the Nordic Ecolabelling (Nordic Initiative). The Swan symbol indicates that the products were made in a eco-efficient way, thus fostering sustainable purchasing and production.

2. Denmark also stands out for its Annual Awards CSR where companies share their lessons including on CSR. Germany has a similar event called German CSR Award<sup>6</sup>, which deals with corporate responsible conduct.

## CSR Reports

1. France stood out for some years for a law that since 2001, has forced large companies to be accountable for how they address social and environmental issues. However, since 2014, the new EU directive established that, from 2017, all companies in the EU countries will be obliged to disclose social (human rights) and environmental content and its „Diversity policy“, in addition to have this report verified by an independent body.<sup>7</sup>

1. Denmark also has a similar law called Accounting for CSR in large Businesses, 2008, that is applied to large firms. This law requires companies to account on progress and implementation of their CSR policies, human rights and climate change.

## CSR in training and education

2. The CSR NAP for France contains a strategy of sustainable development education at all age groups in schools, both aimed at students and teachers targeted across the country. The government finances this initiative so that the country will have in the future responsible citizens.

3. In Germany, the government also supports the idea of inserting CSR in education at all levels. Similarly, this subject is part of the main long-term objectives of the Spanish Strategy Corporate Social Responsibility, which seeks to disseminate the values of CSR among the society, including measures to promote the issue from an early age. The idea is to use a specific plan of training content and networking of interdisciplinary research for postgraduate studies.

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<sup>6</sup> CSR award of the German federal government », CSR-PREIS Der Bundesregierung, Berlin, available from <http://www.csr-preis-bund.de/english-summary.html> accessed in October 2014

<sup>7</sup> Directive 2014/95/UE from the European Parliament, 22 October 2014, modified Directive 2013/34/UE with regards to non-financial disclosure by large companies, , available at <http://eur-lex.europa.eu/legal-content/ES/TXT/?uri=CELEX:32014L0095> accessed in October 2014

## Sustainable public procurement

In Germany and the Czech Republic there are special laws for the public sector to buy sustainable and responsible manner. However, in Denmark, although the responsible acquisition is voluntary, 20% of public procurement is integrated through the programme of „Green Purchasing“.

4. It is noteworthy that in February 2014, the European Council adopted the „Directive on modernization of public procurement“<sup>8</sup>, which seeks to simplify this process in the European common market, ensuring the inclusion of common social objectives, environmental protection, social responsibility, innovation, adaptation to climate change, employment, public health, among other considerations.

5. The reforms also aim to facilitate access by SMEs to public markets. The Directive requires Member States to give a follow-up of public procurement and apply EU law uniformly in this field.

## Socially Responsible Investment (SRI)

According to Eurosif<sup>9</sup>, there is currently no European definition of Socially Responsible Investment (SRI), because there are different approaches dependent on the existing cultural values in different countries and regions. In this area, the Scandinavian countries like Sweden and Finland, and the Netherlands, have a higher level of maturity in terms of SRI.

France has since 2010 had the Grenelle II law (LOI n ° 2010-788 du 12 juillet 2010 portant national pour l'environnement engagement), which in Articles 224 and 225 requires all Asset Management companies to be accountable for the consideration of criteria relating to the respect of environmental, social and governance objectives „ESG“ in their investment policies. In addition, the way of presenting this information is also prescribed.

In contrast, in Denmark and Germany, the issue remains on a voluntary basis with the promotion of some guiding principles, such as the United Nations' Principles for Responsible Investment (UNPRI).

## Financial obligations and anti-corruption measures

Only Spain and France have taken steps to reduce the wage gap between top management and workers in public sector organizations. In France, for example, a senior executive of a state enterprise can not earn more than 20 times the lowest salary in the public sector.

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<sup>8</sup> Reform proposals, Modernising rules, Single Markets and Standards, Growth, European Commission, available from [http://ec.europa.eu/growth/single-market/public-procurement/modernising-rules/reform-proposals/index\\_en.htm](http://ec.europa.eu/growth/single-market/public-procurement/modernising-rules/reform-proposals/index_en.htm) accessed in October 2014

<sup>9</sup> European SRI Study 2014 », Eurosif, Brussels Belgium, 2014, p. 8, available at <http://www.eurosif.org/wp-content/uploads/2014/09/Eurosif-SRI-Study-20142.pdf> accessed in October 2014



## Climate change and environment

Denmark and France have annual conferences and forums for learning about sustainable development issues.

Denmark is developing green business models for both the agricultural sector and the business sector in general.

Perhaps the best example is Romania with its Eco-Emerge 2009-2011 programme, which seeks to raise awareness about sustainability, efficient technologies, green markets and creating a platform for the purchase of sustainable goods and services by industry public.

## Final comments on the progress in the European Union

As was noted, there are similarities and differences between the CSR NAPs of the six countries reviewed. The countries seem to be aware of and committed to the different global CSR standards and in particular with the UN Guiding Principles on Business and Human Rights. In addition, we posit that the CSR NAPs are increasingly aligned as to promote economic growth as the objective of the EC.

On the other hand, most of the analysed countries have good policies in place on the employability of vulnerable groups. Indeed, in the context of current economic crisis, this issue is one of the main priorities of European governments who care particularly on the integration of young people into the workplace from the perspective of CSR. Governments expect their social and employment policies to generate a “win-win” for both the welfare of their citizens and the good state of their economies.

There are other areas where some countries have boosted their CSR policies by creating domestic laws, such as France and the publication of legislation on CSR and SRI reports.

Denmark stands out in the certification area with its CSR or Eco-efficiency Label and the creation of new ecological models. This progress can be explained by the underlying philosophy of its CSR NAP which is based on promoting the image of Denmark as a country with responsible growth. The Danish NAP was inspired by the work of Michael Porter and Michael Kramer<sup>10</sup> who have been highly influential in the realm of CSR.

In summary, we can conclude that there are more similarities than differences amongst the six CSR NAPs reviewed. The differences can be identified in the level of detail and lines of action established as priorities. Importantly, the different policy initiatives have different levels of impact in the countries studied, due to their different economies and financial resources available for CSR programmes.

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<sup>10</sup> Porter, M. E., and Kramer, M. R., “The link between competitive advantage and corporate social responsibility”, Harvard Business Review, 84 (12), 2006, p 78-92

## STATE OF PROGRESS IN CELAC

In most Latin American and Caribbean countries, CSR is still in its early stage, without much regional coordination and varies as per economic activity, sector, location number of multinational companies. The issue initially was associated with a philanthropic perspective, which has been slowly evolving into a more strategic perspective, both inside and outside of the company. However, in many countries, networks of CSR promoters are still working to clarify the concept of CSR, which, especially in SMEs, is still synonymous with charity or marketing for some entrepreneurs. In this context, there is no CSR NAP at the time of writing in March 2015. Therefore, the following outlines an analysis of the main developments in terms of incentives and public policies promoting CSR in the CELAC area.

### Important sub-themes of CSR

What little progress has been made in CSR is a product of unmet social demands that revolve around poverty and inequality. Therefore, many of the public-private partnerships that can be observed in the region, seeking to provide basic housing or correct failures in the provision of basic public services such as running water or electricity in vulnerable communities<sup>11</sup>. Similarly, many CSR programmes seek to foster the development of communities, creating opportunities for excluded or, internally within the company by, supporting employees and their families.

However, other sub CSR issues, such as environmental protection and improvement of labour practices are becoming more widespread in Latin America and the Caribbean.

Importantly, in some countries, certain economic sectors dominate the economy, with impacts on CSR at the national level. An example is the case of mining in Chile and Peru, where CSR is often motivated as a strategy for obtaining a social and environmental licence to operate. Indeed, the extractive industries that dominate these economies often come into significant conflict with local communities, both on social and environmental issues such as with pollution and water. In general, the economic and social contexts of each situation impact national priorities in CSR issues<sup>12</sup>, as observed in the national reports in South America, Central America and Mexico and the Caribbean.

For example, in Colombia, significant progress was noted on the subject of Human Rights, which can be explained by the existence of a long-term armed conflict in the country, in addition to strong public concern about the protection of their rights. In Argentina particular efforts are

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<sup>11</sup> González-Morales, M<sup>a</sup> Olga, and León, María de Fátima, "Responsabilidad Social Empresarial: Aproximación a las Líneas de Actuación Públicas de la Unión Europea, América Latina y el Caribe", revista Actualidad Económica N° 79, enero - abril 2013, page 12

<sup>12</sup> Peinado-Vara, Estrella, "La Responsabilidad Social Empresarial en América Latina", MANAGEMENT Society N°34, agosto - septiembre de 2012, available in <http://www.managementsociety.net/etica-y-rse/33-la-responsabilidad-social-empresarial-en-america-latina.html> accessed in December 2014

noted for social inclusion of the most vulnerable people, which can also be understood in the light of socio-economic national context and the violence of successive crises since 2001.

## Role of the State

Each State in the CELAC area promotes and conducts CSR within their country, as such there is little activity in collaboration and almost no communication between countries. The only existing cooperation initiatives on the subject are those coordinated by subregional organizations such as the CAN (Andean Community), MERCOSUR (Southern Common Market), the OAS (Organization of American States) and SIECA (Secretariat for Economic Integration Central). These subregional organizations coordinate efforts ranging from setting a common agenda to the pursuit of a regional integration with a clear objective, such as SIECA. However, although these regional initiatives influence the design of some national policies, their results are not binding, generating scattered and limited impact. The power of decision making on public CSR policies remains reserved exclusively for States. Supranational initiatives are emerging however they are not implemented in practice, as real frameworks for coordinated action among the countries of the region.

At the national level, State policies are very heterogeneous. Most of them are far from comprehensive, focusing on economic sectors or sub-themes of CSR, since each country has a complex and specific context.<sup>13</sup> It is also worth pointing out that many countries have private sector associations who “promote the promotor”<sup>14</sup>, that is, to lobby the State to promote CSR.

Notwithstanding all the above, most States are quite active with regards to CSR, since almost all have signed international conventions encouraging them to promote CSR practices in their territory. In addition, some states seek to facilitate partnerships with the private sector, in order to find answers to social demands, making it easier for companies to obtain social legitimacy, as in Peru or Chile. However, few countries are promoting a strong incentive based policy, except for Costa Rica. Even fewer countries are engaged in strong public-private partnerships.<sup>15</sup>

In terms of regulation, only Bolivia is about to specify an explicit regulatory framework on CSR. Venezuela is taking a similar approach. In other countries, regulation is more implicit, focused on subtopics of CSR. Thus, most of the elements of CSR are regulated to a greater or lesser extent in the legal systems of Latin American and Caribbean countries as a result of the numerous international conventions that have been signed or ratified (for example the ILO and the UN). The above indicates that CSR is not, at least not entirely, of a voluntary nature in the CELAC area.

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<sup>13</sup> Arroyo Laguna, Juan, “Promover al Promotor: el Estado ante la Responsabilidad Social Empresarial”, Centrum Católica’s Working Paper Series N°2012-09-0004, september 2012, página 8

<sup>14</sup> Ibid, page 10

<sup>15</sup> Ibid, page 10

In the “national reports“ of this study, one can see to what extent the sub-themes of CSR is voluntary and correspond to soft law, or conversely, if they are binding and part of hard law.

Regarding binding laws, the difficulty of enforcement was observed and even of monitoring compliance with these laws.

## **Analysis by groups of countries**

### **South America**

Includes: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay, Venezuela.

South America has the most advanced group of CELAC countries in matters of CSR because of their embeddedness within the dynamics of the global economy. Initially, since the 1990s, CSR was mainly promoted by private sector representatives gathered in business organizations and civil society.

The country that promoted regional CSR most is Brazil, a pioneer from the International Conference of Rio de Janeiro in 1992. To this day, one of the most influential organizations in CSR at regional level is the Ethos Institute, which carries out activities throughout the region. In other countries, the subject began to take more importance since 2000, when inserted increasingly global economy. Indeed, South America consists of several emerging economies, so its progressive integration into international trade has been a key to the development of CSR in the region factor. Gradually the practices, standards and international guidelines, such as ISO 26000 or GRI, thanks to foreign companies as investors or clients were including CSR increasingly in their communications and in some of their practices. In addition, Argentina, Brazil, Chile, Colombia and Peru have officially endorsed, the OECD Guidelines for Multinational Enterprises, which has also been an important driver for the development of CSR in the region.

The public sector began work on CSR focusing on the sub-themes of inequality, social inclusion, environment and community relations. These last two issues arise especially in countries like Brazil, Bolivia, Chile, Colombia, Peru, and Venezuela, where the extraction of raw natural resources dominates the economy. This requires companies to coordinate with local communities and mitigate and/or compensate for environmental impacts, to thereby obtain the social and environmental licence to operate. In fact, conflicts generated by these activities and their relationship with local communities remain critical in several areas of the region. Indeed, the governments of Peru and Argentina are particularly active in their approach to social inclusion and community social development.

Countries with higher-levels of progress in the public sector include Brazil, Chile and Colombia. Chile and Colombia are moving towards a CSR NAPs, while Brazil develops many initiatives at both the federal and local level without a centralized planning mechanism such as a NAP. Uru-

guay was, at the time, a pioneer in the region, with the creation of a National Council on Social Responsibility in 2010, however now is almost inactive.

It is important to note that Argentina and Brazil are federal states, which implies a strong drive for local level CSR. This explains the existence of decentralized and scattered initiatives throughout their provinces or states, which makes it more difficult to coordinate a CSR policy nationwide.

Moreover, the trend in this group of countries is not towards legal regulation, but for more voluntary CSR promotion, with the exception of two nations: Bolivia, noted for planning the creation of a law on CSR during 2015, and Venezuela, which is characterized by its many regulatory laws of the business sector. In Argentina, Colombia and Paraguay draft laws on CSR were also discussed between 2010 and 2012, but did not progress.

Paraguay and Venezuela are the countries with fewest public incentives for CSR. In Paraguay, where the economy is less integrated into the global economy, the issue is still incipient. In Venezuela, as already mentioned, the public-private dialogue is conditioned by a strong entrepreneurial drive framed by the state.

### **Central America and Mexico**

Includes Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama.

Mexico is the largest country in terms of geographical and economic size within the global economy and as such their progress in CSR approach resembles that of the the large countries in South America. Mexico has, for example, a Sustainability Index at the Mexican Stock Exchange, and various government initiatives, such as the drive towards sustainable production and the National Council for Environmental Education for Sustainability.

To promote a regional economic integration focused on CSR issues, the other Central American countries are supported by the Secretariat of Central American Economic Integration (SIECA), in collaboration with the network of promoters INTEGRARSE, which includes organizations from CSR in Panama (SUMARSE), Costa Rica (AED), Nicaragua (UNIRSE), Honduras (FUNDAHRSE), Guatemala (CENTRARSE) and El Salvador (FUNDEMÁS). This is the only case of international cooperation on CSR in the CELAC area.

In this context, Costa Rica stands out because it was first in the continent to create a National Advisory Council on Social Responsibility in 2008. In addition, Costa Rica is, by far, the only country in the CELAC area that is in advanced preparation stages for its CSR NAP. However, other countries are also developing noteworthy CSR initiatives. For example, in Panama, the Ministry of Trade and Industry started a diagnosis on Social Responsibility, in order to establish an action plan later. In Honduras, on the other hand, the Office of International Cooperation at the Ministry of Foreign Affairs has developed a program of public-private partnerships, in order to initiate dialogue with the business sector.

## **The Caribbean**

Includes: Antigua and Barbuda, Barbados, Belize, Cuba, Federation of Saint Kitts and Nevis, Granada, Jamaica, Commonwealth of the Bahamas, Dominican Commonwealth Cooperative Republic of Guyana, Republic of Haiti, Republic of Surinam, Republic of Trinidad and Tobago, Dominican Republic, St. Vincent and Nevis, Saint Lucia.

In the Caribbean there are few incentives to develop CSR. While CSR practices in some companies are evolving, such practices are still scattered and limited in scope, since the concept of CSR is still considered as a simple planning of corporate philanthropic actions.<sup>16</sup> Moreover, despite receiving pressure from external actors (multinational companies and other governments) to do more on CSR, Caribbean governments provide little incentive to promote it.

Notably, a number of Caribbean countries have, at present high levels of social vulnerability, as is the case of Haiti, for example. In those countries, having a limited number of large companies makes it difficult to boost public-private dialogue on the subject of CSR. This lack of large companies is prevalent to most of the small islands, with the exception of Trinidad and Tobago due to its large oilfields.

However, many Caribbean governments have been promoting the sustainable development of their nations in past years. On the one hand, the small states of the Caribbean gathered in the Organization of Eastern Caribbean States, (OECS) share common problems with little industrialization and strong dependence on external actors for their economies. On the other hand, there are the larger western states with more developed economies and governments. However, there are serious challenges facing these islands around poverty reduction and sustainable economic strengthening, contexts we argue that could constitute a basis for further dialogue on CSR.

Nonetheless there are some government initiatives related to CSR worthy of mention. For example, Barbados shows commitment to the development of sustainable development indicators. In Jamaica an environmental action programme to sensitize private enterprises that generate impacts to the environment was implemented. Finally, in the Dominican Republic, the National Competitiveness Council and the NGO Alliance agreement promote good CSR practices.

## **Thematic Analysis**

### **Social Responsibility Councils and CSR NAPs**

There are few explicit or crosscutting CSR public policies in Latin America and the Caribbean. However, we can highlight three countries with Social Responsibility Councils aimed at coordinating CSR policy at national level:

Costa Rica: in 2008 a National Advisory Council on Social Responsibility comprised of public and private organizations was created. It acts as an integration platform that supports the po-

sitioning, implementation and monitoring of public-private initiatives for Social Responsibility, within the country. The Council advises the government to prepare the CSR NAP, but is still under discussion.

Uruguay: the Ministry of Labour and Social Security created in 2010 the National Council for Corporate Social Responsibility. By decree, it aims to be a forum for dialogue, coordination and exchange of policies and tools of CSR among the different actors of the Uruguayan society. However, in the last three years, the Council has been very inactive.

Chile: the Ministry of Economy together with various actors in the public, private and civil society sectors in 2013 formed a multisectoral Council dedicated to the development of CSR public policies. The Council of Social Responsibility for Sustainable Development's functions include coordinating the creation of a CSR NAP for sustainable development and the identification of policies, good practices and initiatives of national and international social responsibility.

Furthermore, Colombia is developing a CSR public policy at the national level from the Ministry of Commerce, Industry and Tourism. Bolivia plans to publish a Social Responsibility Act 2015. It should also be noted that Ecuador pledged to advance the development of a CSR NAP at the workshop on CSR organized by the PPT CELAC in Costa Rica on November 27, 2014. In addition through its „Public Private Partnerships“ programme, Honduras seeks gradually to emulate the Chilean model. However, it has not published a CSR NAP yet.

### **Public Policy on Human Rights and company**

Colombia was the first country to focus on the construction of a Human Rights and Business NAP. The country identified security risks and company generated risks in the communities where they operate. The main objective is to ensure that Colombian business activities are respectful of human rights, contributing to the development of the country from various sectoral, regional and institutional contexts.<sup>17</sup>

No other country has formally notified of a plan that covers this issue to the Office of the United Nations Human Rights High Commissioner.

However, we can mention the case of Chile, which announced in late December 2014 that it is planning for a NAP on Business and Human Rights, coordinated by the Council of Social Responsibility for Sustainable Development, to promote the implementation of the Guiding Principles United Nations on the subject. Furthermore, it has received some criticism due to the lack of Indigenous People's presence on the Council..

<sup>16</sup> Shah, Kalim U., Hinostroza, María, y Nunez, Georgina, "Promoting corporate social responsibility in small and medium enterprises in the Caribbean: methodology report", UN Publication, December 2008, page 15

<sup>17</sup> "Lineamientos para una Política Pública de Derechos Humanos y Empresas", Publicación Working Group on Business and Human Rights System of Human Rights and International Humanitarian Law, 2014

Finally it should be stated that Argentina<sup>18</sup> and México<sup>19</sup> have also made public similar ambitions around developing business and human rights NAPs.

### **Internal management of companies**

In analyzing the dimensions “Corporate Governance” and “Labour Practices”, it appears that most countries, regardless of their location, size or economic presence in the world, have some kind of regulations governing businesses in these areas. This may be related to the history of the continent and the desire to correct unfair labor practices as well as slave labour and exploitation of workers. Unfortunately, evidence of these practices can still be found today. In addition, most countries have signed a treaty that involves considering these issues within their government programmes or policies. On the other hand, the dimensions of “Transparency” and “fair operating practices” are poorly integrated into public policies and regulations of the Latin American and Caribbean countries, or there are few systems of enforcement of the rules, which means that even in 2015 we witness abusive labour practices.

### **Promoting transparency and accountability**

Brazil, Denmark, France and South Africa formed the “Group of Friends of paragraph 47” in the Rio + 20 Conference in 2012, aimed at promoting corporate sustainability reports. Regionally, Argentina, Brazil, Chile and Colombia are full members of the group and then have pledged to promote reporting on corporate sustainability, especially for listed companies.

In fact, there is a trend of creating new sustainability stock exchanges based on the UNs Sustainable Stock Exchanges (SEE), such as the ones in Brazil, Colombia and Jamaica, Mexico and Peru. This initiative seeks to support transparency in proposing guidelines, training, and support to develop or strengthen sustainability indexes. Outside the SEE initiative, we can mention the case of Chile, where the Chamber of Commerce of Santiago plans to prepare and publish a sustainability index in 2015. The most advanced national stock exchange on this issue is Brazil (BM & F Bovespa) which proposes a voluntary corporate sustainability index, and promotes the initiative of “report or explain”. The stock exchange of Mexico is also worthy of mention as it requests external evaluation of companies on the sustainability index.

In most of these cases, sustainability indicators are based on the GRI. The GRI (Global Reporting Initiative) is a multi stakeholder initiative founded in 1999 by the United Nations programme to develop and disseminate globally applicable directives to create Sustainability reports.

Also worth mentioning is the case of Bolivia, a country in which social responsibility has been

18 Available at “Comunicación de Responsabilidad & Responsabilidad Empresaria”:

<http://comunicarseweb.com.ar/?page=ampliada&id=12833>

19 Available at “Comunicación de Responsabilidad & Responsabilidad Empresaria”:

<http://comunicarseweb.com.ar/?page=ampliada&id=13735>



addressed primarily associated with the regulation of financial activity approach, before expanding it to other areas of economic activity.

## **Organization for Economic Cooperation and Development (OECD)**

Chile, Mexico, which are member countries and Colombia, Argentina, Brazil, Costa Rica and Peru are non-member States who recognize the OECD guidelines for multinational enterprises and have a National Contact Point, which favours the adoption of public incentives for CSR.

## **Global Business Networks**

There are two main networks in the region, firstly the United Nations, Global Compact and the World Business Council for Sustainable Development (WBCSD). Both networks are present in most of the region, except for in the Caribbean.

The Global Compact is a voluntary initiative in which companies commit to align their strategies and operations to ten principles related to four themes: human rights, labour standards, environment and anti corruption. There are Global Compact local networks that are active in most of Latin America (Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, Paraguay, Peru, and Uruguay), but have very limited presence in the Caribbean (only Dominican Republic). In August 2013, there were almost 2,300 participants in the Latin American networks of the Global Compact, this represents 20% of all the global network. Most signatories are located in Brazil, Mexico and Colombia, with highly developed and active networks<sup>20</sup>. This also helps with the knowledge of ISO 26000 and the GRI as standards and guides.

The WBCSD is an international organization formed exclusively by the businesses, which aims to establish sustainable development by identifying experiences and best practices. Among its participants include General Motors, 3M, Coca-Cola, Sony, Oracle and other large companies. In Latin America, there are business networks from 15 countries are involved in this organization, except the Caribbean that is not represented<sup>21</sup>.

## **ISO 26000**

ISO 26000 is an international standard for, both public and private organizations, providing guidance on how to act in a socially responsible manner. ISO 26000 is voluntary, therefore does not function as a certification standard<sup>22</sup>.

It is currently considered the gold standard in 12 Latin American countries: Argentina, Bolivia,

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<sup>20</sup> Available at Centro Regional de Apoyo del Pacto Global para América Latina y el Caribe:  
<http://www.centroregionalmal.org/web-pacto/esp/?q=node/403>

<sup>21</sup> Available from Consejo Empresarial Mundial Para el Desarrollo Sostenible:  
<http://www.wbcasd.org/members-only/regional-network/members-list/latin-america/latinamericahome.aspx>

<sup>22</sup> ISO 26000: "Visión General del Proyecto", Organización Internacional de la Estandarización, 2010

Brazil, Chile, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Panama, Peru and Uruguay. It is also regarded as a guiding standard in 4 Caribbean countries: Jamaica, Saint Lucia, Suriname and Trinidad & Tobago.

## COORDINATION BETWEEN COUNTRIES TO INCLUDE CSR IN PUBLIC POLICY

### In the European Union

Undoubtedly, the level of EU institutions has been crucial for progress in the generation of national plans for addressing the issue in different countries, especially in those who had not addressed the issue before entering the Union.

We identify three factors in the the progress of EU countries on the subject are identified:

- 1) The establishment of a regional strategy across the EU, which focuses, among other things, on the creation of national plans,
- 2) The joint work of the different DGs of the EC. Here it is important to state that section of Social Affairs and Employment DG coordinates both the high-level meetings on CSR with the Member States as well as the peer meetings that gave rise to the compendium. DG Enterprise is the coordinator of the multi stakeholders forum and public consultations. These DGs work together with others through consultation, joint initiatives and working groups inter services.
- 3) Promoting dialogue and work between different countries.

On this last point it should be noted that in the European Union there are formal mechanisms for dialogue and exchange through the Commission, such as high-level meetings on CSR by DG Employment and Social Affairs. The European Parliament also makes a key contribution. As for the private sector, different actors attribute great importance to the role played by CSR Europe as a regional organization that feeds the dialogue between its members and represents them before the EC, establishing itself as an articulator of public-private dialogue and contributing to the progress of Member States.

### In the CELAC

To promote CSR in the CELAC area, one of the most important challenges is to promote regional cooperation at the political and economic level on the issue, something that happens in a dispersed manner. Various subregional organizations overlap proposing similar but not joint projects, and even pose different perspectives, which do not cooperate with the advancement of the subject. To identify information on the projects and prospects of such organizations, please refer to [Annex 5. Regional organizations CELAC - tinyurl.com/q5gqd8w](https://tinyurl.com/q5gqd8w).

Central America is different due to its collective dynamics generated at regional level between

SIECA and the network of CSR promoters. In the CELAC area, this is the only case of coordination between countries to advance CSR issues.

## **INSTANCES OF BI-REGIONAL DIALOGUE**

Instances of bi-regional dialogue During the years 2013 and 2014 both areas held meetings for delegates from countries and international officials to debate and discuss their progress in implementing the Declaration of Santiago and the CELAC Plan of Action - EU 2013-2015. Regarding the eighth chapter, called “Investment and Entrepreneurship for Sustainable Development“, which deals with CSR in its first paragraph conferences were held in Brussels in October 2013 and September 2014 and in the city of San José in Costa Rica in November 2014, which were the first steps towards sharing perspectives from each area and the start of a bi-regional dialogue.

In Brussels, the first meeting was organized by the European External Action Service and the Government of Chile, as part of its pro tempore presidency of CELAC. The second meeting was coordinated by the Ministry of Foreign Affairs of Chile and DG Enterprise and Industry, bringing together both regions to share their experiences in advancing NAPs and/or public policies. On the European side, Spain and France shared their progress in creating NAPs. The European Commission, through the Directorate General for Enterprise and Industry, presented on its regional policy, best practices and new trends. Chil, representing the CELAC area, presented its progress and, secondly, Nicaragua addressed various policies to form an environment conducive to the creation of a NAP framework.

In San Jose, Costa Rica, at that time home of the President Pro Tempore of CELAC, meetings on CSR and the alignment with the EU were held between January 2014 and January 2015. The most significant meeting held on this subject was on November 27, 2014.

At this meeting the following results were achieved. Ecuador pledged to advance the development of a CSR NAP. Through its “Public-Private Partnerships“ programme Honduras said it would gradually look to emulate the Chilean model. Costa Rica, Colombia and Chile stood out for the presentation of their progress, which indeed suggests that in the short or medium term would lead to them completing their respective NAPs



## SYNTHESIS – BEST PRACTICES

The different stakeholders attach great importance to the European CSR policy, whereas the European Commission plays a decisive role for implementation.

- In the public consultation of the EC in 2014, half of the respondents felt that the CSR Strategy 2011-2014 did not pay sufficient attention to SMEs, making it necessary to develop an action plan on the UN Guiding Principles on Business and Human Rights. Three main priorities for the future strategy of the Commission were also identified:
  1. Improving transparency through reporting and sustainability reports;
  2. Work in international affairs and multilateral diplomacy work and with third countries;
  3. Activities aimed at raising awareness.
  
- An important milestone for future of regional policy was the conclusion of a new multi stakeholders forum by the EC.
  
- International development actors are key to the success of a sustainable and effective strategy for CSR in the EU. CSR can serve as a driver for progress in areas such as transparency, good governance and local development.
  
- SMEs do not have the time or resources to internalize management manuals, and its content is not adapted to their needs. However, the formal integration to make SMEs in CSR, they represent a huge potential for a long-term view on the new challenges and opportunities in the business world, also translating into a huge potential for innovation.
  
- In the CELAC, three cases were identified for their progress:
  - Chile understood the need to integrate the SR as a model of long-term management and as a strategic condition for development, as such it created a Social Responsibility Council for Sustainable Development. This Council worked intensely focused on identifying specific and priority challenges, such as gender issues. The country published its CSR NAP in March 2015.
  - Colombia gradually pushed companies to include in their CSR management. Such impetus came from society due to increasing demands on environmental and social matters and concern about climate change. In addition, since 2013 Colombia is in the process of integration of the OECD, which involves incorporating good corporate practices.
  - Costa Rica voluntarily undertook to make environmental sustainability a strategic long-term State policy. In this context, a series of action plans on issues such as climate change, the energy sector, biodiversity, sustainable tourism, and the food industry, among others, were adopted.



# 3 BEST PRACTICES

Only European countries have adopted CSR NAPs. However, Latin America has potential though early stage plans. Therefore, we highlight some elements that could inspire the development of other NAPs.

## THE FUTURE OF CSR IN EUROPE

As highlighted in the baseline and mapping of actors in the EU, the existence of a supranational organization strengthens the advancement of CSR through different practices. This reality contributes substantially to global factor of CSR together with Business and Human Rights, because they are transnational issues that can not be limited to the reality of a single country. Thus, the EU has a key role through its institutions and in the formulation of strategies by the Commission. In this sense, the latest Strategy for the period 2011-2014 has come to an end and the EC carried out a public consultation on the same between 30 April and 15 August 2014. The results<sup>23</sup> show the relevance attached by various stakeholders to the European CSR policy, whereas the Commission plays a decisive role on its implementation.

The European Directive on the disclosure of non-financial information was approved by stakeholders, with 70% approval, as the most successful initiative of the EC, followed by increasing the visibility of CSR, dissemination of good practices, with 63%, and alignment of the European approach to global CSR approaches, with 60%.

Moreover, half the respondents felt that the CSR Strategy 2011-2014 did not pay sufficient attention to SMEs, making it necessary to develop a plan of action on the UN Guiding Principles

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<sup>23</sup> Public consultation on the EU Corporate Social Responsibility Strategy, European Commission, Digital Agenda for Europe, 21 de enero de 2015, available at <http://ec.europa.eu/digital-agenda/en/news/public-consultation-eu-corporate-social-responsibility-strategy> accessed November 2014

on Business and Human Rights, addressing issues of global supply chain (due diligence), and support in the field of access to justice.

Finally, the stakeholders identified three main priorities for the future strategy of the Commission:

1. Improving transparency through reporting and sustainability reporting, socially responsible investment, etc.
2. Work in international affairs and multilateral work, diplomacy with third countries, or CSR on a global scale.
3. Activities aimed at raising awareness.

Another important milestone in line with the future of regional policy has been the conclusion of a new multi stakeholders forum by the EC. The took place in February 2015 in Brussels and was attended by about 450 actors who sought to discuss “the responsibility of enterprises for their impacts on society” as defined by the European Commission in its 2011-2014 Strategy CSR.

The forum featured 12 parallel sessions on key to future EC strategy issues, including:

- Access to international markets.
- Education and human capital.
- SMEs.
- International cooperation on development.
- Business and Human Rights.
- Public procurement.
- Innovation, competitiveness and growth.
- Human rights and access to legal remedies.
- Responsible Investment.
- responsible supply chains.
- Regional policies of national CSR.
- Financial institutions.

The following points may be considered as general conclusions from the event:

- The ultimate goal of CSR should help integrate social responsibility into the DNA of the company.
- The EC should continue to play an important role in providing for the exchange of open dialogue platforms paper, best practices and collaboration among stakeholders.
- The media must commit to the ideals of CSR by playing a more proactive role, documenting developments, progress and setbacks.
- A large number of companies now follow a clear framework that allows the successful implementation of CSR, such as the Guiding UN Principles on Business and Human Rights; therefore, a new CSR strategy should aim at further aligning with global principles and guidelines
- Most companies accept the guidance from general legislation, however, the reporting requirements should not be an additional legislation overburdening businesses.



Based on interviews and desk research, it was concluded that the next important in relation to CSR topics will include the importance of SMEs, human rights, development and cooperation. Here are the main conclusions of the multilateral forum of the EU are synthesized.

### **European small and medium enterprises (SMEs)**

- The EC should promote the integration of best practices that promote business. SMEs should consider it as an opportunity and not a burden.
- Increased support from the EC for the development of innovative and sustainable products and services, helping small companies to change business models gradually.
- The EC should strengthen the visibility and social recognition of CSR through a system of rewards for SMEs.
- Support for the development and implementation of CSR in SMEs is a useful guide, it lightens the administrative burden for SMEs.
- The EC should encourage cooperation between government and civil society, thereby taking advantage of what small businesses contribute to resolving social problems.
- The EC should overcome the shortcomings of implementation, improving capacity and providing agents and actors who can raise awareness with locally appropriate tools.

### **International development cooperation**

International development actors are key to the success of a sustainable and effective strategy for CSR in the EU. Thus, CSR can serve as a driver for progress in areas such as transparency, good governance and local development.

This session focused on the supportive role played by CSR in development policies.

Main results of the session:

- It is important to note that the link between development and CSR differs by location. What works in Europe does not necessarily work in other regions.
- When companies do business in developing countries, it is important to have a sensitive local content strategy that fully respects local culture.
- The CSR agenda should be locally owned and have a focus on 'bottom up' if it is to respond to development needs.

- The EU should support their development partners in the implementation of CSR and help the local private sector to stay within the boundaries of the global development agenda.
- The EU should work with its partners to develop common standards of CSR, since they could be a key factor when it comes to responsible business conduct on local suppliers who have to meet European standards when trading with the EU.
- The new CSR strategy must take into account the potential that EU companies have abroad in relation to strengthening the capacity of respect for Human Rights in developing countries.

## **Business and Human Rights**

The European Union adopted the UN Guiding Principles on Business and Human Rights (UNGPs) in its CSR Strategy 2011 2014, pledging to support their implementation. How can the EU be a leader in implementing the United Nations Guiding Principles worldwide? In view of the next EC strategy on CSR, the speakers were called to reflect on the role of the EU in their efforts to effectively implement the UNGP both the Member States of the EU and worldwide.

Main results of the session:

- The EU must integrate and apply the UNGPs not only in their activities, but also amongst European companies, giving examples of corporate human rights policies.
- The UNGPs should be promoted among SMEs.
- The NAP creation process must be participatory, transparent and inclusive. The EU can help in the exchange of best practices and lessons learned from its Member States.
- The EU should continue to promote mandatory disclosure of non-financial information, including environmental issues, governance and occupational hazards.
- Investors are key for making the protection of human rights an important role in investment decisions of companies. The EC should guide investors on “responsible investment” practices.

Main results of the session:

- The possibility of legal remedy for human rights violations should not be limited only to developing countries, as these problems also exist in the Member States of the EU.
- Funding to channel complaints about violation of human rights is expensive, so the EC should explore ways to facilitate it.
- Although extrajudicial remedies to redress human rights violations are desirable, they are meaningless if there are no legal consequences for offenders.

- The judicial remedies are the most effective tool for the protection of Human Rights, however, Europe lacks it.
- The OECD National Contact Points lack the appropriate legal remedies and do not provide effective judicial remedies.

A new strategy will be launched during 2015, covering a period of four years, until 2019.

### **SMEs, competitiveness and CSR**

The challenge of SMEs and CSR was highlighted at both the public consultation and in the subsequent Multi actors Forum. However, this issue had already been in the peer reviews and the idea that this subject is still a challenge for the EU countries was agreed.

One should not forget that 99% of businesses in Europe are SMEs, according to the IFC<sup>24</sup>, they account for 50% of employment in the world, the main engine of economic growth and job creation in developing countries, especially after the global financial crisis.

In general terms, it is possible posit that most SMEs behave in a socially responsible manner within the communities in which they operate, maintaining good social relationships with employees, customers and suppliers, because its success depends largely on these relationships.

Furthermore, these businesses often face difficulties in obtaining financing and new technologies or to develop their human resources and networking. CSR is not considered a priority, but rather an administrative and financial burden.

The problem lies, then, in that SMEs do not have the time or resources to internalize these management manuals, let alone that its content is adapted to their specific needs.

In practice, the adoption of CSR by SMEs, often occurs as a result of contracting companies and/or governments, who use screening questionnaires to assess CSR credentials and generate dialogue between contractors and suppliers.

However, the formal integration of CSR into SMEs represents, also translating into a huge potential for innovation. By having simple procedures and structures, SMEs are more dynamic, flexible and adaptable to change nature. They just need to understand how they can offer products and services that bring added value to society and benefit the environment, and then set an action plan.

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<sup>24</sup> IFC and Small and Medium Enterprises », IFC International Finance Corporation World Bank Group, IFC Issue Brief, marzo 2012 available in [http://www.ifc.org/wps/wcm/connect/277d1680486a831abec2fff995bd23db/AM11IFC+IssueBrief\\_SME.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/277d1680486a831abec2fff995bd23db/AM11IFC+IssueBrief_SME.pdf?MOD=AJPERES) accessed in November 2014

In this context, there are several initiatives from both the public and private sectors at national or regional level. There are even initiatives promoted by the EC and support from European regional fund to encourage joint learning between different regions of the EU. One can cite, for example, the European Social Fund CSR.NET programme funded by the German government. To support these businesses, the Directorate General Enterprise of the Commission has made available the following online tools.

### Introduction to Corporate Social Responsibility for Small and Medium Enterprises

Awareness raising questionnaires

A guide to communicating about CSR - [tinyurl.com/pkkr8qx](http://tinyurl.com/pkkr8qx)

On the other hand, the European portal “Corporate Social Responsibility for SME’s” was developed by various training institutes, integrating the best examples and experiences gained by European SMEs in educational manual available in German, Polish and English.

<http://www.csr-smes.eu>

As for national CSR initiatives for SMEs, we can highlight the “ESF Assistance Programme CSR in SMEs”, which was the most important measure implemented under the German NAP CSR between 2010 and 2013, providing nearly 40 million euro implementation projects for CSR.

<http://www.csr-in-deutschland.de/en/datensaetze-startseite/esf-assistance-programme-for-smes.html>

Moreover, the “Quadrant Platform” project was launched by the Federation of Chambers of Belgian Trade in 2006 and meets in small working groups on CSR bringing together around a hundred heads of SMEs a year, and proposing comprehensive training on sustainable entrepreneurship .

[http://www.chambresbelges.be/fr/entreprendre-durablement/quadrant--plateforme-rse\\_320.aspx](http://www.chambresbelges.be/fr/entreprendre-durablement/quadrant--plateforme-rse_320.aspx)

Cogita program: SMEs and public policy

With the financial support of European regional funds, the programme aimed to promote social and environmental responsibility in SMEs in Europe. Cogita contributes to public policies to adopt a comprehensive concept of CSR in SMEs. The programme involved 13 regions of EU countries.

<http://www.cogitaproject.eu>

The Austrian Institute for Research on SMEs (KMU FORSCHUNG AUSTRIA) conducted in 2005 the “Study of CSR, competitiveness and good practices”, which was funded by the European Commission under the call for proposals “Mainstreaming Corporate Social Responsibility CSR Among SME’s”

<http://www.csr-in-smes.eu/index.php?tab=1>

There are also independent initiatives, like the French website called PME-PMI-durables (SMEs and sustainable mini-SMEs), in which the French writer Karin Boras has translated the main ideas of CSR into a language more understandable for francophone employees, accompanying images called “Photoglyphes”. With a touch of humour, the author invites readers to reflect on the different subjects of CSR.

<http://pme-pmi-durables.com>

### **THREE CASES STUDIES FROM CELAC**

The following section highlights three cases that are developing CSR NAPs in Latin America.

#### **ADVISORY COUNCIL ON SOCIAL RESPONSIBILITY, CHILE**

In their quest to sustain strong economic growth that the country has enjoyed for years, the Chilean government understood the need to integrate Social Responsibility (SR) as a model of long-term management. Thus, the Board of Social Responsibility for Sustainable Development understands SR as the responsibility that organizations should operate with respect to their impacts on society and the environment, and is considered a „strategic condition for development“.

The Council of Social Responsibility for Sustainable Development delivers multiple benefits to the country, among which we can highlight:

- Promoting dialogue and participation of various sectors that influence actively in public affairs of Chilean society, such as environmental organizations, indigenous communities, consumer associations, trade unions, among others.
- The promotion of a culture of sustainability focused on projecting the growth over time, based on the integration and responsible environmental management.
- Strengthening Chile’s image internationally as a pioneer state in Latin America in terms of SR.
- The promotion of sustainability in the value chain in industries where consumers are demanding high standards.
- The strengthening of competitiveness and investment, and export development.

#### **Composition of the Board**

Among the goals of President Sebastian Piñera between 2010 and 2014, was to implement a sustainable development plan to decrease poverty and destitution, balancing income distribution and supporting the middle class support through fostering economic growth from social inclusion. During 2012, the Ministry of Economy, Development and Tourism appointed various actors in the public, private sector and civil society, related to sustainable development issues, forming them into a multisectoral working group dedicated to drafting a proposal on CSR. This document proposed the creation of the Council of Social Responsibility for Sustainable Development to con-

tribute to the design of public policy on the subject. Then, on 23 April 2013, Decree No. 60 which created this organization as an advisory body to the Ministry of Economy, Development and Tourism is enacted. It is headed by the Minister of Economy, Development and Tourism, together with the Ministry of Foreign Affairs, members of civil society, academia and entrepreneurship.

### **Mission and functioning**

The mission of the Council of Social Responsibility for Sustainable Development is to advise on the development of SR public policies for sustainable development in the country, defining an appropriate strategy. It has the following functions:

- To be the coordinating body between different government agencies, private sector and civil society in relation to the development of SR public policy for sustainable development.
- Identify and report on policies, good practices and initiatives of SR present at national and international levels.
- Propose measures concerning public policies on SR to the Ministry of Economy, Development and Tourism.

By December 2014, the Board of Social Responsibility for Sustainable Development has met eight times. These meetings are often cited by its Executive Secretary, although any member may request a meeting under what is necessary to fulfill its objectives.

During the sixth session, the Undersecretary of Social Evaluation and the President of SEP Business Systems joined as permanent guests. At the last meeting, the Office of Agricultural Studies and Policies of the Ministry of Agriculture and the Department of Human Rights, Ministry of Foreign Affairs joined as new members in October 2014, in order to widen the approach for a national policy on SR.

The entity responsible for providing technical, financial and administrative support to the Board of Social Responsibility for Sustainable Development is the Undersecretary of Economy and SMEs. Among its functions is financing participation in international bodies and hiring professionals or necessary studies. The Executive Secretary is appointed by the Secretary for Economy and SMEs companies, and has the function of summoning the meetings, preparing support materials and to ensure the proper development of activities required to implement the agreed topics.

### **Agreements**

The resolutions of the Board of Social Responsibility for Sustainable Development are adopted by consensus, and the minutes of each meeting are read at the beginning of each meeting to be validated by the participants. The agreements reached between 2013 and 2014 are as follows:

#### **Current action plan**

The creation of the Council of Social Responsibility for Sustainable Development was an important step for the development of SR in the country. The work plan between 2013 and 2015

Agreement	Summary
Sustainability Reports	Companies that adopt SR practices must report them, and those who choose not to, should justify why they not to.
Glossary	Standardize concepts related to SR.
Sustainable Development Index	Useful tool for measuring development, supporting the contribution of the country to the World Business Council.
Human Rights	Recommended that the Ministry of Economy, Development and Tourism should assume coordination of this area.
Workplan	It was agreed that the four pillars for work will be strategy, international projection, dissemination and dialogue.
Participation of Universities	Invite the Social Responsibility Unit of the University of Chile to coordinate with the participation of universities in future sessions of the Council.

is based on the commitments agreed in the 1st CELAC-EU Summit held in Santiago de Chile in January 2013. In that instance, the participating countries agreed to design CSR NAPs. The work plan addresses key elements for the implementation of a national policy, including the following five priorities listed:

1. Structure: definition of a framework for joint management and public policy.
2. Strategy: identification of initiatives that have been developed or are being developed in the public sector and defining common guidelines that coordinate and unify, avoiding repeated efforts and, above all, coordinating guidelines for future strategy.
3. International Projection: incorporate sustainability as part of the country's reputation, taking a leading position in the subject country.
4. Dissemination: to present the main areas of SR in the country, in order to promote an informed debate on its advantages and the specific forms that may be required in Chile.
5. Dialogue: promoting dialogue between government, the private sector and stakeholders in order to have a social consensus for making important decisions<sup>25</sup>.

## Working Group

At the sixth meeting of the Board of Social Responsibility for Sustainable Development the need to work on a short-term agenda that allows for concrete results was noted, all them with particular regard to gender and regional perspective of the projects:

1. The first team addresses the issue of reporting and corporate governance: its mission is to identify existing initiatives in SR in the public and private sectors to learn about the initiatives that have been carried out and not repeat them. The working group presents the idea of

<sup>25</sup> "Hacia una política pública en responsabilidad social para el desarrollo sostenible de Chile (Resumen Ejecutivo)", developed by the Comisión de Responsabilidad Social para el Desarrollo Sostenible, 21 January 2013, available from <http://consejors.economia.cl/sitio/files/Responsabilidad-Social-resumen-ejecutivo.pdf> accessed in October 2014

forming a sustainability committee of state enterprises and advances the reporting by the Public Enterprise System (SEP) and those outside this system, who have published reports. It seeks to move towards a model of voluntary reporting, driven by the stock market.

2. The second group works on social issues, where action lines of priority are linked to the relationship between human rights and business. Work is to be carried out in two phases: the first will be devoted to making a diagnosis nationwide, and second, to establish a plan of action for which the Danish Institute for Human Rights' methodology for measuring the state of human rights and businesses will be used. Other important issues are the inclusion and equality of women, including indigenous peoples and persons with disabilities, and the eradication of child labor. In the latter axis a digital platform that allows organizations committed to the topic perform self diagnostics, with the ultimate goal of reaching a 0% of child labour in the country was presented. On the subject of gender, it is to encourage the empowerment of women in companies with the support of the UN Women principles.
3. The third working group focuses on economic matters. The main issues are growth in SMEs and the creation of quality jobs, considering factors such as attracting and developing skilled human capital, cluster development, fair trade, responsible consumption and flexible working hours. At the same time they have searched for other actors that should be included in the discussion, such as SERNAC, B Companies, and others. During their work, the team identified a slowdown in productivity as an issue, a problem which can be solved by five structural changes:
  - Strengthen the quality and coverage of the training system of labour skills.
  - Strengthen the system of R&D.
  - Breaking down the barriers to the participation of the workforce.
  - Improving infrastructure.
  - Achieving self-sufficiency of the energy matrix to not depend on external suppliers.

The table mentions that the SR Advisory Board should promote integrative development programmes, promote sustainability through public procurement system and strengthen the system of technical education.

4. The fourth group works on environmental matters, having as priorities the issue of territory, supra normative social responsibility and dialogue between companies and communities. Other highlights include water resources and aquatic ecosystems, protected areas, protection of species, and land use planning as a measure for the conservation of biodiversity. Additionally, it is proposed that special emphasis should be put on sustainability at the level of municipal management, biodiversity and eco systemic services in the management of productive activities, and implementation of OECD guidelines and climate change.



## Preparation for the 2015 Brussels Summit

Under the “Global Experiences and National Sustainability Reporting: Progress and Challenges” seminar, organized by the Secretariat for Economy and smaller companies of the Ministry of Economy Undersecretary Katia Trusich gave an account of the progress of the Social Responsibility Council for Sustainable Development, indicating some points from the NAP from 2014. Some of the most important ones include:

- From April 2015 a work plan was put in place by the Board of Social Responsibility for Sustainable Development, which aims to incorporate the UN Sustainable Development Goals (SDGs) which will be discussed at the UN in September, 2015. This work plan is a product of consensus among the players after a year of meetings.
- The work plan envisages the presentation, in late May or early June, of a national SR policy. The idea is to go beyond the commitments made by Chile in the Santiago Declaration of January 2013, arriving to the summit in Brussels with a concrete policy agenda.
- Another action point from the NAP is to generate an instruction to all state enterprises, whether or not part of the SEP, to produce sustainability reports by 2018.
- From the Superintendency of Securities and Insurance they are working on a normative instruction to strengthen the corporate governance of listed corporations. This implies, in particular, to report or explain various aspects of sustainability, with special emphasis on gender issues.
- Finally, from the Friends of Paragraph 47 of the Rio + 20 Declaration involving France, Chile, Denmark, Norway, Switzerland, Austria, South Africa, Colombia, Argentina and Brazil, it is working on a legally binding instrument transnational corporations on human rights and business.

## BUILDING A CSR POLICY, COLOMBIA

Since 1995 Colombian organizations have made much progress in SR. The National Association of Colombian Businesses (ANDI) stated in 1995 that from a sample of 131 companies, 53% surveyed had produced social reports. At the same time, 45% had integrated a policy of helping the community, which was mainly in the form of donations in cash or in kind, co-financing of projects and creation of foundations, soft loans or advertising exchanges. In 2006, a new survey conducted by the Colombian Center for Corporate Responsibility, applied to 737 companies, found that 42% of those surveyed claimed to have a high awareness of CSR and 61% associated the concept to work by employees .

In Colombia, various factors have gradually led companies to include CSR into their management strategies. Some elements have emerged from society because of their demands for proper business conduct environmental and social issues. Other stimuli come from public interest entities themselves, based on the government’s growing concern about climate change and the initiatives developed under the slogan proposed by Confecámaras for the 2013 Annual Conference, “Transforming to Compete” a slogan that seeks to promote responsible practices

as value-generating strategies for companies. Since then, in general, the country has opted for promoting competitiveness through innovation programs that promote best practices. The Colombian Confederation of Chambers of Commerce „Confecámaras“ is a private body that works for the competitiveness and regional development through entrepreneurship and business innovation.

## **Role of the Ministry**

The Ministry of Commerce, Industry and Tourism (MINCIT) has assumed a role in promoting sustainable economic development, supporting the business, industrial and tourism activity in order to promote the competitiveness and sustainability of the country.

Since 2013, Colombia has been in the process of integration into the OECD, which should gradually incorporate lines of action equivalent to the guidelines proposed by the organization, focusing on good business practices. Thus, through partnerships within the government, the Foreign Ministry has begun to promote SR as one of the lines of action of the OECD. One of these partnerships is precisely with the MINCIT, in order to develop innovative public policy at the national level.

The country has ratified various international conventions related to the subject, such as Principle 10 of the Declaration of Rio + 20, with which the MINCIT is representative of the country in the „Group of Friends of Paragraph 47“ Rio + 20. This alliance is made up of Denmark, Brazil, Norway, among others, and focuses its efforts in promoting sustainability reporting in business organizations.

## **Process of developing national CSR policy**

In early 2014, the MINCIT initiated a partnership with the Global Compact of Colombia and EAFIT universities, North and Externado of Colombia, who provided facilities and helped in the call as allies of the Global Compact. It also established partnerships with the Ministry of Foreign Affairs and the Ministry of Mines and Energy. The goal of these partnerships is to know the SR practices carried out in the country on a private level. To make this diagnosis, 12 workshops with the private sector and large enterprises of the most economically dynamic regions of the country were organized. Similarly, in alliance with Propaís, (a mixed entity that promotes business and economic development of SMEs), 12 workshops were held in different cities to meet the specific experiences and expectations on CSR of this important business group.

With this large consultation process, which took about a year, the baseline is projected to establish the MINCIT's future public policy.

In parallel to the consultation, it is noteworthy that in drafting the guidelines of public policy, MINCIT has relied on the „renewed EU strategy on the social responsibility of business“ with special interest in the link established between CSR and competitiveness of enterprises.

## Key milestones expected

With the design of the new public policy, MINCIT's priorities include involving more companies in the dynamics of CSR and incorporating responsible practices as factors of competitiveness. It seeks to advance gradually, first to meet the legal minimum and labour standards, and then focus on the following objectives, among others:

- The promotion and respect of human rights.
- The improvement of working practices.
- Transparency and the fight against corruption.
- Accountability.
- The development and active participation of communities.
- The prevention and mitigation of impacts of economic activities on the environment.<sup>26</sup>

It is also expected that companies adopt mechanisms or schemes for whistleblowing or mal-practice. On the other hand, they also seek to train teachers and professors in CSR for secondary and university levels. They plan to finalize the document compilation guidelines of this public policy by mid-2015.

## Actions taken by the Ministry

To actively contribute to CSR, MINCIT aims to address its own practices<sup>27</sup>:

- Respect human rights in all entities, both public and private, linked to MINCIT. They are currently working, with the High Council for Human Rights and Reconciliation, on a public policy on human rights and business, whose main objective to ensure that business activities respect human rights, contributing to territorial and institutional development of the country , according to various social contexts.
- Create a safe working environment quality, fair and based on labour practices in the country.
- Implement responsible environmental practices in the sectors related to the ministerial entity, reducing the negative impacts caused by the operation of companies.
- Support consumers, giving them security and trust through quality products and services delivered.
- Include elements of social, environmental and security in procurement and contracting responsibility MINCIT.
- Contribute to the development of the community.
- Promote equal opportunities regardless of gender, origin or condition.

It is intended that the CSR policy is disseminated to all MINCIT officials and applied by all areas of the sector.

<sup>26</sup> "Taken from interview with Álvaro H. Urquijo G., CSR Advisor Department of Productivity and Competitiveness from Ministry of Commerce, Industry and Tourism, Colombia, December 2014.

<sup>27</sup> "Adapted from: "Acuerdo de intención de Responsabilidad Social del Sector Comercio, Industria y Turismo", published online by Ministry of Commerce, Industry and Tourism, Colombia 2012.

## NATIONAL ACTION PLAN CSR, COSTA RICA

### National Context

Costa Rica voluntarily decided to make of environmental sustainability a strategic long-term State policy. This policy seeks to involve different areas of economic and social development, transcending governments. In this context, it has adopted a series of NAPs until 2030, aimed at climate change, the energy sector, biodiversity, sustainable tourism, and the food industry, among other objectives.

In this context, in 2008 the State supported the creation of the National Advisory Council on Social Responsibility, consisting of a voluntary network of public and private organizations. Consequently, CSR in Costa Rica has become a joint effort between the government, business and civil society, notwithstanding that the initial impetus comes from the last two players.

Currently, the President of the Republic since May, 2014, Luis Guillermo Solís Rivera, is determined to work with the business sector. Companies are called to act responsibly, providing support to solve social problems facing the country, engaging in them beyond mere compliance with the law and job creation.

In this context, the Ministry of Economy, Trade and Industry (MEIC in Spanish) is leading since 2014 the development of a CSR NAP, considering the latter as a tool for sustainable development of society.

### Objectives of the Costa Rican State<sup>28</sup>

The MEIC is the public body responsible for coordinating the development of the Costa Rican CSR NAP, with the collaboration of the Second Lady and the Second Vice-President of the Republic.

With the creation of the NAP, the government seeks above all to strengthen the competitiveness of the country and to consider CSR as a key as an international trade factor.

Notwithstanding, it is considered important to strike a balance between regulation by the State and voluntary initiatives that may arise on the issue. Thus, through participatory development and subsequent implementation of the CSR NAP, the government aims to:

- Join the efforts of the business sector and other promoters of CSR, with the aim of increasing the development of CSR practices in both private and public institutions.
- Consolidate existing CSR practices, transfer knowledge to SMEs.
- Raise awareness of the strategic nature of CSR as opposed to the philanthropic side, especially with SMEs, because for them the strategic dimension remains unclear.

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<sup>28</sup> "Extracts from interview with Geannina Dinarte, Viceminister from the Ministry of Economy, Industry and Commerce, Costa Rica, leading the coordination of the CSR NAP in February 2015.

- Include civil society and academia in the national dynamics related to CSR
- To promote CSR with emphasis on issues of concern to the government to maximize public and private efforts towards advancing the issue.

In addition, it is important to state some CSR topics of priority for the government: transparency and accountability, gender equality, supply chain, promoting SMEs, and environmental protection.

### Plan creation process

In 2014, the MEIC started a consultation process focused on three categories of actors:

- The business sector and civil society.
- National public institutions and particularly the ministries.
- The actors in international cooperation.

Thus, with the support of the Business Association for Development (AED) as a strategic partner of the MEIC, during the 2014 they organized different consultation and sensitization activities.<sup>29</sup>:

An international seminar entitled “National Plans of Corporate Social Responsibility; Progress, lessons learned and cooperation mechanisms“. This meeting was organized in collaboration with the Ministry of Foreign Affairs, being the first instance between actors to promote dialogue on the draft CSR NAP. With the participation of actors of international cooperation, they shared international cases of success. This benchmarking helped define a roadmap for the development of the plan.

- A workshop with various governmental actors, which aimed to define their priorities for the development of CSR in the country.
- Collaboration with the Spanish government, in particular with the Spanish embassy, in order to share their experiences on the CSR NAP. In turn, the aim was to work on the promotion of CSR through voluntary and non-binding instruments, with emphasis on transparency and accountability.
- A public consultation to large companies and SMEs, in order to meet their priorities and difficulties. Notably, however, the MEIC is strengthening dialogue with the National Council of Social Responsibility, this is not the only intermediary with the business sector.
- The launch of the Code of Responsible Practices of Enterprises with its Supply Chain, which represents an instrument of awareness through which companies voluntarily commit to implement responsible practices when interacting with different actors throughout the supply value.

Currently, the MEIC believes that the short-term goal is to “lift the corporate interest“ to learn of public sector expectations by March 2015, then working on the mechanisms and incentives that can be associated with the CSR NAP.

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<sup>29</sup> *Ibid.*

The first version of the NAP is expected by July 2015 and then to begin a participatory consultation phase with a view to a review and feedback. Finally, it aims to start implementing the NAP in 2015.



## SYNTHESIS. OUTLINE ROADMAP FOR EU – CELAC COOPERATION

- The considerable differences between the EU and CELAC blocks can be explained mainly by the different levels of institutionalization. Thus, the first recommendation for further progress on CSR within the CELAC area is to create mechanisms of cooperation within the area, allowing for transfer and share knowledge and experience such as in Europe.
- It would be appropriate to design regional cooperation within the CELAC area that integrates a “conceptual change” in the framework of CSR in Latin America and the Caribbean; empowering consumers and strengthening society; creating and strengthening business associations; and strengthening systems for the control and supervision of enterprises in developing their activities.
- The implementation of the Association Agreement between the EU and Central America meant that the latter region should promote CSR policies in order to meet the standards required by the treaty. Bilateral agreements are a key to Latin American and Caribbean States to develop public policies drive SR.
- The transfer of knowledge, good practice and technical support on how to arrange a national strategy will be essential to the future design of the collaboration issues.
- The collaboration between peers through ministries responsible for developing CSR and and business and human rights NAPs, will allow the CELAC area draw on best practices that have already been tested in the EU.
- The most relevant topics to include in such cooperation include transfers of knowledge about consultation mechanisms and on creating public incentives to ensure or attempt to ensure the effective implementation of NAPs.
- It is expected that the new cooperation programmes integrate aspects related to the role of companies.
- Some of the regional cooperation initiatives have weakened due to the global economic improvement experienced the countries of the CELAC, which caused a redirection of funds. However, support for the CSR is still needed. The GIZ is probably the cooperation agency on CSR with greater reach in the CELAC region.



- International cooperation has made progress in becoming more active in local organizations such as promotion of CSR and the private sector and this involvement has brought positive results actors involvement.
- The study suggests some issues for inclusion in the roadmap of the bi-regional co-operation, such as the exchange of information to improve processes of developing CSR and Human Rights and Business NAPs, inclusion of CSR in SMEs, the publication of non-financial information, the creation of mechanisms for responsible public procurement, and the inclusion of SR in the value chain and in the public sector, among others.



# 4 OUTLINE OF A ROADMAP FOR EU – CELAC COOPERATION

This section provides an outline of a roadmap that prioritizes the lines of action suggested for consideration in the framework of bi-regional cooperation on CSR in the coming years. Considering the aspects and analysed information, the first part is focused on ideas for strengthening the CELAC area, followed by a second section that proposes potential area for EU-CELAC bi-regional cooperation.

The ideas we suggest emerge from data analysis from academic and institutional secondary sources as well as from interviews with government officials and CSR project managers in the EU and CELAC area.

## PROMOTE REGIONAL COOPERATION WITHIN THE CELAC AREA

The significant differences observed between the EU and CELAC areas can be explained mainly by the different levels of institutionalization. Thus, the first potential for further progress in the issue of CSR in the CELAC area is to create mechanisms of cooperation within the area, allowing for transfer and sharing of knowledge and experience such as in Europe. Indeed, the level of EU institutions has been crucial to the creation of NAPs and the approach to the issue in different countries, particularly in those where there was little awareness on CSR before their entry into supranational bloc.

Indeed, in the CELAC area, we can mention the following regarding the issue of the addressing CSR<sup>30</sup>:

- Not addressing the problems of the countries with the issue of sustainability and CSR.
- Lack of a common language on CSR and priorities and approaches.
- Lack of leadership in the region.

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<sup>30</sup> Presentation by Centro Vincular in CSR workshop organized by PPT-CELAC in Costa Rica 27th November 2014 in San José, Costa Rica.

- Lack of cooperation agencies or regional forums.
- No information available on the continent.

CELAC for the promotion of CSR as a source of intra-regional cooperation could bring the following benefits<sup>31</sup>:

- To help correct any environmental, social, economic and medium asymmetries between countries.
- Be convinced of the business case of CSR, that it provides comparative advantages, which could improve the performance and welfare of Latin American and Caribbean economies
- Promoting trade through harmonized and internationally accepted standards
- Engage in mutually beneficial relations based on the exchange of technology and knowledge in different areas, allowing for better management of problems relating to CSR common to several countries

In short, the main challenge is “to consolidate the region as a bloc in order to optimize and enhance efforts.<sup>32</sup> However, the benefits will not only be seen internally; a greater level of institutionalization of CSR at the level of CELAC will also facilitate bi-regional cooperation with the EU.

### **Mechanisms to promote regional cooperation**

The following are suggestions for mechanisms to promote regional cooperation within the framework of CSR in the CELAC area.

The Foreign Ministry of Chile promoted the idea of establishing a working group bringing together government officials from countries of the CELAC, with the aim of creating a bilateral dialogue, exchange knowledge and experiences and accelerate cooperation. The leadership of this group would be assumed by one of the three most advanced countries with CSR NAPs such as Chile, Colombia and Costa Rica. In coordinating the Pro-Tempore Presidency of CELAC, which since February 2015 is coordinated by Ecuador.

Another idea focuses on direct dialogue about a CSR agenda specific to CELAC. In this case, the possibility of having support from the Latin American Open Agenda on Social Responsibility (ALAARS in Spanish), which is an initiative of MERCOSUR. The idea is to share the agenda with Non-MERCOSUR members of CELAC. Another source to create this regional agenda could be the “enterprise architecture post-2015 commitment” from the Global Compact, that proposes areas of cooperation between governments and businesses in order to promote sustainability.<sup>33</sup>

<sup>31</sup> Orsi R. Adriana, “Los desafíos de integrar la RSE en el MERCOSUR”, 21 January 2010, available at <http://www.mercosurabc.com.ar/nota.asp?IdNota=2277&IdSeccion=8> accessed in November 2014

<sup>32</sup> “EN BUSCA DE LA SOSTENIBILIDAD, El camino de la Responsabilidad Social Empresarial en América Latina y la contribución de la Fundación AVINA”, Fundación AVINA, 2011, page 85

<sup>33</sup> “Arquitectos de un mundo mejor”, Global Compact, 2013, available at [http://pactomundial.org/wp-content/uploads/2013/11/PublicacionArquitectosparaelfuturo2013\\_final.pdf](http://pactomundial.org/wp-content/uploads/2013/11/PublicacionArquitectosparaelfuturo2013_final.pdf) accessed in October 2014

## Issues for prioritization

From the analysis of interviews and secondary sources, the following priority themes for consideration in the design of regional cooperation within the CELAC are identified.

- The need for a “conceptual change” in the framework of CSR in Latin America and the Caribbean: refers to the idea of making CSR a theme in the country that should be addressed by multiple actors and transversely by public policy, leaving aside the idea of coordinating the issue from an isolated ministry. In this sense, one could disseminate the lessons learned by the Board of Social Responsibility, which is composed of Representatives of various ministries, agencies promoting innovation and business and even representatives of business and civil society.
- The empowerment of consumers and the strengthening of society: according to the MIF, is “certainly an issue to be resolved in Latin America to strengthen civil society and the creation, with the support of the state, opportunities for dialogue between the parties “. This requires “an investment in sustainability education to promote social participation, enhance corporate accountability and achieve a transformation in lifestyles, including how we consume”<sup>34</sup>. In parallel, it could “develop and disseminate mechanisms for evaluation and differentiation of the most responsible companies in the market”<sup>35</sup>, this is seldom seen in the CELAC region.
- The development and strengthening of business associations: the aim is to group companies enabling the state to have partners with whom they may act at scale and consensus.
- Strengthening systems for the control and supervision of companies in developing their activities.<sup>36</sup>

## SUGGESTIONS FOR BI-REGIONAL COOPERATION

### Developing a “soft diplomacy” mechanism

The Association Agreement between the EU and Central America (EU-CAAA) implied that the Central America should promote CSR policies in order to meet the standards required by the treaty. This agreement could be considered as the origin of the dynamics of Central American<sup>37</sup> cooperation in CSR under the coordination of SIECA.

As such this tool was identified in other countries like Costa Rica and Chile, who are considered as examples for their leadership on CSR in the CELAC as a key factor in boosting bilateral relations with the EU factor. Thus, it should be noted that the EU has signed various bilateral free

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<sup>34</sup> “EN BUSCA DE LA SOSTENIBILIDAD, El camino de la Responsabilidad Social Empresarial en América Latina y la contribución de la Fundación AVINA”, Fundación AVINA, 2011, page 86

<sup>35</sup> *Ibid.*

<sup>36</sup> Interview with Fabián Novak, Inter American Judicial Committee Presidenta at the OAS, December 2014.

<sup>37</sup> Interviews with Lourdes Pérez, Executive Director at the Secretary of Central American Economic Integration, November 2014, and Claudia de Windt, Judicial Specialist at the Office for Sustainable Development, OAS, November 2014.

trade agreements with some countries of the CELAC (Chile, Mexico, Peru, Colombia and recently Ecuador), whose treaty was signed on 12 December, 2014 and whose application is still pending.

In addition, there are mirror agreements signed by the countries of the CELAC and the United States, such as CAFTA-DR (Dominican Republic - Central America Free Trade Agreement). Likewise, this agreement prompted some countries to develop laws governing areas of CSR, as can be evidenced in the cases of Salvador or Nicaragua, and the implementation of the Law on Promotion of Competition.

Bilateral agreements are a key to Latin American and Caribbean States to develop CSR public policies<sup>38</sup>, notwithstanding that this practice could replicate and deepen, which would bring benefits in advancing the issue in the region.

For example, in the Caribbean there is an Economic Partnership Agreement between the CARIFORUM States and the countries of the EU, signed on 15 October 2008. However, apparently it has not made significant progress on CSR.

### **Encourage the transfer of good practice in the development of CSR and Business and Human Rights NAPs**

In this field there are some isolated initiatives underway that could be the source of a bi-regional cooperation.

Peer Collaboration: the government of Costa Rica has collaborated with the government of Spain in order to share their experiences on the development and implementation of their CSR NAP. In the case of some Latin American leaders, this type of cooperation between the EU and CELAC could be relevant for the creation of NAPs in CELAC countries. Thus, the transfer of knowledge, good practice and technical support on how to define a national strategy (types of incentives, and how to develop good awareness and a communication strategy, aimed particularly at SMEs) are considered as key issues for future collaboration.

It is noteworthy that not only ministries but also parliaments are important players in the process of creating the NAPs. In this sense, the EuroLat works on CSR in a bi-regional form between Europe and Latin America, specifically from the Commission on Sustainable Development, Environment, Energy Policy, Research, Innovation and Technology. As such we propose that this Commission could develop a line of cooperation between the two regions. The EuroLat is working on the issue of public policies on CSR and the UN Guiding Principles on Business and Human Rights. Therefore, it would be an appropriate body to channel bi-regional cooperation within these themes.

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<sup>38</sup> Vives, Antonio, y Peinado-Vara, Estrella, "La responsabilidad social de la empresa en América Latina", Banco Interamericano de Desarrollo, mayo de 2011, page 401

Advice and Technical Assistance: Currently, the Danish Institute for Human Rights and the International Corporate Accountability Roundtable (ICAR) are collaborating in the development of Business and Human Rights NAPs in Latin America. ICAR has worked on the NAP in Colombia and Mexico, and the Danish organization has provided advice and assistance for the Chilean process. While ICAR is an American organization, the work developed contributes to achieving the objectives of the NAP. The support provided by this entity manifests itself in technical assistance on how to conduct the process of establishing a baseline and develop consultation with stakeholders; which is relevant and useful for the preparation of the NAPs.

In short, on the one hand, peer collaboration across ministries or for those responsible for developing CSR and Business and Human Rights NAPs, would allow the CELAC area to draw on best practices that have already been tested in the EU. In turn, the experiences of CELAC area could be a contribution in cases where the creation of a NAP is at a much earlier stage in the European context. Moreover, cooperation through technical assistance through the expertise of certain European organizations could accelerate the development of NAPs in the EU.

Also, the combination of both types of cooperation would increase the impact on the results of the NAP. The most relevant topics to include such cooperation should include transfer of knowledge about mechanisms for consultation and on creating public incentives to ensure or attempt to ensure the effective implementation of NAPs.

### Cooperation within the private sector

In the Communication by the European Commission COM (2014) 263 entitled „A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”<sup>39</sup>, it states:

*“2.4. Catalysing private sector engagement for development.... The EU Corporate Social Responsibility (CSR) strategy provides a good basis for the responsible engagement of European companies in developing countries. The Commission encourages companies to adhere to internationally recognised guidelines and principles... The Commission is moving towards a rights-based approach encompassing all human rights in EU development cooperation, including private sector development support.”*

*...“Action 10: Promote international CSR guidelines and principles through policy dialogue and development cooperation with partner countries, and enhance market reward for CSR in public procurement and through promotion of sustainable consumption and production.”*

<sup>39</sup> “Communication from the commission to the european parliament, the council, the european economic and social committee and the committee of the regions. A Stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries”, European Commission, Brussels, COM (2014) 263 final, 13 de mayo de 2014 disponible en <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0263&from=ES> visita en noviembre de 2014

In turn, the Instrument for Development Cooperation for Latin America for the period 2014-2020<sup>40</sup>, which aims to reduce poverty through a more inclusive and sustainable economic growth in the region raises specific objectives:

- Improve the policy framework for business, trade and investment, promote economic diversification, sustainable use of natural resources, and low-emission<sup>11</sup> and improve integration of national economies into regional and international markets with a focus on micro, small and medium-size enterprises (MSMEs).
- Increase the competitiveness of the private sector and the proportion of economic actors in the formal economy, particularly for MSMEs, increasing job opportunities and decent work.
- Including in environment-related sectors to increase social cohesion.

The mentioned document emphasizes the following lines of action:

- Activities involving business membership organisations (BMOs) - such as chambers, associations or cooperatives - which are well-placed to respond to the actual needs and demands of MSMEs; and, where relevant, also with public-sector bodies; policy support on questions like investment, regulatory and business environment, innovation, corporate social responsibility, social and environmental sustainability, eco- entrepreneurship, etc ...the EU will work with BMOs to support informal MSME capacity development and with public authorities in the exchange of experiences and knowledge sharing on public policies.

From identifying references to the private sector within the mentioned documents, it is expected to integrate new cooperation programme aspects related to the role of companies. In this context, it is worth noting that the European Commission, both through ongoing cooperation programmes as well as some recently completed ones, has already developed cooperation mechanisms in the private sector. An example is the case of the AL-INVEST program which will begin its fifth phase in 2016, involving an extensive network of business organizations based in Latin America and Cuba.

There are other cooperation programmes link with the private sector. For example, EuroClima, which is related to climate change; EUROSOLAR, which deals with the reduction of poverty in the poorest countries through renewable energies; FLEGT Forest Management involving Brazil, Colombia, Ecuador and Peru in forestry issues; WATERCLIMA LAC which aims to help improve watershed and coastal management in the context of climate change (currently in progress); and finally, a programme of Danish cooperation in Bolivia related to CSR and forestry, including the private sector as a major player in bringing about changes.

However, beyond these regional cooperation programs, bilateral cooperation initiatives exist between an EU state with a region or country of the CELAC. Some of these initiatives, such as

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<sup>40</sup> "Development cooperation instrument (DCI) 2014-2020", European Commission, available from [https://ec.europa.eu/europeaid/sites/devco/files/dci-multindicativeprogramme-latinamerica-07082014\\_en.pdf](https://ec.europa.eu/europeaid/sites/devco/files/dci-multindicativeprogramme-latinamerica-07082014_en.pdf) accessed in November 2014



DANIDA or SIDA have weakened due to the global economic upturn experienced by the region, which caused a redirection of funds. However, support for the CSR is still needed.

A project worth noting that includes the private sector was created in the Netherlands through the Centre for the Promotion of Imports from developing countries (CBI), support businesses in the implementation of CSR. The selection of companies depends on their export deals and European demand in sectors such as coffee, cocoa, quinoa and wine, among others. Next, CBI provides technical assistance and provides business contacts with these companies to export their products to Europe. CBI also supports enterprise-based organizations in order to become familiar with CSR and be better prepared to support their companies in this regard. Both courses of action include CSR experts and work in cooperation with local organizations.

The GIZ is cooperation agency with greatest reach in the CELAC region. For example, the program “Cooperation with the Private Sector / Corporate Social Responsibility“ was implemented with the support of German cooperation GIZ and by organizations of the the Red INTEGRARSE and the Centro Vincular from Chile, between 2010 and 2012. Various events were organized to raise awareness of ISO 26000 in 13 countries in Latin America. The aim of the program was “Strengthening capacities of local authorities and their consultants, creating a“ pool „of experts in Central America, to run training and consultancy to companies interested in the implementation of ISO 26000“.

GIZ also supports the “De empresas para empresas“ programme which is implemented between the German Global Compact network and Argentina-German Chamber of commerce. The German agency is proactive and has made significant progress towards the inclusive business concept through the “Inclusive Business Action Network“, which since 2014 operates in Colombia, Mexico and Brazil.

In short, international cooperation has advanced by becoming more active in local organizations such as those who promote CSR and the private sector. We can see that this involvement has brought positive results.

The following table suggests possible topics and organizations that could integrate into a framework for bi-regional cooperation in CSR. It includes topics aimed at government as well as private sector and civil society cooperation

Other issues that could deepen the bi-regional cooperation include:

- Socially Responsible Investment: for example with the support of the European Sustainable Investment Forum (EUROSIF), the International Finance Corporation (IFC).
- Social economy: with support organizations promoting this subject in the two regions. For example, System B, the European Economic and Social Committee, and the European Savings Banks Group
- Social inclusion: with the support of GIZ or Ministries of the Member States to address the issue of inclusion.

## Recommendation for bi-regional cooperation: actors, issues and actions for analysis

Issue	Objective	Sector	Actions	Type of Actor
CSR NAP	Creation of CSR National Action Plans in CELAC	Public and non-State	<ul style="list-style-type: none"> <li>• Transfer of knowledge and best practices</li> <li>• Technical support on how to arrange a national strategy and with what types of incentives</li> <li>• Support on issues of awareness and communication</li> <li>• Sensitization and training of public officials on issues of CSR</li> </ul>	Ministries, councils overseeing CSR NAP processes or focal points
Business and Human Rights NAP	Creation of Business and Human Rights National Action Plans in CELAC	Public and non-State	<ul style="list-style-type: none"> <li>• Transfer of knowledge and best practices</li> <li>• Technical support on how to arrange a national strategy and with what types of incentives</li> <li>• Support on issues of awareness and communication</li> <li>• Technical assistance and cooperation in developing a baseline; stakeholder consultations for developing the NAP</li> </ul>	<ul style="list-style-type: none"> <li>• Ministries, councils overseeing Business and Human Rights NAP processes</li> <li>• NGOs capable of knowledge transfer</li> </ul>
Support to SMEs with CSR	<ul style="list-style-type: none"> <li>• Increase number of SMEs who apply CSR</li> <li>• Strengthen institutions to provide business support for SMEs to implement CSR</li> <li>• Implement incentives to SMEs through responsible procurement mechanisms</li> </ul>	Private and non-State	<ul style="list-style-type: none"> <li>• Sharing best practices in the implementation of methods to support SMEs.</li> <li>• Awareness of business organizations based in the CELAC area to support their SMEs in CSR issues</li> <li>• Strengthen mechanisms of responsible procurement</li> </ul>	Business organizations, organizations promoting CSR, corporate networks
Support to companies in the subject of Human Rights.	Improve respect for human rights in company operations actividades desarrolladas.	Public and Private	<ul style="list-style-type: none"> <li>• Technical assistance for large and medium sized companies</li> <li>• Training for enterprise-based organizations, organizations promoting CSR and business networks</li> </ul>	CSR promoters in the EU, organizations who work with business and human rights.

Examples of EU actors	Examples of CELAC actores
<ul style="list-style-type: none"> <li>• Ministries of the member States in charge of developing the NAPs</li> <li>• European Sustainable Development Network</li> </ul>	<ul style="list-style-type: none"> <li>• Chilean Ministry of Economy, Ministry of Science and Technology of Colombia, Ministry of Economy, Industry and Trade of Costa Rica</li> <li>• Ministries in charge of creating NAPs</li> </ul>
<ul style="list-style-type: none"> <li>• Ministries from UK, Netherlands, Belgium, Germany (and other countries that have completed their NAP).</li> <li>• Danish institute of human rights, The human rights council</li> <li>• OHCHR (Office of the United Nations High Commissioner for Human Rights)</li> <li>• Amnesty International</li> <li>• European Coalition for Corporate Justice</li> <li>• FIDH: International Federation for Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Ministries or organizations created for developing NAPs (e.g.: High Advisory Board on Human Rights and Reconciliation in Colombia)</li> <li>• Organizations capable of taking part in the process, for example: Latin American Association of Human Rights (ALDHU in Spanish), Centre for Research and Promotion of Human Rights for Central America, Fundación Casa de la Paz (Chile)</li> </ul>
<ul style="list-style-type: none"> <li>• CSR Europe (and their national members)</li> <li>• Eurochambres ( and national chambers in Europe that are already working on these issues)</li> <li>• There are organizations for countries developing instruments to support SMEs, including those linked to programme cogita <a href="http://www.cogitaproject.eu">http://www.cogitaproject.eu</a></li> <li>• GIZ, CBI, DANIDA, SIDA</li> <li>• SEDEX: <a href="http://www.sedex.org">www.sedex.org</a></li> </ul>	<ul style="list-style-type: none"> <li>• Chambers of commerce and industry</li> <li>• Organizations promoting CSR</li> <li>• Coordinating Ministry of Production in Ecuador (created a certification for SMEs)</li> <li>• Public Procurement (sustainable procurement)</li> <li>• Ministry of Environment, Energy and Seas of Costa Rica (created a certificate of sustainable tourism)</li> </ul>
<ul style="list-style-type: none"> <li>• International Labour Organization</li> <li>• The human rights council</li> <li>• OHCHR</li> <li>• European Coalition for Corporate Justice</li> <li>• FIDH : International Federation for Human Rights</li> <li>• Danish institute for human rights</li> <li>• OECD (focal points)</li> <li>• CSR Europe and their national members</li> </ul>	<ul style="list-style-type: none"> <li>• Organizations promoting Business and Human Rights.</li> <li>• Organizations promoting CSR: Forum empresa, América Networks</li> <li>• Business networks and enterprise-based organizations: chambers of commerce, industry and export associations</li> </ul>

## Recommendation for bi-regional cooperation: actors, issues and actions for analysis

Issue	Objective	Sector	Actions	Type of Actor
Assistance to organizations for implementing ISO 26000	To have experts for implementation in the public and private sector in the CELAC area	Private and non-State	<ul style="list-style-type: none"> <li>• Train a group of experts on the implementation of ISO 26000 in CELAC</li> <li>• Sensibilize</li> <li>• Create and approve a set of indicators for measuring the implementation of the guidance in both regions</li> </ul>	Business organizations and CSR promoters
Support for increasing transparency and CSR reports	Promote the publication of non-financial information	Public and private	<ul style="list-style-type: none"> <li>• Further develop sustainability indices in the stock exchanges of countries</li> <li>• Sensitizing and training</li> <li>• Train a group of experts on these issues</li> <li>• Create business movements to encourage such practices</li> </ul>	Ministries, stock exchanges, multilateral organizations
Supply Chain	Promote the integration of sustainability in supply chains	Public and private	<ul style="list-style-type: none"> <li>• Unify the demands from EU companies to CELAC companies on meeting sustainability criteria for exports to Europe</li> <li>• Sensitizing and training</li> <li>• Train a group of experts on these issues</li> </ul>	Ministries, stock exchanges, multilateral organizations

Examples of EU actors	Examples of CELAC actores
<ul style="list-style-type: none"> <li>• CSR Europe (and their national members)</li> <li>• Eurochambres (and the national chambers in Europe who already work with CSR)</li> <li>• GIZ</li> </ul>	<ul style="list-style-type: none"> <li>• CSR promoters in CELAC countries: Forum Empresa network, América and Integrase Networks</li> </ul>
<ul style="list-style-type: none"> <li>• Group of Friends paragraph 47</li> <li>• Multilateral Organizations such as: UNPRI, IIRC, GRI</li> <li>• CSR Europe (and their national members)</li> </ul>	<ul style="list-style-type: none"> <li>• Group of friends of paragraph 47</li> <li>• OAS (Programme for the Promotion of Transparency in the Legislative Assembly)</li> <li>• UN (Sustainable Stock Exchanges initiative)</li> <li>• Stock Exchanges</li> <li>• CSR promoting organizations: Forum empresa and América Networks</li> <li>• Business networks and enterprise-based organizations: chambers of commerce, industry and export associations</li> </ul>
<ul style="list-style-type: none"> <li>• SEDEX: <a href="http://www.sedex.org">www.sedex.org</a></li> <li>• Multilateral Organizations such as: UNPRI, IIRC, GRI</li> <li>• CSR Europe (and their national members)</li> <li>• Eurochambres ( and the national chambers in Europe who already work with CSR)</li> </ul>	<ul style="list-style-type: none"> <li>• CSR promoting organizations: Forum empresa and América Networks</li> <li>• Business networks and enterprise-based organizations: chambers of commerce, industry and export associations</li> </ul>

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**Business Leaders Forum (BLF):** [www.csr-online.cz/en](http://www.csr-online.cz/en)

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**Consejo Empresarial Mundial Para el Desarrollo Sostenible:** [www.wbcscd.org](http://www.wbcscd.org)

**Cooperatives Europe:** [www.coopseurope.coop](http://www.coopseurope.coop)

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[www.hrpsor.hr/hrpsor/](http://www.hrpsor.hr/hrpsor/)

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**CSR Latvia:** [www.ksalatvija.lv](http://www.ksalatvija.lv)

**CSR Made in Germany:** [www.csr-in-deutschland.de](http://www.csr-in-deutschland.de)

**CSR Romania:** [www.csr-romania.ro](http://www.csr-romania.ro)

**CSR Sweden:** [www.csrsweden.se](http://www.csrsweden.se)

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**IDDRI El Instituto para el Desarrollo Sostenible y Relaciones Internacionales (IDDRI), Francia:** [www.iddri.org](http://www.iddri.org)  
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**ILO / OIT:** [www.ilo.org](http://www.ilo.org)  
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**Ministry of Labor and Social Policy:** [mlsp@mlsp.government.bg](mailto:mlsp@mlsp.government.bg)

**Ministry of Labour and Social Affairs, Italia:** [www.lavoro.gov.it](http://www.lavoro.gov.it)

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**Network for Corporate Social Responsibility Slovenia:** [www.mdos.si](http://www.mdos.si)

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**The Malta Chamber of Commerce:** [www.maltachamber.org.mt](http://www.maltachamber.org.mt)

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[www.csr.ee](http://www.csr.ee)

**The Social and Economic Council of the Netherlands (SER):** [www.ser.nl/en](http://www.ser.nl/en)

**UN Global Compact Board:** [www.unglobalcompact.org](http://www.unglobalcompact.org)

**Unión Europea:** [www.europa.eu](http://www.europa.eu)

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In addition, the websites of the ministries of the countries and the EU and CELAC were also consulted.



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