



PRESS RELEASE

ASF and I-Watch announce their withdrawal from the procedure brought to the OECD National Contact Point in France regarding Perenco's activities in Tunisia

March 2021

On 25 February 2021, ASF and I-Watch communicated to the National Contact Point (NCP) of the OECD in France their withdrawal from the procedure, which they had <u>initiated</u> in August 2018. NCPs are non-judicial bodies charged with promoting responsible business conduct by multinational enterprises wherever they operate, beyond the national legal framework that applies to them.

The <u>initial objective</u> of the referral by ASF and I-Watch was to shed light on the nature of Perenco's oil and gas exploration and production operations in Tunisia, in the Kebili region, and their compliance with the <u>OECD guidelines for multinational enterprises</u>.¹ The referral asked the NCP to inquire in particular about the due diligence policy put in place by Perenco to identify and prevent any actual or potential risks linked to its activities in the social, environmental and human rights fields, where no information was available.

After more than two and a half years of <u>procedure</u>, the state of knowledge on the matter remains unchanged. A single meeting between the plaintiffs and the company was finally organised on 24 September 2020 between Paris and Tunis. The company then wished to interrupt the dialogue, basing itself on the non-signing of the confidentiality agreement by the plaintiffs, even though no relevant documents had been offered to them for consultation.

In addition to the company's attitude, it was the NCP's behaviour that was of particular concern to the complainants. Throughout the procedure, the NCP has favoured integrating and then maintaining the company in the good offices procedure, at the cost of the principles essential to the effectiveness of such a recourse: the predictability, impartiality and fairness of the procedure.² This is evidenced by the recent publication of a <u>progress report</u>, five months after the meeting of 24 September, and incorporating elements suggested by the company.

¹ These principles so far constitute the most comprehensive instrument in relation to corporate responsibility. 43 governments have committed to encourage companies to respect this document and thus ensure responsible behaviour on their part. https://www.oecd.org/fr/daf/inv/mne/2011102-fr.pdf.

² See paragraph 22 of the « Commentary on the Procedural Guidance for NCPs».





This experience echoes the criticisms consistently made by a <u>coalition of French NGOs</u> which, in 2018, sounded the alarm about the shortcomings of this mechanism. The increase in the number of referrals, recently <u>highlighted</u> by the French government, does not guarantee the effectiveness of the mechanism, and its ability to ensure access to justice for victims of abuse committed by French multinational companies abroad.

The legal guarantees remain very limited in host countries, while those in the countries of origin, such as the <u>French Law N°2017-399</u> on the duty of care of parent companies and <u>contractors</u>, only partially remedy this. Too many companies escape the scope of this mechanism, such as Perenco, whose number of employees is lower than the threshold set in the law.

We therefore consider it crucial to strengthen binding mechanisms, and welcome the ongoing developments at the level of the European institutions towards the adoption of a <u>due diligence</u> <u>directive</u>, in order to advance the agenda of multinational companies' responsibility in all EU Member States.

At the same time, we believe that an in-depth reform of the French NCP is indispensable. Meanwhile, based on our experience, we call for vigilance in the face of attempts to set up this NCP as a model, particularly for the establishment of other NCPs such as in <u>Tunisia</u>.

A final report or communiqué has yet to be issued by the NCP. ASF and I-Watch have decided not to participate in its elaboration in order to regain their freedom of speech, based on art. 40 of the PCN's <u>rules of procedure</u>. It is hoped that this document will provide a faithful account of the procedure and the few findings that could be made on the basis of the guidelines, as well as the position of the complainants and the real reasons behind it.

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