

**Annual Reporting by National Contact Points
for the period June 2004-June 2005**

BRAZIL/BRÉSIL

A. Institutional Arrangements

As informed in the 2004 NCP Report, the OECD Guidelines for Multinational Enterprises were formally implemented in Brazil in May 2003. The International Affairs Secretariat (one single Department) of the Ministry of Finance is responsible for coordinating NCP Brazil. Coordination also involves other Ministries such as Ministry of Foreign Relations, Ministry of Planning, Budget and Management, Ministry of Labour and Employment, Ministry of Justice, Ministry of Environment, Ministry of Science and Technology, Ministry of Development, Industry and Trade and the Brazilian Central Bank.

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

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Presently, NCP in Brazil is still working in the implementation of an Advisory Committee to cooperate with the NCP in establishing strategies, proposing measures and activities to effectively promote the implementation of the Guidelines in Brazil. The resolution has been fully discussed with NCP members and has been presented to some entities of civil society, which replied with some suggestions.

In 2004, the newly appointed officer participated in Montevideo, Uruguay of a Workshop organized by FES/TUAC from October 12 to 13. NCP Brazil has been invited to a Seminar organized in Buenos Aires, Argentina with the presence of six countries to discuss, among others, the Brazilian NCP experience but, due to schedule problems, was not able to attend.

In August, 2004, the Brazilian NCP has been invited by IBASE in Rio de Janeiro to make a presentation and discuss with NGO's and other organizations of civil society the role of the OECD Guidelines for Multinational Enterprises, the role of NCP's, and the work made since the establishment of NCP in Brazil.

B. Information and Promotion

The OECD Guidelines and the Implementation Procedures are available in Brazil and the translations of the text into Portuguese are available in the website of the Ministry of Finance (www.fazenda.gov.br/multinacionaispcn). The site also contains a link to the OECD homepage and to other important multilateral and bilateral agencies, Workers Union Confederations, Companies Union, Science and Technology, Industry and Trade Confederations, by-national Chamber of Commerce and Industry, Consumers Protection, etc.

We are working to organize information disclosure and to send it to investment promotion agencies, departments of education and business schools. Also, we continue working together with some NGO's and other entities to participate in seminars and conferences to promote and inform about the Guidelines.

So far, the NCP Brazil received no enquiries from other NCP of adhering and non-adhering countries. In Brazil, the employees' organizations and non-governmental organizations are the most active and interested in knowing about the Guidelines.

C. Implementation in specific instances

Since the implementation of the Guidelines in Brazil, the NCP received 4 (four) specific instances. One of them involving PARMALAT – CUT in Southern Brazil was already solved and presented in the 2004 report. The other 3 are still under exam by the NCP Brazil.

1. **Company:** General Motors do Brasil – Gravataí Plant – Rio Grande do Sul

Complainant: Sindicato dos Metalúrgicos de Porto Alegre (Metal Workers Syndicate) – CUT

Complaint: Article 1st, Chapter IV, from the OECD Guidelines for Multinational Enterprises was not observed when the enterprise recognized

Excluído: This Committee will be formed by the NCP and one representative of each of the following nationwide relevant entities: Workers Union Confederation, Companies Union, Science and Technology, Industry and Trade Confederations, by-national Chamber of Commerce and Industry, Consumers Protection and any other entity considered by the NCP as playing an important social role in the areas covered by the Guidelines, such as SOBEET (Brazilian Society for Multinational Enterprises Studies). The Committee will meet twice a year or whenever necessary. ¶

SINGRA Syndicate as the legitimate representative of the workers. The Sindicato dos Metalúrgicos de Porto Alegre (Metal Workers Syndicate) is the one Syndicate that operates in Gravataí and other 7 cities near Porto Alegre.

Norm: Article 6th, Chapter IV, from the Guidelines states that the Multinational Enterprises should: “Offer the workers representatives and if it would be the case, to the competent public authorities, beforehand, all needed information related to foresighted changes to be introduced in the enterprise activities, capable to significantly alter the way of life of the workers, specially, in the case of closing down of unities that could imply in major dismissals of workers; cooperate with workers representatives and authorities to mitigate the adverse effects derived from the related measures; depending on the specific circumstances of each case and when it should be the case give information even before a final decision is made; other means could be used to build a constructive cooperation with the purpose of alleviate as much as possible the adverse effects of those related measures; depending on specific circumstances of each case and when possible, give notice even before taking a final decision; other means would be employed to allow a constructive cooperation with the purpose to substantially reduce the effects of those decisions”.

Date that specific instance was received: September 26th, 2002

Sector of activity: Manufacturing – Cars

Presently, no Syndicate is legally recognized as as legitimate representative of the Gravataí workers. The SINGRA (Sindicato de Gravataí) created in 1998 had its registration license suspended by the Court of Justice. The Sindicato dos Metalúrgicos de Porto Alegre, which submitted the complaint, is presently forbidden by the Court of operating in Gravataí. Besides these two Syndicates, there is the Associação dos Trabalhadores das Indústrias Metalúrgicas de Gravataí, created in 1986. The Court of Justice is deciding the dispute between the entities.

Present Situation: So far no decision from Court of Justice has been taken and the analysis of the case is suspended.

Company: Unilever

Complainant: Central Única dos Trabalhadores (Workers Central Union) – CUT

Complaint: Article 6th, Chapter IV, from the OECD Guidelines for Multinational Enterprises was not observed when the enterprise decided to close down the premises at Vinhedo Unilever’s plant. No communication from the factory was given before decision was taken neither to the workers union nor to the Government.

Norm: Article 6th, Chapter IV, from the Guidelines states that the Multinational Enterprises should: “Offer the workers representatives and if it would be the case, to the competent public authorities, beforehand, all needed information related to foresighted changes to be introduced in the enterprise activities, capable to significantly alter the way of life of the workers, specially, in the case of closing down of unities that could imply in major dismissals of workers; cooperate with workers representatives and authorities to mitigate the adverse effects derived from the related measures; depending on the specific circumstances of each case and when it should be the case give information even before a final decision is made; other means could be used to build a constructive cooperation with the purpose of alleviate as much as possible the adverse effects of those related measures; depending on specific circumstances of each case and when possible, give notice even before taking a final decision; other means would be employed to allow a constructive cooperation with the purpose to substantially reduce the effects of those decisions”.

Date that specific instance was received: November, 2003.

Sector of activity: Manufacturing – Toothpaste.

The request received on November 2003, was analyzed by NCP members, who decided to accept the complaint and, since then, has been in contact with the company and the workers. At the end of 2004, the company and workers almost reached an agreement. In March, 2005, NCP Brazil received information from the Union Confederation of Workers (CUT) outlining that there was no possible negotiation in the short run.

NCP Brazil contacted Unilever representative and received information that: 14, out of 150 workers involved in the process of transfer of the Vinhedo factory to Ipojuca (Pernambuco State), have accepted the offer of transfer to Ipojuca; 16 have been reallocated in other Unilever plants; and 77 have been reallocated in other Vinhedo’s companies. This means there are still 43 workers that have not reached a solution in the case of the Vinhedo transfer.

NCP Brazil will be following the situation.

2. **Company:** Wal-Mart/Bom Preço

Complainant: Confederação Nacional dos Trabalhadores no Comércio e Serviços (Commerce and Services Workers Central Union) – CONTRACS – CUT

Complaint:

Norm: Article 6th, Chapter IV, from the Guidelines states that the Multinational Enterprises should: “Offer the workers representatives and if it would be the case, to the competent public authorities, beforehand, all needed information related to foresighted changes to be introduced in the

enterprise activities, capable to significantly alter the way of life of the workers, specially, in the case of closing down of unities that could imply in major dismissals of workers; cooperate with workers representatives and authorities to mitigate the adverse effects derived from the related measures; depending on the specific circumstances of each case and when it should be the case give information even before a final decision is made; other means could be used to build a constructive cooperation with the purpose to alleviate as much as possible the adverse effects of those related measures; depending on specific circumstances of each case and when possible, give notice even before taking a final decision; other means would be employed to allow a constructive cooperation with the purpose to substantially reduce the effects of those decisions”.

Date that specific instance was received: September 26th, 2002

Sector of activity: Retail distribution

On March 2004, the NCP Brazil has received from CONTRACS a request for a meeting to discuss the situation Bom Preço and Wal-Mart. CONTRACS sent a set of documents that are being analyzed by NCP to decide if there is an specific instance to be accepted.

On May 25th, 2004, a new document has been submitted to NCP appointing a series of irregularities at Bom Preço units in Campina Grande and Natal. Among the irregularities appointed, there were differences between wages of male and female workers (lower salary for women); opening of stores during the weekends without previous consultation with local syndicate; health problems (LER and stress); and others.

Present Situation: In a meeting with CONTRACS, NCP advised them to be more objective about the complaint and reformulate the document. So far, nothing has been received to allow NCP members to analyze the instances.

Besides the instances presently under analysis, NCP Brazil has been contacted concerning the construction of two dams: Canabrava and Barra Grande.

Project: Canabrava Dam (Minas Gerais)

NCP Brazil received an e-mail from a Belgian NGO relating some problems with the project affecting 800 families in the area and informing that they were discussing with the Belgian NCP to fill a formal complaint. So far, no communication, nor a formal complaint has been received.

Project: Barra Grande Dam (Santa Catarina – Rio Grande do Sul)

In May 2005, NCP Brazil had a meeting with a representative of the NGO Terra de Direitos to discuss problems concerning the project.

The NGO representative has been advised to present a formal complaint but so far no formal document has been received.

D. Other

How have the core criteria for the operation of NCPs (visibility, accessibility, transparency, and accountability) been applied in your country to further the effectiveness of guidelines implementation?

NCP Brazil recognizes that so far the operation of NCP's has been limited and much more work has to be done to increase the visibility of the Guidelines.

We also recognize that most of the work concerning the divulgation to make the guidelines in Brazil effectively has been carried on by Workers Union Confederations, Companies Union and NGO's. NCP Brazil is fully aware of the importance of the Guidelines and the need of establishing a more functional and organizational structure.

We also recognize the need of organizing a formal Seminar for the Workers Union Confederations, Companies Union, Science and Technology, Industry and Trade Confederations, Binational Chamber of Commerce and Industry, Consumers Protection, etc. It is our intent to promote it until the end of this year. Meanwhile, we are trying to participate in other Seminars eventually tied and interested in these issues.

In Brazil, the employees' organizations and non-governmental organizations are the most active and interested in knowing about the Guidelines. We continue to develop the work of promoting and informing about the Guidelines with the participation in seminars and conferences promoted by NGO's and other civil entities.

The implementation and divulgation of the two NCP's resolutions that create the Advisory Committee and instructs Workers Union Confederations, Companies Union, Consumers Protection Institutions how to present the instances to the National Contact Point will help to increase the visibility of the Guidelines in Brazil.

So far, the NCP Brazil received no enquiries from other NCP of adhering and non-adhering countries.