



Federal Council for Sustainable Development (FCSD)

Opinion on the preliminary draft action plan for Corporate Social Responsibility

- Requested by State Secretary Els Van Weert
- Approved by the General Meeting on 22 September 2006
- Drafted by the Sustainable Development Strategies working group, in cooperation with the Product Standards working group
- Original language: Dutch

Context of the opinion

- [a] The action plan forms part of the implementation of actions 31 and 8 of the Second Federal Plan for Sustainable Development. These actions aim to stimulate corporate social responsibility (CSR) and ethical investments in Belgium. Initially, the Interdepartmental Committee on Sustainable Development (ICSD) drew up a reference framework for CSR. The reference framework, which suggests a structure for CSR and makes choices concerning terminology, was approved by the government on 28 April 2006, after consultation of five different advisory bodies. In the context of that consultation, the State Secretary asked the five bodies to identify the concrete actions, initiatives and instruments desirable or indispensable (feasible) for strengthening and disseminate CSR more widely in Belgium. Based on that information and on the results of two forum days, the CSR working group of the ICSD drew up the preliminary draft action plan, which was in turn submitted to the five advisory bodies for consultation.

Summary

- [A] The FCSD appreciates that, following on from the reference framework, the public authorities have now prepared a *preliminary draft action plan*. The FCSD welcomes as a positive initiative the account given to the contributions of the different stakeholders. In preparing this *preliminary draft action plan*, the ICSD opted for the use of informal forums. The FCSD is of the view that this approach can be a valuable complement to the consultation of existing advisory bodies but cannot replace it. The Council once again notes that CSR emanates from a voluntary commitment and that it complements existing legislation.
- [B] The Council also formulates proposals for improvement of the action plan. Indeed, the plan is vague on certain points, is not concrete enough and lacks clarity as to who will carry out specific tasks. It also lacks a clear analysis of the exact consequences of the measures. The Council calls for consultation of the stakeholders during further development of the plan. It is also important that the public authorities aim to achieve maximum vertical and horizontal integration during the implementation of an action plan. The Council requests that careful attention be given once again to the specific situation of SMEs. It also considers that, apart from the measures of the action plan, the public authorities also have policy instruments available that can be used to achieve better internalisation of external costs (for all stakeholders and all activities) so as to stimulate sustainable development. The FCSD has objections to the timing of a number of the actions.



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- [C] Actions 1 to 5 are intended for the public powers proper, although they have repercussions on business operations and management. The Council appreciates the efforts that the authorities wish to make at this level. Indeed, the public powers have an important role to play by setting an example both nationally and internationally. By making increasing use of sustainability criteria in awarding contracts and making investments, the public authorities can stimulate the development and growth of a market for SD products. There is also a need for clarification of the sustainability criteria to be applied and of what exactly is implied by the criteria for socially responsible investment (SRI). Sustainability criteria must also be credible and offer a sufficiently large number of companies the possibility to participate in public tenders. The Council also appreciates the effort made to simplify measures (one-stop shop for labels) and stresses the role of the National Contact Point (NCP) at international level.
- [D] Actions 6 to 13 target businesses. The development of learning networks, at both national and international level, represents an important stimulus for CSR. These learning networks can also address other crucial subjects and involve other stakeholders in consultation. The Council appreciates the creation of a working group that will analyse possibilities for large listed companies to implement a sustainability report. Existing instruments can be used as a basis for such a measure, but there needs to be room for differentiation and stakeholders have to be consulted. The establishment of a common research programme will also have the Council's support. The appended inventory needs to be completed and the indicators must be developed objectively and scientifically, in consultation with stakeholders. The Council insists on the need for an in-depth analysis of the consequences of actions 12 and 13 and a consultation of the stakeholders concerned. In addition, priority should first be given to a solid first pillar for pensions in a framework of sound public finances, and secondly to democratization of the second pillar. To conclude, the Council supports the principle of transparency for investments made in the context of CSR, taking the protection of sensitive information into account as well as a competitive position for Belgian firms with respect to foreign competition.