

HUMAN RIGHTS COUNCIL - 47 SESSION

High-level Panel on the Tenth Anniversary of the Guiding Principles on Business and Human Rights

29 June 2021

- The panel was held pursuant to Human Rights Council resolution <u>A/HRC/RES/44/15</u> adopted on 17 July 2020.
- Panel chair: H.E. Ms. Nazhat Shameem Khan, President of the Human Rights Council

Opening Remarks

Ms. Michelle Bachelet, UN High Commissioner for Human Rights:

Over the past decade, the challenge has been putting in practice the UN Guiding Principles on Business and Human Rights (UNGPs). The OHCHR has been increasingly supporting the implementation of the Principles by companies and national governments. Through the Office's Accountability and Remedy Project, the OHCHR has been working to enhance the effectiveness of remedial mechanisms so that victims can better assert their rights. The Office's recent B-Tech project is showing how useful the Guiding Principles can be in addressing the unique challenges of the digital space.

It is important to highlight the increasing number of national action plans being developed by States to foster business respect for human rights, particularly in Europe. Other international efforts are also recognized such as the intergovernmental working groups' efforts to develop an international legally binding instrument on business and human rights. Civil society, trade unions and national human rights institutions play a vital role in advocating for effective implementation of the UNGPs by both States and business. Nevertheless, much more remains to be done and governments and companies should begin to step up their efforts, especially regarding the abuse of workers and of human rights defenders. The COVID-19 has exposed and exacerbated the inequalities that are endemic to many business models.

Mr. John Ruggie, Former Special Representative of the Secretary-General on human rights and transnational corporations and other business enterprises:

As the **author of the UNGPs**, Mr. Ruggie assessed the use and appeal of these principles by governments and organizations. He mentioned that in several jurisdictions, legislatures continue to incorporate elements of the **UNGPs into hard law standards**. Also, that they have been **referenced in national and regional court decisions**.

Within the features that made UNGPs appeal to governments, business and civil society, he mentioned 1) These principles differentiated clearly between the human rights obligations of governments and the responsibilities of business; 2) The UNGPs established that the basic responsibility of business is to respect human rights; 3) The principles developed the construct of human rights due diligence (HRDD) as it provided a management tool for businesses to assess the human rights risks of their operations and business relationships. Additionally, he said that the HRDD appealed to businesses because it provided them with an authoritative method to manage what they called stakeholder risk, and provided a specific policy measure to encourage or require companies to respect human rights. Moreover, the HRDD also satisfied the needs of affected individuals and communities because when done properly it reduces the incidence of harmful conduct. Therefore, , these developments provide a strong foundation for the UN Working Group and other entities to continue to build upon.



Statements by the Panellists

Mr. Dante Pesce, Chair of the Working Group on the issue of human rights and transnational corporations and other business enterprises:

The UNGPs have contributed to significant progress towards promoting respect for human rights in a business context and have provided a common platform for action that did not exist before 2011. In particular, they have established prevention of adverse impacts on people and access to remedy as the key pillars of a responsible business framework. Corporate human rights due diligence is transforming into a legally binding standard of conduct in many jurisdictions as due diligence laws are being developed.

Nevertheless, there are still many instances of business-related human rights abuses across all sectors and regions, particularly regarding the lack of access to remedy for rights-holders. Governments should design smart and effective policy and regulatory measures that not only create level playing fields, but lead to better outcomes for people affected by business. States should also drive impact and increase efforts to address policy coherence gaps across government functions and roles; they should maintain policy coherence at a multilateral level; and enable unions, human rights defenders, indigenous peoples and affected communities, and civil society organizations to engage meaningfully in processes to develop effective laws and regulations – and protect their rights when they are at risk of adverse impacts. Later this year, the Working Group will release a roadmap for the next decade based on the common platform provided by the Guiding Principles and the growing movement converging around them.

Ms. Joan Carling, Global Director of Indigenous Peoples Rights International

One of the strategic outcomes of the UNGPs implementation is the **development of human rights due diligence policies and guidelines**, including the requirement for the **Free Prior and Informed Consent (FPIC) of Indigenous peoples** by business and financial institutions such as the World Bank Group. The key industries that have incorporated **FPIC** include the **extractive industries**, **palm oil, timber and supply chain of food and beverages**. However, it is now crucial and urgent for these business actors to **move from policy to implementation** and **set good practices to make the positive changes on the ground** in the next decade of implementation.

Even though agreements and progress have been achieved, the majority of indigenous peoples, especially at the grassroots level, remain unaware of the UNGPs and of their rights. 86% of indigenous peoples are in Asia and Africa, of which majority are not legally recognized as indigenous peoples with collective rights. This is a major barrier in the implementation of the UNGPs. These cases were largely in relation to land and resource-grabs relating to extractive industries, energy development and agrobusiness. Abuses against them include harassment, intimidation, torture and killings. There is hardly any effective mechanism for remedy and access to justice for the victims and their families. The community-driven processes through the adherence to the FPIC protocols and guidelines developed by indigenous peoples should be fully supported as a constructive and respectful approach for States and Business to engage with indigenous peoples on the ground for the next decade of UNGPs implementation. The establishment of effective mechanisms for indigenous peoples' meaningful participation and inclusion in business-related processes is essential.

Ms. María Fernanda Garza, First Vice Chair of the International Chamber of Commerce

The ICC Working Group looks forward to contributing to the execution of the implementation of the UNGPs 10+ projects roadmap for the next decade, once it has been released later this year. The ICC has also promoted greater implementation by governments, by calling for the development of robust national action plans — but more work needs to be done here, and by all in the decade ahead. There is a real opportunity for ICC to lead the transformation process, and in collaboration with other stakeholders, understand the obstacles, develop the healthy and transparent policy frameworks required to address these challenges, and find the solutions. At the same time, the ICC reiterates the call for greater business engagement and expertise in discussions going forward.

Ms. Sharan Burrow, General Secretary of the International Trade Union Confederation

It is important to move from voluntary to mandatory standards to make sure that violations are sanctioned. Otherwise, the dehumanizing exploitation of State's economic model will continue. Supply chains are still



very obscure (94 percent of supply chains have a hidden workforce) and there is a denial of responsibility by too many major multinationals. Therefore, governments should legislate, and international institutions must reinvest in human and labour rights, environmental standards and a fair competition floor. There has to be a reform of the multilateral system, and more importantly, due diligence principles need to be adopted as well as grievance procedures at all levels. Remedy should be offered to victims and supply chains monitored. The ITUC Global Rights Index will reveal soon which countries occupy the highest positions for human rights violations.

Oral Interventions from States, Group of States and Observers

States (Joint Statements): Norway (on behalf of a cross-regional group¹), Chile (on behalf of Argentina, Brazil, Ecuador, Guatemala, Mexico, Paraguay, Colombia, Costa Rica, Honduras, Panama, Peru), Cameroon (on behalf of the African Group), European Union, Bahrain (on behalf of the Gulf Cooperation Council), Azerbaijan (on behalf of the NAM). States (Statements made in individual capacity): Brazil, Peru, Argentina, Honduras, Germany, Uganda, Chile, Ecuador, Bangladesh, Libya, Netherlands, Iran, Sweden, Ireland, Thailand, Russian Federation, Mongolia, Portugal. Other Observers: United Nations Development Programme (UNDP). NHRIs: German Institute for Human Rights, National Human Rights Council of Morocco. NGOs: International Federation for Human Rights (FIDH), Cairo Institute for Human Rights Studies (on behalf of Palestinian Regional Human Rights Organizations), International Service for Human Rights, Friend World Committee for Consultation.

States: A number of states representatives highlighted that the UNGPs developed ten years ago offered a much-needed common framework for action and stakeholder collaboration. Several states noted they were developing relevant laws and national action plans recognizing the challenges on human rights in connection to business. The majority referred to their strong commitment to the UNGPs and their implementation. Still, States recognized that a lot more remained to be done, particularly in the field of implementation. Most States also highlighted that due diligence should be a priority as addressing victims' needs was imperative. Peru referred to its National Action Plan for Business and Human Rights, which is the third such plan in the region, and involves 132 stakeholders and the 97 actions of protection, respect and reparation in line with the recommendations of various UN bodies. The <u>EU</u> noted that it had developed a smart mix of successful voluntary and mandatory measures on due diligence, and that it would continue its efforts regarding specific actions to implement the UNGPs. <u>Bahrain</u> specified that the pandemic has shown that businesses that were under laws ensuring due diligence came out better than others, but that there were still some challenges remaining regarding racism. Bangladesh emphasised that the COVID-19 has exacerbated inequalities in the Global South and forced the closure of several businesses. Libya called for the re-evaluation of these guidelines given new contexts like the COVID-19 pandemic and the climate crisis. Iran mentioned that the UNGPs disregard the impact of universal coercive measures. Russia said that businesses' structures could not be disassociated from the respect of human rights even if there was no national plan to implement the **UNGPs.**

<u>UNDP</u>: UNGPs have inspired the adoption of National Action Plans on business and human rights by twenty-five states. UNDP's support now extends to more than 15 countries including India, Indonesia, Malaysia, Mongolia, Pakistan and Vietnam in developing their national action plans. UNDP is also assisting policy-

¹ Albania, Argentina, Armenia, Australia, Austria, Belgium, Bulgaria, Costa Rica, Croatia, Cyprus, Czech Republic, Denmark, Dominican Republic, Estonia, Fiji, Finland, France, Germany, Ghana, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Lebanon, Liechtenstein, Lithuania, Luxembourg, Malaysia, Malta, Marshall Islands, Mexico, Moldova, Mongolia, Netherlands, Norway, Palau, Palestine, Paraguay, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.



making processes in Ukraine, reforming practices in the fishing industry in Tunisia, and supporting business and human rights processes across Africa.

<u>NHRIs:</u> It is important to use NHRIs networks for monitoring of international supply chains and handling of complaints in cross-border cases. There is a need by NHRIs for increased financial and institutional support by their respective governments and also, States should guarantee their independence. Corporate racism should be considered a priority. In the context of the pandemic, NHRIs launch a call to businesses on their obligations for due diligence.

NGOs: FIDH: Highlighted that human rights and environmental violations by economic actors not only have continued but have worsened, adversely impacting in particular vulnerable sectors including indigenous peoples, peasants, woman and children among others; the criminalization of human rights defenders in the context of business operations worldwide has increased; Rights-holders continue to face the same barriers in access to justice and to full redress; Civil society participation in the adoption of public and business policies has been limited; and most commitments are not followed by concrete corporate and State action or by inclusive stakeholder engagement. Other NGOs referred to the increase of abuses against environmental human rights defenders linked to business activities specially in the agrobusiness sector. Also, they referred to specific country cases such as: Israeli business involvement incentivizing the creation, expansion, and maintenance of illegal settlements in Palestine. Therefore, they called on the HRC and its Member States to ensure the independence and ability of the Office of the High Commissioner to carry out the 2021 annual update of the UN database to address corporate involvement in Israel's illegal settlement enterprise. Finally, an NGO called on the need to further study the defence sector: the role of businesses in armed conflicts and their arms selling.

Final Remarks

<u>Mr. Dante Pesce</u>: It is very important for the implementation phase that no single intervention highlighted that the UNGPs were not a useful contribution for addressing societal challenges. The implementation gap has to be a priority. Also, it is important to address the power imbalance that exists within societies, the capacity gap, and corruption. At national and global levels, governments should lead by example. Business models need to be challenged and there has to be greater accountability and more data.

<u>Ms. Sharan Burrow</u>: Coherence is required from governments across the UN sector and nationally. That is, taking global commitments and putting them in place through **States' own legislation and compliance at the national levels**.

Ms. María Fernanda Garza: Urged governments to develop robust action plans without delay and to engage with all stakeholders including businesses. The challenge ahead: that new practices translate into improved human rights performance and that all businesses are enabled to embed respect of human rights throughout their reparations. She further encouraged the UN to enhance the efficacy of the follow-up mechanisms of the UNGPs.

Ms. Joan Carling: The gaps need to be addressed as well as the protection enhanced for human rights and environmental defenders, particularly the protection of right holders from the marginalized groups. There is a need to transform business towards the equitable use of resources for the people. Accountability and impunity should be a priority because unless impunity is not ended, the objectives of the UNGPs will not be achieved as well as sustainable development. Capacity building is vital as well as understanding the rights of indigenous peoples and developing a legally binding instrument.

To watch the full High-level Panel on Tenth Anniversary of the Guiding Principles on Business and Human Rights, refer to <u>UN Web TV.</u>