NEXT DECADE | 10+

BUSINESS AND HUMAN RIGHTS
UN GUIDING PRINCIPLES

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Towards the Next Decade of Action
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(As received)

Distinguished Colleagues and friends,

I am honoured to deliver keynote remarks at this B+HR Lab dedicated to discussing the Next Decade of Action on Business and Human Rights.

I address you in my capacity as Vice-Chair of the UN Working Group on Business and Human Rights. We are a group of five independent experts from different regions, including my colleague Surya Deva from Asia.

I am very grateful to UNDP for convening the Lab in the current challenging circumstances with the global COVID-19 pandemic. We are very pleased to have UNDP's support and to work in close collaboration as we engage stakeholders to discuss the next decade of action on business and human rights.

As you know, the 16th of June 2021 will mark the 10th anniversary of the UN Guiding Principles on Business and Human Rights, or the UNGPs. Their unanimous endorsement by the UN Human Rights Council was a landmark moment for business respect for human rights but also for better business. For the first time, there was a UN-backed and universally accepted framework for how to realize corporate respect for human rights.

This milestone is the opportunity to reflect on progress and challenges and more importantly to make a renewed push for scaled-up global implementation of the UNGPs over the next decade.

This is why we launched the project "Business and human rights: towards a decade of global implementation" on 7 July this year. It is better known as the UNGPs10+ or Next Decade BHR project.

This major project that we are undertaking as part of our Working Group mandate to promote the UNGPs, is supported by the Governments of Germany and Switzerland, and done in collaboration with the Office of the UN High Commissioner for Human Rights and with UNDP. We are also working with several other partners.

The project has two main components:

- First, we will take stock of the first ten years of UNGPs implementation, including by assessing achievements and failures to date as well as obstacles and opportunities for leveraging faster, wider and deeper change in the coming years. This analysis will be presented in a "stocktaking" report to the UN Human Rights Council in June 2021.

- Second, we will design a roadmap for action, in the decade toward 2030 and beyond, with the aim of providing strategic direction to all stakeholders, regarding goals, targets and accompanying measures. This roadmap will be launched on the 16th of June next year.

This 10-year anniversary is an important milestone but there is much more at stake in our current environment which makes today a real inflection point for the future we want:

- COVID-19 has laid bare and amplified gross existing inequalities and discrimination. The crisis has highlighted the vulnerability of many people in workforces and value chains around the world.
- The disproportionate negative impacts on people of colour and minorities of the pandemic and economic crisis further underline the need for the fight against systemic racism and discrimination.
- We also continue to face the ongoing climate and environmental crises, shrinking civic space, populism, corruption, conflict and fragility, and the yet unknown human consequences of technological disruption.

Responsible business is a key part of the solution, as underscored by the 17 Sustainable Development Goals. Goal 17's call for revitalized global alliance and Goal 16's (Peace, Justice and Strong Institutions) puts emphasis on a sustainable development rooted in peace, stability, human rights and effective rule of law, setting a clear vision for multi-stakeholder action.

The UNGPs' three pillars – based on international human rights and labour standards – tell us what is needed in practice: States must protect human rights, business should respect human rights, and victims need access to effective remedy.

Colleagues and friends,

The UNGPs have contributed to significant achievements, but much more is needed to realize their vision of "tangible results for affected individuals and communities, and thereby also contributing to a socially sustainable globalization." We need to move from pockets of innovations from governments, business and multi-stakeholder initiatives, to speed up and scale up efforts to embed the UNPGs into the mainstream.

Our project has engaged in this essential discussion for some time now. We kicked off with a global multi-stakeholder launch in July and have continued through consultations with stakeholders, ranging from civil society networks in Europe, North America, Latin America, and Africa, to business associations, investors and those that engage with them, mostly European governments so far, lawyers, national human rights institutions, human rights defenders, indigenous peoples' networks, trade unions and others.

The recent annual UN Forum was a key moment for the global stocktaking. Of course, it is an annual stocktaking on UNGPs trends and challenges. This year it served the added purpose of informing the project on the next decade. Last week's first regional forum for Eastern Europe and Central Asia, organized by UNDP in collaboration with the Working Group, provided another important dialogue that will inform our work. And today's event is a fantastic opportunity to hear from all of you.

We have also invited stakeholders to have their say through written inputs. The deadline for the call for written inputs is today. Those that have not been able to contribute but would still like to do so, should contact us.

We are practising what UN Secretary-General Guterres has called "inclusive multilateralism". We are trying our best to expand the "tent" of ownership, both of the process and its outputs. We are building a true global coalition of the willing.

In a few weeks, we will publish what we see as the key issues emerging from the consultation and that we think should be at the centre of the roadmap for the next decade. We are evaluating different levels, including structural conditions, processes and outcomes, especially on the ground.

In the meantime, let me share some of our reflections on the big picture that we think is getting clearer.

On the positive side, the UNGPs provide a globally agreed standard and baseline for what governments and businesses need to do to embed respect for human rights in a business context – something which did not exist before 2011. One of the most telling examples is the key UNGPs' concept of corporate human rights due diligence. Introduced by the UNGPs, it is now at the centre of regulatory developments in Europe, with increasing backing from business and investors. It is the common "entry point" for ILO and OECD regarding the preventive management of negative impacts.

There are clear drivers for "business and human rights". Notably, the World Business Council on Sustainable Development has highlighted societal expectations on the rise, a regulatory wave, business-to-business relations and investor pressure.

At the same time, we must acknowledge that the "governance gaps" that created the need to develop "business and human rights" still allow too many instances of business-related abuses across all sectors and regions. The many examples range from widespread forced labour across global supply chains, to violent attacks and legal harassment against human rights defenders, including union representatives, to deaths of workers who were not provided with proper equipment during the COVID-19 pandemic.

Likewise, prevention remains inconsistent, relatively few governments are taking action beyond cosmetic endorsement of the Guiding Principles. Access to remedy for business-related harms is still a major and urgent challenge for achieving meaningful progress. Access to effective remedy is a reality check on how far or not we have actually gone, regarding real and tangible implementation.

This still reflects a problem of scale, as the business and human rights movement has not succeeded in addressing the massive capacity building need, particularly in the Global South. It is not a new observation. This challenge was pointed out as strategic issue by the author of the UNGPs, John Ruggie, in his 2011-recommendations for embedding the UNGPs.

As we look toward solutions, UNGPs10+ seeks to seize on emerging action, opportunities and drivers to further embed respect for human rights at the core of business, faster and more widely. Several of those were reinforced at the annual global Forum:

- **Our future is one of mandatory measures**. We now have a strong evidence-base telling us that voluntary measures aren't getting us where we need to be. Trade unions, civil society groups, and others have tirelessly advocated for binding measures at the national, regional, and international levels. Companies and investors increasingly agree, calling for unified approaches that level the playing field and position human rights due diligence as a competitive advantage. Thus, it is encouraging that the "smart mix" prescribed by the UNGPs for Government action is gaining momentum, as demonstrated by the recent wave of mandatory human rights due diligence initiatives, not least in the EU. There is broad agreement that mandatory measures should be based on the UNGPs and rights-holders should have seats at the table as measures are developed.

- **The future is financial**. The increasing focus on ESG is an opportunity we should seize. There is now a stronger focus on the responsibility and accountability of investors, development finance institutions, and commercial banks under the UNGPs. Business organizations themselves have highlighted that the UNGPs provide "a chain reaction" by clarifying that financial actors also have a responsibility to respect human rights throughout their core activities.

- **The future is data driven**. First, we need to leverage existing data. For example, the latest results from the Corporate Human Rights Benchmark challenge us all to do better. Out of the 230 companies assessed, 79 scored *zero* for human rights due diligence. At the Forum, we also heard how we still need better and more consistent data to drive meaningful human rights practices and put outcomes for people at the centre.

- **Business organizations can play a catalyst role – but we need to address policy coherence to put pillar 2 into practice more widely.** In recognition of the catalyst role that business organizations can play, and the need for business to have ownership of solutions, we engage closely with business organizations committed to the UNGPs and hope to drive a race to the top. We are pleased to see that the UNGPs10+ and Next Decade project also has spurred reflections among business organizations on what is needed to achieve wider and faster progress in the next decade. In terms of obstacles for uptake in business, however, a key issue for wider

progress is to address lack of policy coherence in business. Lack of policy coherence does not only apply to pillar 1 and governments. Corporate and regulatory capture is a key obstacle to be addressed.

- **We also need to talk about business leadership** (maybe political too) and what it means. The UNGPs set out that this is about understanding your human rights impacts, transparent commitment to your stakeholders, setting the tone from the top including the provision of means for implementation and collaborating out of your comfort zone. Difficult conversations should include corruption, power imbalance and the corporate capture of the state, among many others. Let me flag two other elements related to corporate governance. There is a need for much greater diversity and adequate competencies at the board level, to set the policies and align incentives towards effective implementation of respect for human rights. The future EU legislation can incentivize this.

- **Let us leverage the alignment between standards for responsible business**. At the global governance level, there are both convergence and remaining gaps. Key standards for responsible business, notably ILO and OECD frameworks, are closely aligned with the Guiding Principles. This is very welcome. However, policy coherence is still a formidable challenge. For example, last month's Finance in Common summit, the first global summit of all public development banks. Human rights were not on the agenda, and rights-holders were not at the centre of the discussions.

- **Let us also build and leverage the regional races to the top.** The Working Group's ambition is to support regional races to the top among governments and business, and we have already established platforms for multi-stakeholder dialogue and practice sharing in parts of the world. In Latin America together with OHCHR and together with UNDP in Southeast Asia and South Asia. Last week marked another step forward, as UNDP organized the first regional forum for Eastern Europe and Central Asia, with our collaboration.

- **The wider debate on stakeholder capitalism is another opportunity, but we need to connect more loudly.** Professor John Ruggie highlighted this opportunity at the launch of the Next Decade Project. In a paper published last week, he and other members of the team that drafted the UNGPs, noted that "For the first time in four decades, leading business associations, corporations, and the corporate law and governance community are seriously debating the social purpose of the corporation. The idea of stakeholder governance – moving beyond shareholder primacy toward some form of 'stakeholder capitalism' – is in play." But

they also noted that "the how question unveils significant differences of opinion as well as difficulties." Needless to say: they argue that the UNGPs' three pillars can help address aspects that are overlooked in current debates on stakeholder capitalism.

- **Finally, more of a challenge and a constant theme: the need for government action. A key message to States everywhere: responsible business needs to be a key ingredient of responses to COVID-19 and the economic crisis. And we can't wait forever in terms of levelling the playing field.** So, in the coming months we will call on all governments and government-led fora to step up. This includes the G20 and G7, which need to demonstrate how they will implement previous commitments to responsible business and sustainable supply chains.

I would also like to briefly reflect on another element, which is more philosophical related to justice and the need to use an "historical injustice" lens to look at systemic racism, discrimination, environmental degradation, abuses of power, and so on. We also need to think about intergenerational justice, thinking about future generations and what we are inheriting to the ones yet unborn, in terms of social justice, racial justice, environmental justice, gender justice, and judicial justice.

My personal vision is to think about milestones going beyond our own lives, articulating a transformational narrative towards 2030, 2050, 2100+, taking a "building blocks" approach, with different measures on different speed, but articulated and synergetic, towards aspirational goals.

In conclusion, let me thank all of you who have already contributed with valuable insights to our project. I encourage you to follow our Twitter account (@ungps10plus) and visit our [Working Group's website](#) as well as our [project portal graciously hosted by the Business & Human Rights Resource Centre](#) to stay in touch.

We look forward to continued dialogues with experts like yourselves and stakeholders to envision a coherent and effective way forward.

Thanks again to UNDP for the support and this opportunity.