

High-level closing plenary 18 November

4:40-18:00

Room XX (Building E)

Closing discussion – Deepening and broadening implementation of the United Nations “Protect, Respect and Remedy” framework

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Your Excellencies, Colleagues of different stakeholder persuasion, Ladies and Gentlemen.

It is a great pleasure to be in attendance at this important conference. It has been an invigorating discussion and one that is encouraging for change and the betterment of humanity.

I have been asked to speak briefly about what action is most needed to help widen and deepen the dissemination and implementation of the Guiding Principles among business in the Global South.

My first point is that governments in the Global South should put much more effort in developing National Action Plans to implement the UN Guiding Principles. This could be a stand-alone NAP or could be part of a wider CSR strategy. National Action Plans are not only a practical and powerful vehicle for States to effectively implement the UN Guiding Principles, but the drafting process itself raises awareness, brings stakeholder groups together and creates ownership and commitments. The NAP processes in the USA or in Germany, for instance, have mobilised many stakeholders and lots of engagement, which has included the business community. It is not understandable why no African or Asian country so far has a NAP. It is rather regrettable lethargy. It is a missed opportunity to effect change and questions the seriousness of governments to promote and implement the UN Guiding Principles. One wonders whether it also has something to do with the Treaty process.

While I accept the notion that clarity and accountability, "increased heat " at Head Office somewhere in New York as mentioned by one of the panellists today, is the driving energy behind the Treaty, I am extremely concerned about:

- 1) what I referred to as the "deceleration" by those companies that were already pushing hard to implement the Guiding Principles, because of uncertainty that exists currently, while the Treaty process is working on certainty in another 10 years when the Treaty is done there would of course be another 5 years while waiting for ratification, drafting and implementation of laws,
- 2) those countries that are doing nothing in their countries waiting for the Treaty because of the perceived separation of the implementation of what exists and the "utopian situation" when the Treaty is done...and then there is the problem of enforcement which has proved to be a huge problem in the emerging country world where the CSR & Business Human Rights failures are happening the most. This of course is the biggest challenge with a "stick" approach as opposed to a "carrot" approach.

Finally, there is a slight flaw in the "New York office heat" explanation because it assumes that the biggest problem comes from transnational companies and that it will continue being so, which may partly explain why the Treaty is not applying to all companies at this stage of its evolution. Should this be the case, the assumption would be flawed.

Getting back to NAP's, NAPs should take a "think small first" approach. SMEs are the essential backbone of all economies around the world, and the Global South is no exception. SMEs have different challenges and resources, but also possibilities when it comes to the implementation of the UN Guiding Principles. The provisions in the NAPs must take the challenges, limitations and needs of SMEs into account.

My second point is related to human rights implications for the informal economy, which is a huge challenge in the Global South. Not only are decent work deficits often more prevalent in the informal sector than in the formal one, but also workers as well as employers in the informal economy are mostly not covered by any health, unemployment, pension or any other social protection scheme, which makes them particularly vulnerable. The challenges linked to the informal sector have been neglected in the discussions about the implementation of the UN Guiding Principles so far, and I

am extremely happy that we finally discussed some of the issues yesterday in the high-level lunch event. The link I want to make here with regard to the dissemination of the UN Guiding Principles among business is that governments must ensure a framework which is conducive for SMEs to fulfil their responsibility to respect and that good governance is at the heart of the solutions for this.

My third point is that national employers' federations have a key role to play when it comes to raising awareness and building capacity, because they are the organisations trusted by companies and which have direct contact to SMEs. Let me very briefly share with you the kind of exemplary activity I am referring to. The Turkish Employers Federation, TISK and the IOE have an EU-funded project which is jointly run with national employers' organisations in five countries in South East Europe. More than 500 companies, most of them SMEs, were trained on human rights and CSR. The second round, which is running at the moment, a second round of 500 SMEs will be trained. The IOE and its members will intensify this kind of engagement. In the Global Employers Summit on 6 and 7 October in Bahrain the Global Employers Community committed in the Bahrain Declaration to promote and implement the UN Guiding Principles. For us these are not empty words, but a commitment for action. We look forward to partner with all stakeholders who are interested to join in this effort.

My fourth point is on a different aspect of the implementation of the UN Guiding Principles. A study which just came out and analysed the human rights reporting within the GRI framework showed that access to remedy does not yet get the attention it deserves from GRI reporting companies. For the Global South this is concerning, because in many circumstances the judiciary systems are weak. Thus, negatively affected individuals and communities depend on effective operational grievance mechanisms by companies to get quick and easy access to remedy. I am happy that non-judicial operational grievance mechanisms were also in the focus of some of the panels in this UN Forum and hope that it pushes the issue forward.

My fifth and last point is about the money. As a business man I can tell you it is very clear: If you have an objective, you must put the resources to it to achieve same, otherwise there is no point to have the objective. When the UN Human Rights Coun-

cil endorsed the UN Guiding Principles and established the UN Working Group it set as a goal, the promotion and implementation of the UN Guiding Principles. This must have budgetary consequences. The IOE has called in the past and I am doing it now here on governments to stronger support the work of the UN Working Group financially. Some of you are already doing a great job, but much more can and should be done in this regard.

Thank you for listening.