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Exploring the feasibility of establishing a global fund to support capacity building on business and human rights – Human Rights Council Resolution 21/5, OP 11

Background

In his report to the Human Rights Council on the contribution of the United Nations system as a whole to the advancement of the business and human rights agenda and the dissemination and implementation of the Guiding Principles on Business and Human Rights (A/HRC/21/21), the Secretary-General identified the lack of capacity among all relevant actors as one of the key obstacles to advancing the business and human rights agenda and the implementation of the Guiding Principles on Business and Human Rights.

In the recommendations of the report, the Secretary-General noted that “[c]onsidering the scale of the capacity-building challenge and the resource implications of meeting it, the feasibility of establishing a global fund on business and human rights linked to the United Nations, with multi-stakeholder engagement, should be considered. The primary purpose of such a fund would be, both within and outside the United Nations system, to enhance the capacity of stakeholders seeking to advance the implementation of the Guiding Principles” (A/HRC/21/21, para. 101).

The Human Rights Council followed up on this recommendation by requesting the Secretary-General to prepare a study to explore the feasibility of establishing a global fund to enhance the capacity of stakeholders to advance the implementation of the Guiding Principles. The Council requested that the study should explore relevant issues including how to secure multi-stakeholder engagement, governance models and funding options. The Council also requested that stakeholders should be involved in a consultative process using existing channels such as the Forum on Business and Human Rights (A/HRC/RES/21/5).

It has been suggested that a fund dedicated to advancing implementation of the Guiding Principles could potentially allow for significantly greater resources for capacity building work, in particular if new state, corporate and private funding could be pooled and administered by a broad-based group of constituents, with highly transparent governance and clear objectives for maximum impact. A new independent fund might potentially serve as a consistent and enduring vehicle for exchanging international, regional and national experiences and good practices in implementing the UN Protect, Respect and Remedy Framework and the Guiding Principles.

Consultation Process

In order to prepare the study to explore the feasibility of a dedicated fund to enhance the capacity of stakeholders to implement the Guiding Principles, the UN Office of the High Commissioner for Human Rights (OHCHR) is inviting all interested stakeholders to share their perspectives on this issue. The first opportunity to provide

OHCHR with comments was during a discussion session on 4 December 2013 during the second annual UN Forum on Business and Human Rights. In order to ensure additional opportunities for input and a broader range of comments, OHCHR is conducting a consultation until the end of January 2014 during which all stakeholders are invited to provide written submissions.

OHCHR would appreciate responses from all stakeholders to the following questions, as well as any additional comments or suggestions:

1. What is the desirable mandate for a fund in this area?

In terms of actors eligible for funding, should equal priority be given to supporting projects at local and national level that would increase the capacity of a broader range of stakeholders, including governments, national human rights institutions, small and medium size enterprises, trade unions, civil society and others seeking to advance implementation of the Guiding Principles? Are there issue-specific challenges that should be prioritized? Should the aim of mainstreaming the Guiding Principles throughout the UN system be seen as a part of the mandate for such a fund?

2. Should a fund in this area focus only on awarding grants or should it have as part of its mandate the broader aim of developing good practice in this field?

One possible model would limit the fund's activities to disbursing funds via UN agencies at national level to worthy projects implemented by selected grantees. Evaluation of projects could also be the responsibility of UN agencies at national level. A broader mandate might see a portion of available resources dedicated to evaluating the effectiveness of all projects over time, developing a system for disseminating good practices and serving as a clearinghouse for information and expertise in this area.

3. How should a fund in this area be governed?

Trust funds managed by OHCHR operate according to UN rules and regulations and limits the scope of multi-stakeholder governance. Given the emphasis of the Human Rights Council on securing multi-stakeholder engagement for a potential new fund on business and human rights, should the governance models of existing funds in areas such as public health—which are linked to the UN system but have independent and multi-stakeholder governance arrangements—be explored further? What governance models would best guarantee the perspectives of rights-holders and local communities?

4. What issues should be considered with respect to sources of funding?

Any new fund on business and human rights would need to subsist entirely on voluntary contributions from governments, companies, foundations and other interested parties. How could significant additional funds be secured in a way that does not undermine existing funding for ongoing diverse human rights related efforts locally, nationally or globally? Should limits on the percentage of overall funding from any individual donor be set, in order to help safeguard the fund's independence?
