



**Ethical Trading Initiative**  
Respect for workers worldwide

UNITED NATIONS HUMAN RIGHTS  
Office of the High Commissioner  
Palais des Nations  
1211 Geneva 10  
Switzerland  
(By email)

January 30<sup>th</sup> 2014

Dear Sir/Madam

Re: Contribution to the consultation on the feasibility of establishing a global fund to support capacity building on business and human rights

Please find below the contribution from the Ethical Trading Initiative (ETI) responding to the four questions set out in the letter calling for consultation dated December 19<sup>th</sup> 2013 Ref: RRDD/DESIB/CM/LW/ff.

The ETI is an alliance of some 80 plus businesses trade unions and NGOs that seeks to understand and tackle workers rights in global supply chains. We have been actively using the UN Guiding Principles since 2011 as a valuable framework through which to engage stakeholders in better understanding and responding to rights issues in our members supply chains. We recognise the challenge of the limitations of capacity at various levels to mainstream the guiding principles in terms of practical implementation and action. We are very pleased to be able to offer comment based on our own experience and remain open to any further contribution that you may find of value.

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

If the primary purpose of the fund is “..both within and outside the United Nations system, to enhance the capacity of stakeholders seeking to advance the implementation of the Guiding Principles” then the fund should consider both local and national but also international or regional stakeholders.

The challenge will be to ensure that the mandate is clear that it should not be a replacement for meaningful commitment by the stakeholder themselves, but should be additive or help reduce the risk in acquiring the ability to implement the guidelines. The fund could play a valuable role in promoting collaborative efforts at various levels given that inherent in the principles of is an element of collaboration between the three pillars. The fund should be driven and respond to where it can have a demonstrable impact on capacity rather than risk a proliferation of initiatives that may or may not advance the lessons learned on implementing the principles. The fund therefore should consider sponsoring diagnostic activities that help understand how to apply the principles to greatest effect in a given country, business sector or to tackle clearly identified issues. This may also have the benefit of creating a clear focus for efforts across the three pillars in a given situation.

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## Ethical Trading Initiative

Pooling funds from a number of sources may be a relevant way of ensuring engagement from a variety of stakeholders, given how the principles relate to business a measure of the credibility of the fund will be its ability to raise corporate funding. The funding should be a common fund allocated to stakeholders against criteria developed by the fund and avoid donor ownership of individual projects which both makes management more difficult and risks sub-optimal allocation. Preventing any single donor having undue influence will be important, so that fund does not become politicised. To ensure real engagement in capacity building differentiated match requirements should be considered with businesses for example expected to provide a significant resource match, while local civil society groups could be assessed based more on their ability to absorb and sustain the capacity developed.

Yours Sincerely

Peter McAllister  
Executive Director