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## **Advancing Entrepreneurial Rights: A Human-Centric Approach to Counter Unilateral Sanctions Impacting Entrepreneurs through Multilateral Advocacy**

### **Executive Summary:**

This executive summary highlights the importance of countering unintended consequences and human rights violations faced by entrepreneurs and promoting the protection of their rights through a human-centric approach. The interplay between unilateral sanctions, money laundering, terrorism financing, and proliferation of weapons of mass destruction creates a regulatory framework that can have adverse impacts on entrepreneurs. Compliance with international human rights standards, particularly due process, fair trial, and presumption of innocence, is crucial to safeguard their rights.

To address these challenges, a comprehensive methodology based on multilateral advocacy at the United Nations (UN) and other international forums is proposed. The methodology consists of three key components: establishing a robust legal framework, implementing supportive policies, and fostering international cooperation while prohibiting discrimination.

A strong legal framework is essential to ensure that sanctions align with international human rights standards and principles. It promotes targeted and proportionate measures, prevents politically motivated persecution and judicial harassment, and provides mechanisms for entrepreneurs to seek redress when their rights are violated.

Supportive policies play a vital role in assisting affected entrepreneurs. They include providing access to alternative financing channels, facilitating trade, offering investment support, and implementing capacity-building programs. These policies aim to mitigate the adverse effects of sanctions and empower entrepreneurs to navigate the challenges they face.

International cooperation is crucial to counter unilateral sanctions and promote dialogue and knowledge-sharing among countries, regional organizations, and international institutions. Collaborative efforts can prevent unintended consequences, promote best practices, and establish capacity-building initiatives that strengthen entrepreneurs' resilience.

The proposed advocacy methodology emphasizes engaging with the UN Human Rights Council, General Assembly, and relevant UN agencies. Through sessions, side events, and consultations, awareness is raised about the unintended consequences and impact of sanctions and other regulatory requirements on entrepreneurs. By humanizing the discourse through sharing the stories and experiences of affected entrepreneurs, decision-makers can develop a deeper understanding of the challenges they face.

Collaboration with like-minded states, regional organizations, civil society groups, and entrepreneurs themselves is crucial to building coalitions and alliances that amplify the impact of advocacy efforts. By uniting voices and expertise, stakeholders can advocate for policy reforms, promote the protection of entrepreneurial rights, and address the unintended consequences of unilateral sanctions.

By adopting a human-centric approach, stakeholders can effectively counter the unintended consequences and human rights violations faced by entrepreneurs. This approach fosters an enabling environment where entrepreneurs can thrive, contribute to inclusive economic growth, and drive sustainable development. By prioritizing their rights and advocating for change, we can create a more equitable and just system that supports entrepreneurship while upholding international human rights standards.

### **Introduction:**

Entrepreneurs are essential drivers of economic growth and development, playing a crucial role in job creation, innovation, and productivity. However, their rights and freedoms are frequently compromised by the adverse impacts of unilateral sanctions, money laundering and financing terrorism legal frameworks, which hinder their ability to operate and thrive. This methodology emphasizes the need to counter these sanctions and advocates for a human-centric approach through multilateral advocacy to protect and empower entrepreneurs.

Recent studies reveal that there are approximately 582 million entrepreneurs globally, with 274 million of them being women. These entrepreneurs are entitled to the full range of human rights and their activities contribute significantly to inclusive economic growth. The Addis Ababa Action Agenda, adopted in 2015, recognizes the importance of private business activity, investment, and innovation in financing sustainable development. Despite these acknowledgments, the protection of entrepreneurial rights has been eroding over the years.

The past two years have been particularly challenging for entrepreneurs worldwide due to the pandemic-related shutdowns, supply issues, and post-pandemic inflationary pressures. Developing countries have been hit even harder. Moreover, entrepreneurs often face targeting by corrupt officials and law enforcement agencies through arbitrary and flawed prosecutions, particularly in relation to breaching regulatory frameworks imposed by the expansion of unilateral sanctions, as well as money laundering and financing terrorism. International bodies such as FATF, OFAC, G7, G20, IMF, and World Bank exert pressure on the global business community to operate with a risk-based approach (RBA) and comply with regulatory frameworks in order to safeguard the integrity of the global financial system.

Additional pressure comes from the UN Working Group and its Forum on Business and Human Rights, which promote human rights due diligence and corporate accountability. However, rapid changes in domestic laws and regulations prompted by these efforts may inadvertently overlook the unintended consequences for entrepreneurs' enjoyment of human rights, particularly in countries lacking democratic governance, an independent judiciary, due process rules, and presumption of innocence. This leaves entrepreneurs vulnerable to a wide range of abuses.

Furthermore, the expansion of unilateral sanction regimes and changes in the legal and regulatory landscape have led to human rights violations. These violations include discriminatory and de-risking closures of bank accounts for individuals and companies engaged in legitimate commercial activities and remittances, the abusive use of anti-money laundering and terrorism financing regulations, and flawed and arbitrary prosecutions and convictions. In many countries, corruption, arbitrary and flawed prosecutions, and pressure to enforce sanctions are conflated, resulting in overcompliance and excessively high due diligence and compliance costs, particularly for small and medium-sized enterprises. This discourages trade and business activities with countries under unilateral sanctions and may force entrepreneurs to forgo legal protection or even exit their businesses altogether.

To address these challenges and protect the rights of entrepreneurs, a human-centric approach is essential. By engaging in multilateral advocacy at the United Nations and collaborating with like-minded states, regional organizations, civil society groups, and entrepreneurs themselves, stakeholders can effectively counter the unintended consequences of unilateral sanctions. This approach aims to foster an enabling environment where entrepreneurs can thrive, contribute to inclusive economic growth, and drive sustainable development.

### **The Impact of Unintended Consequences on Entrepreneurs:**

Unilateral sanctions, money laundering, terrorism financing, and the proliferation of weapons of mass destruction are interconnected components of a regulatory framework that, if not implemented carefully, can result in unintended consequences and human rights violations. While these measures aim to address global challenges and protect security and financial systems, it is crucial to ensure their compliance with international human rights standards.

For instance, unilateral sanctions have long been a concern for the European Union and its members, including Germany, which designed a regulatory framework to enforce sanctions and criminalize acts of their evasion. On 28 November 2022, the Council of the European Union [decided](#) to extend the list of EU criminal offenses to include the violation of restrictive measures of the EU, specifically violations of Sanctions with respect to Russia. Violations of Sanctions are now conceptually equated with serious crimes such as terrorism, human trafficking, and organized crime. The European Commission presented [a proposal for a directive](#) on the definition of criminal offenses and sanctions for violations of restrictive measures of the EU on 2 December 2022. The draft directive contains regulations on penalties, the liability of legal entities, the competence of the individual member states, and procedural regulations, including the cooperation of national and European law enforcement agencies.

One fundamental aspect is upholding the principles of due process, fair trial, and presumption of innocence. These principles are essential safeguards that protect individuals from arbitrary and unjust treatment. When implementing measures related to sanctions, money laundering, terrorism financing, and the proliferation of weapons of mass destruction, it is crucial to adhere to these principles to prevent the violation of individuals' rights.

Unilateral sanctions can have wide-ranging impacts on entrepreneurs, hindering their access to finance, trade opportunities, and essential resources. In enforcing these sanctions, it is important to ensure that individuals are provided with due process rights, including the right to be informed of the allegations against them, the right to present a defense, and the right to a fair and impartial hearing. Upholding these rights helps prevent the arbitrary targeting and unjust treatment of entrepreneurs, safeguarding their human rights.

Similarly, in combating money laundering, terrorism financing, and the proliferation of weapons of mass destruction, it is essential to apply robust and fair procedures that respect the principles of due process and presumption of innocence. Adequate safeguards should be in place to prevent the misuse of these measures to target individuals without sufficient evidence or without providing them with an opportunity to defend themselves.

By ensuring the compliance of these regulatory measures with international human rights standards, we can strike a balance between maintaining security and integrity and protecting the rights of individuals, including entrepreneurs. It is crucial for policymakers, international organizations, and national authorities to work together to develop and implement regulatory frameworks that respect due process, fair trial, and presumption of innocence, preventing unintended consequences and human rights violations.

Furthermore, promoting awareness, capacity-building, and training on human rights principles among relevant stakeholders involved in the enforcement of these measures is essential. This can help foster a better understanding of the potential human rights implications and encourage the adoption of practices that mitigate risks and uphold individuals' rights.

While unilateral sanctions, money laundering regulations, terrorism financing measures, and efforts to counter the proliferation of weapons of mass destruction are important for global security and financial integrity, it is crucial to ensure their compliance with international human rights standards. Upholding due process, fair trial, and presumption of innocence is essential to prevent unintended consequences and human rights violations. By incorporating these principles into the regulatory framework, we can strike a balance between security and human rights, fostering a more just and equitable environment for all individuals, including entrepreneurs.

### **The Need for a Human-Centric Approach:**

To effectively address the challenges posed by unilateral sanctions, money laundering, terrorism financing, and the proliferation of weapons of mass destruction, a human-centric approach is imperative. Such an approach prioritizes the rights and well-being of entrepreneurs and aims to mitigate the unintended consequences and human rights violations that may arise from these measures.

One key aspect of a human-centric approach is the development of robust legal frameworks that adhere to international human rights standards. These frameworks should ensure that sanctions and regulatory measures are targeted, proportionate, and do not violate fundamental rights. Entrepreneurs must have access to mechanisms for seeking redress and challenging unjust sanctions, fostering a more equitable and just system.

Supportive policies play a crucial role in assisting entrepreneurs affected by unilateral sanctions. These policies should focus on providing alternative financing channels, facilitating trade, offering investment support, and implementing capacity-building programs. By creating an enabling environment and offering practical assistance, entrepreneurs can navigate the challenges posed by sanctions and sustain their businesses, thereby promoting economic growth and job creation.

International cooperation is essential in countering the negative impacts of unilateral sanctions and protecting the rights of entrepreneurs. Advocacy efforts at the United Nations (UN) and multilateral levels are instrumental in fostering dialogue, sharing best practices, and promoting cooperation among countries, regional organizations, and international institutions. By working collaboratively, stakeholders can prevent unintended consequences, promote fair practices, and establish capacity-building initiatives that empower entrepreneurs and enhance their resilience.

Within the UN framework, there is a need to address the protection of entrepreneurs' rights more comprehensively. Currently, the UN Working Group on Business and Human Rights primarily focuses on the responsibility of corporations and businesses rather than treating entrepreneurs as rights holders. Efforts should be made to broaden the mandate of the working group to include the protection of entrepreneurial rights and address the issues of due process, fair trial, presumption of innocence, and property rights. The annual Forum on Business and Human Rights can serve as a platform for engaging with the working group and advancing the protection of entrepreneurs' rights.

Additionally, the Financial Action Task Force (FATF) has recognized the need to study and mitigate the unintended consequences of its standards, particularly regarding due process and procedural rights. Advocacy efforts should be directed towards engaging with the FATF, in collaboration with the UN

Working Group on Business and Human Rights, to address the potential human rights implications of anti-money laundering recommendations and ensure their compliance with international human rights standards. By promoting dialogue and developing human rights-compliant standards, the protection of entrepreneurs' rights can be enhanced, especially in countries affected by sanctions.

The negative impact of unilateral sanctions, money laundering, and corruption on entrepreneurs and human rights extends beyond financial implications. It hampers the ability of states to fulfill their human rights obligations, undermines the functioning of judicial systems, and impedes the delivery of essential services such as healthcare, education, and social welfare. Therefore, it is crucial to foster the protection of entrepreneurial rights within relevant United Nations forums, including the Human Rights Council, UNCTAD, UNODC, FATF, and States. By advocating for respect, protection, and fulfillment of human rights, combating flawed and arbitrary investigations, prosecutions, and corruption, a comprehensive approach can be established to promote the rights of entrepreneurs and uphold the principles of sustainable development.

In summary, a human-centric approach is essential to address the challenges posed by unilateral sanctions, money laundering, terrorism financing, and the proliferation of weapons of mass destruction. By prioritizing the rights of entrepreneurs, developing robust legal frameworks, implementing supportive policies, fostering international cooperation, and engaging with relevant UN forums and organizations, we can work towards a more just and equitable system that protects the rights of entrepreneurs and promotes sustainable development.

#### **Developing a Human-Centric Advocacy Methodology:**

Our initiative is dedicated to developing a human-centric advocacy methodology that aims to counter the adverse impacts of unintended consequences and human rights violations experienced by entrepreneurs. Through rigorous research, in-depth analysis, and active engagement with relevant stakeholders, we seek to identify effective strategies, policy recommendations, and legal frameworks that prioritize the human rights and well-being of entrepreneurs.

Comprehensive research and analysis form the foundation of our methodology. We examine the multifaceted challenges faced by entrepreneurs as a result of unilateral sanctions, money laundering, terrorism financing, and proliferation of weapons of mass destruction. By understanding the interconnected nature of these issues, we can develop holistic approaches that address their root causes and mitigate their negative effects on entrepreneurs.

Engagement with a wide range of stakeholders is a critical component of our methodology. We actively involve entrepreneurs themselves, as well as like-minded states, regional organizations, civil society groups, and relevant UN agencies. By creating alliances and coalitions, we can pool our expertise, resources, and influence to amplify the impact of our advocacy efforts.

Our methodology emphasizes the importance of prioritizing the human face behind entrepreneurial activities. We believe in humanizing the discourse by sharing the stories, experiences, and challenges faced by entrepreneurs affected by sanctions and other regulatory requirements. By shining a spotlight on their experiences, we aim to foster empathy, understanding, and support among decision-makers, policymakers, and the wider public.

Policy recommendations and legal frameworks are essential outcomes of our advocacy methodology. Through our research and engagement efforts, we strive to identify practical and actionable recommendations that can be implemented at various levels, from national to international. These recommendations may include the development of supportive policies, legal reforms, and capacity-

building initiatives that promote the protection of entrepreneurs' rights and create an enabling environment for their economic activities.

Our advocacy methodology also emphasizes the need for international cooperation and collaboration. By engaging with UN Human Rights Council, General Assembly, and relevant UN agencies, we aim to influence policy discussions and promote the integration of entrepreneurs' rights into international frameworks and resolutions. We advocate for the alignment of sanctions and regulatory requirements with international human rights standards, particularly emphasizing principles of due process, fair trial, and presumption of innocence.

Overall, our human-centric advocacy methodology seeks to empower entrepreneurs, protect their rights, and create an inclusive and enabling environment for their economic activities. By combining research, engagement, policy recommendations, and legal frameworks, we aim to drive positive change and counter the unintended consequences and human rights violations that entrepreneurs face.

### **Components of Comprehensive Advocacy:**

Our comprehensive advocacy efforts encompass a wide range of strategies and actions to champion the rights of entrepreneurs and address the unintended consequences and human rights violations they face. In addition to engaging in policy discussions and sessions, we actively address individual complaints cases and advocate for entrepreneurs' rights at various international forums.

One important aspect of our work is providing support to entrepreneurs in filing complaints and seeking redress for rights violations. We guide them through the complex complaint process, helping them navigate procedures and documentation requirements. By advocating for individual cases, we seek justice for affected entrepreneurs and shed light on systemic issues, contributing to broader policy changes.

During sessions of the UN Human Rights Council, we engage in advocacy efforts to highlight the challenges faced by entrepreneurs and the need for stronger protection of their rights. Through participation in side events, panel discussions, and dialogues with member states, UN officials, and civil society organizations, we raise awareness and present evidence-based arguments to influence policy discourse. Our goal is to promote the inclusion of entrepreneurs' rights in relevant resolutions and discussions.

We also take advantage of interactive dialogues with UN Special Procedures experts to address the specific concerns of entrepreneurs. By sharing concrete examples and recommendations, we contribute to the expertise and knowledge of the experts, ultimately influencing their reports and recommendations.

Submitting shadow reports to UN treaty bodies is another effective advocacy tool we use. These reports offer alternative perspectives and additional information on the human rights situation of entrepreneurs, complementing official state reports. By engaging with treaty bodies and providing comprehensive insights, we ensure that the specific needs and challenges of entrepreneurs are adequately addressed and incorporated into the treaty bodies' observations and recommendations.

Engagement with Special Rapporteurs and relevant Working Groups is crucial to our efforts. We actively participate in seminars, round tables, and consultations organized by these mandate holders, contributing our expertise and insights on the protection of entrepreneurs' rights. By building relationships and exchanging information with these experts, we foster a deeper understanding of the

challenges faced by entrepreneurs and collaborate on developing recommendations and best practices to enhance their rights protection.

Furthermore, we are proactively organizing a dedicated session on the rights of entrepreneurs during the upcoming Forum on Business and Human Rights. This annual event provides a crucial platform for dialogue, knowledge-sharing, and collaboration among stakeholders from governments, civil society, businesses, and international organizations.

During the session, we will facilitate discussions on various aspects of entrepreneurs' rights, such as access to finance, fair business environments, protection from corruption and abuse of power, and the role of regulatory frameworks in enabling entrepreneurship. We will share insights from our research, individual cases, and best practices from different regions, emphasizing the need for tailored approaches to address the diverse needs and contexts of entrepreneurs.

Moreover, the session will provide an opportunity for entrepreneurs to share their experiences, challenges, and success stories. Their voices and perspectives are crucial in informing policy discussions and shaping effective solutions. Through interactive discussions, workshops, and networking opportunities, we aim to promote engagement and knowledge exchange among participants.

The outcomes of the session will be compiled into a comprehensive report that captures key findings, recommendations, and actionable steps for enhancing the protection of entrepreneurs' rights. This report will be widely disseminated to relevant stakeholders, including UN bodies, governments, and civil society organizations, to inform policy-making, advocacy efforts, and capacity-building initiatives.

Through our dedicated efforts, we are committed to promoting the rights of entrepreneurs and driving positive change at the international level. By providing a dedicated space for dialogue and collaboration, we aim to catalyze concrete actions and policy reforms that ensure entrepreneurs can operate in an enabling environment, free from undue prosecutions, judicial harassment, human rights violations, and barriers to their economic activities.

### **The session on Human Rights and SMB Entrepreneurs**

The session on Human Rights and SMB Entrepreneurs at the 12th United Nations Forum on Business and Human Rights in November 2023 offers a crucial platform to address the specific challenges faced by entrepreneurs and explore potential solutions. It serves as an opportunity to raise awareness among policymakers, UN Special Procedures, civil society groups, and other stakeholders about the need for greater protection of entrepreneurs' rights.

During the session, it is essential to highlight the unintended consequences that entrepreneurs experience due to insufficient protection of their rights. Entrepreneurs often face unfair trials, property loss, and financial instability, which hinder their ability to innovate, create jobs, and contribute to economic growth. Emphasizing the disproportionate impact on vulnerable and marginalized entrepreneurs is important.

The session should also address the regulatory challenges that entrepreneurs encounter. The confluence of corruption, flawed prosecutions, and sanctions enforcement can result in over-compliance and burdensome regulatory requirements, particularly for SMEs. This creates obstacles to their operations and business growth. Additionally, the closure of bank accounts and reduced access to financial services due to regulations have severe implications for entrepreneurs' ability to conduct transactions and access capital.

To mitigate these challenges, the session could focus on practical recommendations and best practices. This may include advocating for regulatory frameworks that strike a balance between combating financial risks and protecting entrepreneurs' rights. Emphasizing the importance of due process, presumption of innocence, and property rights is crucial in safeguarding entrepreneurs' rights and fostering a favorable business environment.

The session should also explore the role of international organizations, such as the UN Working Group on Business and Human Rights and FATF, in addressing the protection of entrepreneurs' rights. It is essential to call for enhanced collaboration and dialogue between these organizations to ensure that entrepreneurs' rights are adequately addressed in the development and implementation of anti-money laundering (AML) and sanctions frameworks. Recognizing entrepreneurs as rights holders and incorporating their perspectives into policy discussions is crucial.

Furthermore, the session should emphasize the need for capacity-building initiatives and support for entrepreneurs. This may involve providing training programs, mentorship opportunities, and access to resources and networks that help entrepreneurs navigate the challenges they face. By empowering entrepreneurs with the necessary tools and knowledge, they can better protect their rights and contribute to sustainable development.

Overall, the session on Human Rights and SMB Entrepreneurs provides a valuable opportunity to advocate for the protection of entrepreneurs' rights, address regulatory challenges, promote best practices, and foster collaboration among stakeholders. By shedding light on the specific challenges faced by entrepreneurs and exploring practical solutions, the session can contribute to creating an enabling environment that upholds human rights and supports the growth and prosperity of entrepreneurs.

### **Conclusion:**

The interplay between unilateral sanctions, money laundering, terrorism financing, and proliferation of weapons of mass destruction can have unintended consequences and lead to human rights violations for entrepreneurs. It is vital to acknowledge the potential negative impacts of these measures on entrepreneurs and to ensure their compliance with international human rights standards, including due process, fair trial, and presumption of innocence.

By prioritizing the protection of entrepreneurs' rights and advocating for a human-centric approach, we can address the challenges they face. This involves developing legal frameworks, implementing supportive policies, promoting international cooperation, and advocating for change at the United Nations and other multilateral forums. It also includes engaging with stakeholders, raising awareness, and sharing insights on the impact of sanctions on entrepreneurs' rights.

Efforts to support entrepreneurs should encompass assistance in filing complaints, seeking redress for rights violations, and navigating complex procedures. Advocacy during Human Rights Council sessions, interactive dialogues with UN Special Procedures, and submitting shadow reports to UN treaty bodies are important avenues to address systemic issues and promote policy changes.

Engagement with Special Rapporteurs, relevant Working Groups, and organizations like FATF can contribute to the protection of entrepreneurs' rights. Collaboration, knowledge-sharing, and capacity-building initiatives are essential to empower entrepreneurs, address regulatory challenges, and promote fair business environments.

The upcoming session on Human Rights and SMB Entrepreneurs at the United Nations Forum on Business and Human Rights offers a valuable opportunity to raise awareness, share experiences, and



propose solutions. By emphasizing the importance of protecting entrepreneurs' rights, advocating for tailored approaches, and fostering collaboration among stakeholders, we can create an enabling environment where entrepreneurs can thrive and contribute to sustainable development.

In conclusion, a human-centric approach is necessary to counter the unintended consequences and human rights violations resulting from unilateral sanctions, money laundering, terrorism financing, and proliferation of weapons of mass destruction. Compliance with international human rights standards is crucial to safeguard entrepreneurs' rights and preserve entrepreneurship freedom.