

## FORUM ON BUSINESS AND HUMAN RIGHTS

### STATEMENT BY THE DELEGATION OF ITALY

(4<sup>th</sup> December, 2012)

#### Export Credits and human rights – the work at the OECD

In recent years an important evolution is taking place in the field of export credits. The steps forward at the OECD are relevant and encouraging. We have moved forward from an approach that tied human rights to environment to another phase where human rights per se are considered in export credits.

The OECD governments, recognizing the importance of identifying and evaluating the environmental impact of projects and project-related capital goods and services, in 2003 formally agreed on "Common Approaches on Environment and Officially Supported Export Credits".

The OECD Common Approaches took the form of an OECD Recommendation. These Recommendations are not legally binding, but practice accords them great moral force as representing the political will of member countries and there is an expectation that member countries will do their utmost to fully implement it.

Later the OECD governments, consulting representatives of business, labour unions and civil society, as well as of countries that benefit from officially supported export credits, concluded two reviews of the Common Approaches, one in 2007 and the latest last July.

Compared to the previous Common Approaches on environment, the new agreement is enhanced in a number of respects such as: compliance with the environmental standards of the host country and the international standards; special provisions with regard to the most sensitive projects.

At the beginning the first 2003 Common Approaches only considered the impact on resettlement, indigenous or vulnerable groups and cultural heritage. *The 2007 review of the Common Approaches advanced further to include the social and environmental impacts of the relevant International standards, such as on labour conditions, on security of workers and of the communities impacted by a project.* The new 2012 Recommendation makes the new step forward and sets the need to include explicit minimum terms on human rights, introducing explicit references to human rights and relevant international human rights standards into the Common Approaches text.

In particular in the preamble we read "Recognising that Members have existing obligations to protect human rights and fundamental freedoms, and that business enterprises have the responsibility to respect human rights, as outlined in the 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' endorsed unanimously by the United Nations Human Rights Council on 16 June 2011" and later in the text "Members should encourage protection and respect for human rights, particularly in situations where the potential impacts from projects or existing operations pose risks to human rights".

But also and more importantly for our future work Members will give further consideration to the issue of human rights, including with regard to relevant standards, due diligence tools and other implementation issues, with the aim of reviewing how project-related human rights impacts are being addressed and/or might be further addressed in relation to the provision of officially supported export credits. Members shall report to the ECG on their work not later than two years from the date of adoption of this Recommendation. So we are therefore into a process that has important implications and that sends an important and concrete message. Therefore during the next two years there will be a review of how project-related human rights impacts are addressed in relation to the provision of officially supported export credits. Italy has a leading role in this process.