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**Mandate of the Working Group on the issue of human rights and transnational corporations and other business enterprises**

REFERENCE: SPB/SHD/MCS/ff

**Position on the matter of an UN-linked global fund on business and human rights**

The UN Working Group fully supports the establishment of a global fund on business and human rights. This has been expressed in the past and more recently during the 2013 annual Forum.<sup>1</sup> It is recognized that one of the reasons States encounter challenges to comply with international human rights obligations is the absence of appropriate resources and capacity.<sup>2</sup> The Working Group has found that lack of capacity is also a challenge for small and medium enterprises, as well as civil society actors in the comprehensive implementation of the Guiding Principles on Business and Human Rights.<sup>3</sup>

The Working Group fully supports the process of exploring the possible establishment of such a fund. While further deliberations on the principles for the fund set-up and daily operations are required, we initially suggest five aspects that should be considered.

**1. Focus:**

The focus of the fund should be to support capacity building activities, especially of victims organizations, public institutions, multi-stakeholder initiatives, small and medium enterprises and generally business and human rights stakeholders at local and national levels aimed at ensuring effective implementation of all three pillars of the Guiding Principles on Business and Human Rights. The global fund should contribute to advancing the construction of a robust and comprehensive global business and human rights regime.

**2. Overview of needs and opportunities:**

A key role for the fund could be to build and host a global overview of needs and opportunities for implementation of the Guiding Principles that can or should be acted upon.

**3. Good governance and alignment with ongoing efforts:**

The fund should be grounded in international human rights law and good governance standards. To ensure its relevance and representativeness, the activities of the fund should have multi-stakeholder oversight. OHCHR, as the lead agency tasked with the promotion of

<sup>1</sup> Opening remarks by the Chairperson of the Working Group on the issue of human rights and transnational corporations and other business enterprises at the Annual Forum, 3 December 2013. Available at: <http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=14059&LangID=E>

<sup>2</sup> Risse, Thomas, Stephen C. Ropp, and Kathryn Sikkink. 2013. *The Persistent Power of Human Rights: From Commitment to Compliance*. Cambridge University Press. See Introduction and overview: pp. 3-25; Conclusions: pp. 275-295.

<sup>3</sup> Addendum report by the Working Group on the issue of human rights and transnational corporations and other business, *Uptake of the Guiding Principles on Business and Human Rights: practices and results from pilot surveys of Governments and corporations*, A/HRC/23/32/Add.2. See e.g. para 30; Statement by Alexandra Guáqueta, Member of the UN Working Group - Session on global trends in Implementation of the Guiding Principles, 4th December 2012. Available at <http://www.ohchr.org/EN/Issues/Business/Pages/ImplementationGP.aspx>

the Guiding Principles within the UN system, and the Working Group, with its Human Rights Council mandate to promote global implementation of the Guiding Principles, should also have a role in informing the fund's strategic approach. Donors, public and private, should be kept at arms-length from specific projects to avoid any conflict of interest or unbalanced support. It is vital that all stakeholders should be able to trust the fund.

#### **4. Separate from UN programmes:**

The fund should remain independent of regular UN administration and should not necessarily support or supplement existing UN programmes. Our recommendation rather, seeks to ensure that there is consistency between the material and political expectations around the Guiding Principles: that they are implemented by businesses and States in order to prevent, mitigate and remedy harm caused or contributed to by business enterprises, public or private.

#### **5. Funding:**

A global fund for capacity building in the area of business and human rights should be able to accept funds and contributions from any actor, including States, businesses and philanthropic organizations.

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