



**MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL
COOPERATION**

Inter-ministerial Committee for Human Rights

*Italy Reply to the request of Office of the UN
High Commissioner for Human Rights
pursuant to a call for input from the Working
Group on the issue of human rights and
transnational corporations and other
business enterprises*

April 2020



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Following to your query, Italian Authorities are in a position to provide the following information.

On a general note the Programming and Policy Planning Document, regularly adopted by the Italian Ministry of Foreign Affairs and International Cooperation, set out strategic guidelines for Italian Development Cooperation, geographical and sector priorities, implementation mechanisms, instruments and financial allocations. It indicates the allocations for the activities of the Directorate General for Development Cooperation, the Italian Agency for Development Cooperation and the Ministry of the Economy and Finance, as well as the allocations of the other Ministries for the three-year period. The commitment of the Italian government to strengthen development cooperation is confirmed, with the gradual alignment of the annual allocations made for this purpose, in order to ensure that Italy fulfils its international commitments.

As reported in last Programming and Policy Planning Document for 2017-2019, the involvement of the private sector, envisaged in Art. 27 of Law No. 125/2014, coincides with the international trend to recognise a growing role for firms in development cooperation activities, with the objective of promoting a business culture that contributes to implementation of the 2030 Agenda; in particular: i) the national framework supports the generalised development of SMEs; ii) facilitates sustainable and inclusive economic growth that assures full employment and decent work for all; iii) reduces inequalities by promoting social, economic and political inclusion, without discrimination; iv) guarantees a more peaceful and just society, with solid and responsible institutions; v) facilitates partnerships between Italian and local firms, not least to guarantee the continuity of investment; vi) encourages sustainable investment in social and environmental terms, especially in areas that might be economically unattractive, promoting partnerships with actors - NGO/CSOs and other non-profits - that have demonstrated experience and local knowledge. Innovative methods may be identified (concessional finance, loans, blending mechanisms etc.) to facilitate the participation of firms, especially SMEs, in cooperation projects with a view to combining their economic/entrepreneurial objectives with their social responsibilities. In general, the participation of firms in development

cooperation projects enables the opening up of new markets and others that were not previously served, resulting in competitive and other advantages.

The Inter-ministerial Committee for Development Cooperation (CICS) has approved a resolution to form topic-specific Working Groups in order to facilitate and inform the work of the Committee, via deep dives and the preparation of policy guidelines and proposals on development cooperation matters, as well as the definition of mechanisms for encouraging private sector participation in cooperation activities, which is a matter that will also be addressed by the CICS Working Group dedicated to the private sector. This WG examines projects in the energy sector, partly to reach an understanding on the Policy Guidelines for energy and development (see “Multi-actor National Platform for Energy and Development” below), and the project dedicated to the private sector in support of innovative ideas for development: social firms and inclusive business in support of cooperation. On this and other topics, coordination and exchange mechanisms will be identified between the CICS Working Groups and the CNCS Working Groups dedicated to the private sector.

In particular, when defining actions in support of projects promoted by for-profit private actors, Italy reminds to the European Commission Communication of 13 May 2014 on the role played by the private sector in sustainable development: measurable impact on development; additionality, neutrality and transparency; shared goals and interests; compliance with international standards and employment, social, environmental and tax regulations; respect for human rights. Italian experience with SMEs - aggregated and organised in networks, with common services to exploit economies of scale - and the cooperative system gives a comparative advantage with respect to other donors when contributing to the growth of entrepreneurship and development of the private sector in partner countries.

In this context, innovative forms of partnership have been and will be promoted with private for-profit and non-profit actors, seeking to increase the participation of those for-profits that respect the principles of transparency, competition and social responsibility, in order to implement specific projects designed to achieve goals with a social impact in priority partner countries.

Funds have been allocated (i.e. 5 million euros in grants in 2017) to co-finance projects selected via public procedures. The actors eligible to present project proposals will be entrepreneurs, oriented towards inclusive business, that comply with universally-recognised international principles and standards. Preference will be given to projects in priority countries and sectors that are presented together with other actors identified in Chapter VI of Law No. 125/2014 and, in particular, projects co-designed and/or co-managed in a spirit of convergence, involving collaboration by actors with different skills, united by their intention to achieve the same Sustainable Development Goals.

The above mentioned CNCS Working Group on “The role of the private sector in development cooperation” may examine the relationship between the private for-profit and no-profit sector and

inclusive business, in order to leverage the positive effects and facilitate greater awareness about inclusive business and its dissemination.

Moreover the Italian National Action Plan on Business and Human Rights for 2016-2022, as updated in 2018, is worth of mentioning in this context.

It is the final achievement of a multi-faceted activity of the Inter-ministerial Committee for Human Rights (CIDU) at the Italian Ministry of Foreign Affairs and International Cooperation, in line with the implementation of the Guiding Principles on Business and Human Rights unanimously endorsed by the UN Human Rights Council in 2011.

As it concern GP 7 - Supporting business respect for human rights in conflict, Italy recognizes the importance of respecting human rights especially in conflict-affected areas, whereas the promotion of human rights may yet represent a fundamental mean to guarantee peace and security.

On this basis, Italy can draw on best practices of awareness raising and training activities with regard to conflict minerals, and in particular the gold sector, in line with the OECD due diligence and relevant EU regulation. Meanwhile Italy works in conformity with the new Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.

So far, the related planned measures contained in the Plan for GP 7 are the following:

‘36. Further promote the knowledge of the OECD due diligence guidance ‘Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones’ and ‘Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas’, encouraging and supporting SMEs to follow as well this guidance tools;

37. Implement the Regulation (EU) 2017/821 on due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas;

38. Include human rights impact of economic activities in the programs and activities of awareness raising and capacity development aimed at the respect of human rights in conflict affected countries and high-risk area to be devised and implemented through specific programmes by the National Agency for International Cooperation;

39. Reinforce the action of the Italian Development Cooperation towards gender equality also by supporting women economic empowerment in post conflict countries, in line with the three pillars of the United Nations (peace and security, development, human rights) and the operational and normative framework developed within the UN Security Council Resolution 1325 “Women, Peace and Security”;

40. Encourage the Italian commitment in favour of microfinance projects that may support and enhance local entrepreneurship within the cooperation partner countries’.