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

REFERENCE: SPB/SHD/NF/GF/ff

11 September 2020

Dear Mr. Malpass,
Dear Mr. Le Houérou,

I am writing to you on behalf of the United Nations Working Group on the issue of human rights and transnational corporations and other business enterprises, in response to the report and recommendations resulting from the external review of IFC and MIGA’s environmental and social (E&S) accountability, including the Compliance Advisor/Ombudsman’s (CAO’s) role and effectiveness.

The Working Group is a group of five independent experts appointed and mandated by the United Nations Human Rights Council (resolutions 17/4, 26/22, 35/7, and 44/15) to promote dissemination and implementation of the UN Guiding Principles on Business and Human Rights. The Guiding Principles provide the globally recognized and authoritative framework for the respective duties and responsibilities of governments and business enterprises to identify, prevent, mitigate, and address business-related human rights impacts.

As documented in its country visit reports, the Working Group has learned first-hand the importance of development finance institutions having robust human rights due diligence and remedy policies and processes as part of a larger ecosystem. The Working Group has seen that these are integral to preventing social conflict, especially in fragile environments.

This letter follows the Working Group’s March 2020 submission to the external review, which recognized the critical role that the CAO plays in enabling access to remedy for affected stakeholders – a prerequisite for sustainable development. In the submission, the Working Group laid out its key recommendations as to how IFC/MIGA practices could be further strengthened in preventing adverse impacts on people, as well as in ensuring accountability and access to remedy for those affected by development projects that IFC/MIGA finances and supports.

Mr. David R. Malpass
President
World Bank Group

Mr. Philippe H. Le Houérou
Chief Executive Officer
International Finance Corporation
The Working Group would like to reiterate its support for the external review and congratulate all involved on the quality of the final report. The report is timely and critical given the context of rising community expectations as well as the move towards norms in the fields of sustainable development and responsible business conduct.

The Working Group very much welcomes the explicit framing of the report around the Guiding Principles, particularly in regard to remedy in section 7.8, and encourages holistic implementation of the report’s recommendations in a coordinated and efficient manner. The Working Group is also encouraged to see that the report’s recommendations build on the work of the Dutch Banking Sector Agreement working group on remediation, which is based on the Guiding Principles. The Working Group sees the recommendations overall as reflective of key guidance regarding remedy, including the Working Group’s report to the UN General Assembly on access to effective remedies.

As noted in the Working Group’s previous submission to this process, IFC/MIGA is well placed to support progress on sustainable development via more robust and coherent accountability systems. The Working Group is committed to supporting recommendations grounded in the Guiding Principles, such as those outlined in the external review report, and stands ready to aid IFC/MIGA and the CAO in efforts toward implementation of those recommendations.

As the CAO prepares to carry out consultations to support the development of the recommended Framework Policy on Accountability and accompanying procedures and guidelines, the Working Group would like to offer our availability for a dialogue on matters relating to implementation of the report, between your offices and the Working Group, including in regard to the external review’s recommendations on remedy.

We look forward to hearing from your office and hope that we have a chance to further discuss the important recommendations contained in the external review report.

Yours sincerely,

Anita Ramasastry
Chair
Working Group on the issue of human rights and transnational corporations and other business enterprises