



Concept Proposal for the IOE Centre on Human Rights and Responsible Business Conduct

December 2023



A powerful
and balanced
voice for business

This document was created with the financial support of the German Federal Foreign Office. The contents of this document are the responsibility of the International Organisation of Employers (IOE) and do not necessarily reflect the views of the German Federal Foreign Office.



Federal Foreign Office

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of the International Organisation of Employers (IOE) and do not necessarily reflect the views of the European Union.



**Co-funded by
the European Union**

Table of contents

Executive Summary	4
Concept Proposal	6
General Background	6
Start-up and Review Phase	9
Benchmark Analysis	10
Global Consultation Process	10
Outline for the IOE Centre	14
General Outline	14
Structural Outline	16
Content Outline	17
Funding the IOE Centre	19
Timeline and Next Steps	22

Executive Summary

The continued expansion and ever-changing nature of the policy, legislative, and regulatory landscape surrounding Responsible Business Conduct (RBC) and Business and Human Rights (BHR) has made it challenging for companies, especially micro, small, and medium-sized enterprises (MSMEs), to effectively integrate **increasingly mandatory human rights due diligence requirements** throughout their business operations. Companies of all sizes and in all geographic regions are expected to act responsibly over and above compliance with national laws and regulatory frameworks, especially where such laws do not exist or are poorly enforced. Those companies with operations and/or business partners in countries with complex social/environmental challenges and/or State weaknesses face additional practical challenges when attempting to concretely integrate requirements into company processes and systems.

As the largest global network of the private sector, the International Organisation of Employers (IOE) has been actively engaged in endorsing, promoting, and disseminating widely established instruments and global benchmarks on Business and Human Rights **from a business perspective** to ensure that employers and businesses have awareness, tools, knowledge, and capacities to build on strengthening their implementation across operations¹.

Against this backdrop, the IOE has taken the decision to advocate for the establishment of a Centre on Human Rights and Responsible Business Conduct (IOE Centre). This new initiative is set to become a game changer as the **first business-driven global provider** of guidance and tools for businesses to effectively implement human rights due diligence processes across operations and value chains.

²Main aims and activities of the proposed IOE Centre

- Develop and disseminate guidance and tools for businesses of all sizes and in all geographic areas to implement human rights due diligence processes throughout their operations and value chains.
- Build on IOE's unique network of employers' and business organisations (EBMOs) and strengthen their capacities to disseminate and share knowledge on RBC and BHR.
- Facilitate dialogue, partnerships, and collaboration on RBC and BHR between EBMOs, businesses, governments, civil society, and other stakeholders.
- Create opportunities for committed companies to engage in peer-learning on RBC and BHR.

¹ IOE Policy Priority on Human Rights and Responsible Business Conduct: <https://www.ioe-emp.org/policy-priorities/human-rights-and-responsible-business-conduct>

² More detailed information can be found under the General Outline section of this document.

- Provide training and capacity-building for EBMOs and businesses to identify, prevent and mitigate possible human rights risks.
- Promote transparency and disclosure on positive and negative human rights impacts and actions.
- Conduct research and analysis on emerging human rights issues and their implications for the private sector.

The Centre will engage directly with business organisations, and will serve, inter alia, as a resource for businesses of all sizes and in all geographic regions to enhance their sustainability, capacity and reputation, and support both national and foreign businesses on due diligence and responsible business conduct.

Concept proposal

The General Background section of this concept proposal provides an in-depth context and rationale for establishing a Centre, offers relevant references, and highlights the importance of partnership for its success.

The Start-up and Review section includes a benchmark analysis of existing knowledge-sharing initiatives on human rights and RBC, with a view to avoid a duplication of efforts, learn from existing structures, and suitably link and embed the activities of the proposed IOE Centre within the wider human rights landscape.

A Global Consultation Process with IOE's core constituents, i.e., employers' and business organisations (EBMOs) as well as other business partners underscored that:

- there is little knowledge-sharing among and between companies and stakeholders in the global South and the global North.
- current awareness and information on BHR and RBC varies greatly between EBMOs and businesses around the world.
- there are notable challenges in the uptake of evolving policy and regulation by MSMEs.

The Outline for the IOE Centre lays out the core structural and content framework in the General Outline, Structural Outline, and Content Outline sections.

To guarantee a sound foundation and long-term continuity, the funding the IOE Centre section lays out the importance of levying both public and private sector support.

Finally, the Timeline and Next Steps section highlights the intended project steps and evolution of the IOE Centre to specialise its activities in regional, national and local contexts.

General Background

The expectations regarding BHR and RBC on the rise

There are rising expectations regarding how enterprises should run their businesses in alignment with internationally recognised principles and standards on human rights. National and international legislation and policies are increasingly taking steps that require businesses to integrate human rights due diligence across their operations and structures. At international level, the main international reference documents include the UN Guiding Principles on Business and Human Rights (**UNGPs**), the International Labour Organization's (ILO) tripartite declaration of principles concerning multinational enterprises and social policy (**MNE Declaration**), the UN Global Compact **Ten Principles**, the Organisation for Economic Co-operation and Development's (OECD) guidelines for multi-national enterprises (**OECD Guidelines**) or work of the UN Intergovernmental. Furthermore, a UN Intergovernmental Working Group established in 2014 is currently mandated "to elaborate an international legally

binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises³. IOE has been engaged in this process from the outset to voice the position on business.

At the regional and national level, several States and State-led organisations have taken the decision to transpose the corporate responsibility to respect human rights according to the UNGPs into legal requirements. This is the case in States such as France, Germany, Switzerland, or Norway. Furthermore, the draft European Union (EU) corporate sustainability due diligence directive (CS3D), once adopted, will require all EU member states to take regulatory action to further the UNGPs' implementation and will also require business to effectively enhance and demonstrate respect for human rights and the environment throughout their supply chains, making **it a fundamental prerequisite for access and retention of markets**.

With these requirements increasingly becoming mandatory, companies of all sizes and in all geographic regions face important challenges trying to meet them. Many businesses have highlighted how little guidance they have from a business perspective on how to concretely integrate requirements into their company operations and systems.

- Multinational Enterprises (MNEs) are specifically addressed by the evolving regulatory framework due to the size and cross-border contexts of their operations. They may also have operations and/or business partners in countries with complex social and environmental challenges and State weaknesses which need to be addressed within their activities.
- Micro, small and medium-sized enterprises (MSMEs) on the hand face particular challenges in the implementation of Human Rights Due Diligence (HRDD) in their operations. Oftentimes, MSMEs remain outside the debate on BHR due to their more limited resources and capacities for HRDD implementation despite being key actors through their role in value chains. They require targeted support and engagement to achieve compliance with evolving requirements.

Global employer community committed to promoting BHR uptake

In 2015, the Global Employer Community, represented by IOE, adopted the Bahrain Declaration with an explicit commitment to promote the uptake and implementation of the UNGPs. The Bahrain Declaration reflects the high importance IOE and its members attach to human rights. IOE and its EBMO members have continuously been engaged in the promotion of the UNGPs since their adoption. They have issued human rights guidance and implemented initiatives related to awareness raising, training, capacity-building, and peer-learning processes to promote the uptake and implementation of the UNGPs and other instruments by business enterprises. EBMOs have initiated and contributed to public recognition of good practices within the business community in response to human rights issues. EBMOs have also played an important role in promoting collective action, for example, by influencing global supply chains to introduce changes in line with the UNGPs. EBMOs have likewise

³ More information on the OEIGWG can be found here: Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights | OHCHR <https://www.ohchr.org/en/hr-bodies/hrc/wg-trans-corp/igwg-on-tnc>

engaged with governments in the development of National Action Plans (NAPs) and other related frameworks. However, more can be done.

Businesses have been alerted to the importance of proactive and continuous engagement with stakeholders to identify issues and impacts, define commitments and policies and find solutions to common problems. Businesses have also increasingly come to find that the risk of not engaging is much higher than engaging in the first place. For companies, the UNGPs and other instruments triggered a paradigm shift that clarified that **human rights risks are not about risks to the company but, rather, about risks to the company's stakeholders.**

Rationale for an IOE Centre

States are bound by international human rights law; they are obliged to respect, protect, and fulfil human rights. As part of this obligation, the UNGPs prescribe that States “*must protect against human rights abuse within their territory and/or jurisdiction by third parties, including business enterprises [...] through effective policies, legislation, regulations and adjudication.*” (UNGP 1). To achieve this, they are to “set out clearly the expectation that all business enterprises domiciled in their territory and/or jurisdiction respect human rights throughout their operations.” (UNGP 2).

At the same time, business enterprises have a “*responsibility to respect human rights.*” (UNGP 11 ff.) “*This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.*” (UNGP 11).

The current struggle for enterprises around the world is how to implement requirements and expectations of BHR and RBC in practical terms. It is in the interest of all actors (States, business enterprises and EBMOs, as well as, notably, rights-holders themselves and other relevant stakeholders) that business has the tools required to take a strong initiative in HRDD implementation.

The establishment of a Centre on Human Rights and RBC will **promote respect for human rights in the framework of business activities globally** by bridging the existing information, knowledge, cooperation, and competency gap on human rights and RBC. As the first business-driven initiative of its kind, the IOE Centre will be a welcome addition to an already existing ecosystem of national and international, public and private knowledge-sharing initiatives and information providers.

IOE has been active and committed in the field of BHR for years. IOE was the first business organisation to endorse the UNGPs, and took a proactive role in informing and training businesses on the existing and expected legislative instruments to emerge as a result. Based on this longstanding commitment and action, IOE is a reliable proponent of UNGP implementation, and a respected and valuable partner with years of collaboration with relevant NGOs and national human rights institution-driven centres.

Role of EBMOs, States, and other stakeholders for balanced information and support

IOE, through its convening power, is uniquely positioned to establish this global business initiative. With a membership of more than 148 EBMOs representing more than 50 million companies in 150 countries, IOE constitutes a powerful network and stakeholder base, ideally positioned to be a catalyst for the uptake of the UNGPs and other international instruments, and connect international and national stakeholders.

EBMOs are not only important multipliers which can reach and build capacities of MSMEs throughout all stages of supply chains, but they are also engaged at the political level in framing labour markets in a social dialogue. Through its members and partners, IOE has access to a large scope of regional, national, and local information on business needs and requirements. The IOE Centre will be able to rely on this network, content, and capacity.

The IOE recognises that **only a mutual approach by States and the business community can address existing shortcomings** in implementing commonly agreed standards on BHR and RBC and avoid re-divergence from them in the future. For this reason, IOE is actively seeking partnerships to level the playing field and substantially inform and further incorporate EBMOs, small business associations and companies, including MSMEs. As was the case for the design phase of the IOE Centre, which was enabled by **support from the German Federal Foreign Office** through its Permanent Mission to the United Nations in Geneva, State support for business uptake and implementation will be an important factor for the success of the current regulatory wave and NAP processes around the world.

Understanding that governments must commit to developing policies and strengthening regulatory frameworks to better align private sector incentives with public goals, some States have already taken national action in this regard. However, balanced information and support will be basic requirements for continued progress. A coherent and business-centred international system of information for business enterprises worldwide must be established.

IOE calls on all State actors to support its initiative to establish a Centre on Human Rights and Responsible Business Conduct.

Start-up and Review Phase

To build the specific knowledge base and better identify the scope of an IOE Centre, IOE conducted a review process in the second half of 2022. As a part of this work, the following was undertaken by a team of experts over the course of five months:

- a *benchmark analysis* of existing HR and RBC knowledge-sharing initiatives,
- a *global consultation process* among EBMOs and business, and
- a range of *interviews with core international stakeholders* from the business sector, IOE membership, international and supra-national organisations, and civil society organisations.

The overall finding of this review process is straightforward: there is **a clear need for increased awareness and business-specific information on human rights and RBC**.

As the first initiative addressing the topic of HRDD and RBC driven by the international business community/EBMOs, who are core protagonists of HRDD and RBC implementation, the IOE Centre will be a welcome addition to an already existing ecosystem of national and international, public, and private knowledge-sharing initiatives and information providers.

Benchmark Analysis

An assessment of existing knowledge-sharing initiatives concepts⁴ revealed the diversity of regional focuses and content specificities. Whilst there are relevant approaches in national, international, and in sector-specific settings, they all have one thing in common: they are not business-driven activities at a global scale.

The IOE initiative will focus on being a cooperative and complementary actor to existing initiatives led by international organisations such as e.g. the ILO Helpdesk for Enterprises on International Labour Standards or the UN Global Compact BHR Accelerators which are established helpdesks and information centres. The IOE Centre team will also follow developments among actors and organisations in the process of planning or implementing similar initiatives such as the Team Europe Initiative (TEI) by EU member states to support the implementation and roll-out of the EU CS3D in the future. The TEI is aiming at an information mechanism potentially incorporating national initiatives which have been tailored to HRDD needs. **As a knowledge-management and knowledge-sharing platform tailored to EBMO's and businesses' needs**, the IOE Centre will also aim to monitor the **process and provide consultation** to the EU CS3D and other initiatives to support effective HRDD implementation.

Global Consultation Process

Consultations with EBMO and business representatives from Africa, Asia, Europe, Latin America, and North America were conducted as part of the global consultation process to review the need for a business-driven Centre. Priority was given to listening to the needs and requirements of EBMO members and other business representatives who contributed their points of view, experiences, and recommendations to further the process in response to a set of tailored guiding questions:

- 1. What important challenges do companies from your country face with regard to Business and Human Rights (BHR) and Responsible Business Conduct (RBC)?*
- 2. How would a Centre/regional Hub on Business and Human Rights and Responsible Business Conduct ideally support employers' associations and their member companies' efforts in this field?*

⁴ Please see the detailed Benchmark Analysis.

3. Which would be your overall recommendations for the establishment of such a Centre/Hubs?

A similar approach was utilised to incorporate both **multinational companies'** voices (MNEs) and the **voices of MSME representatives**. For MSMEs, due to their specific role and challenges in HRDD uptake and implementation, their contributions form an important component to further inform the IOE Centre design process. Outreach to MSMEs was supported by AMFORI⁵ as well as by the ILO via its SCORE⁶ Programme.

Business observations, recommendations, challenges, and opportunities

- Overall, a **strong pressure from markets and an increasingly diversified international, regional, and national legislative landscape creates challenges for a wide range of business enterprises**. Many business enterprises, particularly MSMEs, are struggling to live up to the numerous and diverse requirements.
- One **unintended negative consequence** of the proliferation of RBC instruments has been an **increasing confusion around the different concepts and international standards** on the BHR and RBC agendas. More diversified standards on international, national and local levels make it increasingly difficult for businesses to understand what their respective reference standard should be. This can also obstruct the identification of what actions they are already taking that can be considered part of a company's HRDD and RBC work.
- Many businesses are **not yet aware of the intrinsic human rights relevance** for issues such as climate change, migration, just transition, or the implementation of the UN Sustainable Development Goals (SDGs) among others. Some MNEs are only beginning to observe the intersection of human rights and the environment in their activities, which creates governance challenges as the environmental and social functions of the environmental, social and governance (ESG) approaches tend to be traditionally considered separately. There is a need to break down silos among these issues. Increased understanding and awareness for HRs and RBC can be an important harmonising step to support this.
- Some of the more specific findings of the consultations included the confirmation that **challenges in the implementation of HRDD differ widely** among different world regions and business types; the level of maturity of the BHR/RBC debate at the national or even company level can play an important role in this regard. **A strong lack of general awareness of basic BHR/RBC concepts is one of the biggest challenges for EMBOs and businesses to uphold responsible business conduct worldwide**. This holds particularly true for MSMEs as most EMBOs face challenges reaching out to them. This is the case to an even larger extent in contexts with high levels of informal work; a challenge which will have to be overcome to attain the normalisation of BHR/RBC globally, particularly for MSMEs. For MNEs, main challenges lie in having a meaningful impact in improving awareness both at specific levels of their supply chain and also internally for their own employees.
- Because of the lack of awareness, some companies face important **difficulties**

⁵ <https://www.amfori.org/>

⁶ <https://www.ilo.org/empent/Projects/score/lang--en/index.htm>

in the actual transfer of regulatory requirements and policy expectations into their internal structures which are not always fit for purpose to cope. A reputational risk can be a driving force but can also have damaging effects for business undertakings where companies are publicly denounced as high-risk suppliers and/or exploitative. Some businesses also see the potential risk of being excluded from specific markets or value chains.

- A lack of awareness does not only occur on the producing or extractive side. It can also arise on the buyers' side, where **sourcing companies are at times uninformed about the local context and regulations applicable to their suppliers or business partners. This information gap will need to be overcome.** Also, the national administrative exclusive status provided to local companies by local authorities generally falls outside the assessment of buyers' companies. Because of a general lack of specific local information, sourcing companies might tend to refuse doing business with local companies considered as non-compliant with the regulation applicable in the State of establishment or main business activity of the sourcing company. This bears the **risk of "cut and run"** situations where the ties to smaller producing or extractive business enterprises in difficult State settings are being cut and new providers of the required products or materials are identified. This constitutes another unintended negative consequence potentially linked to HRDD.
- Many of the above-cited challenges can be connected to **systemic root causes businesses and EBMOs have to cope with, such as high levels of informality and settings of corruption.** More than 60 percent of the global workforce works in the informal sector and it is there that the decent work deficits are the highest. This can be a strong limiting factor in HRDD uptake and implementation through business enterprises. Additionally, **in some States, the BHR&RBC agendas have so far not been conveyed by governments at all.** Relying on and furthering goodwill of the private sector and civil society to do so nonetheless is not a satisfactory route toward sound business operations. Particularly **in States with deficits in rule of law and HRs protection, EBMOs and business enterprises are faced with fundamental challenges to uphold respect for human rights** and to have a meaningful impact for rights-holders on the ground. This is especially true in high-risk contexts and/or settings affected by geo-political tensions. Both can impact commitments to HRDD and RBC as they are conducive to grey zones with little advice for business on how to navigate.
- Irrespective of this, **there is a need to continue to raise awareness and build capacity among companies, particularly smaller companies, on the expectations stipulated by the UNGPs and other international instruments.** This can leave them without a preventive and anticipatory approach that would enable a suitable response to the ongoing international regulatory evolution. Consequently, exporting companies, particularly in developing countries, increasingly face a *fait accompli* situation, when it is their interest to export a product, discovering that they must comply with specific requirements or otherwise could potentially face liability. For most companies around the world, particularly MSMEs, human rights are not the core aspect of operations.
- While human rights should become a component which is respected in all business activities, the effort to implement respect for human rights can be subordinate to **keeping businesses in operation, a goal which can contribute**

to the attainment of a range of human rights. In their struggle to maintain their business and without additional resources and information, exporting businesses in developing countries will not generally be aware that a HRDD/RBC strategy could potentially facilitate their access to markets, financing, and increased productivity and/or competitiveness.

- The link between trade, investment and RBC is not yet clearly understood in the global South, which points to an important gap to be filled by the IOE Centre to show the business case and how RBC can be a catalyst for increased productivity and investment attraction. **A bi-directional exchange between importing/sourcing and exporting/producing businesses around the world should be furthered to address this challenge.**

The global consultation showed an overall **lack of resources and access to knowledge and expertise on HRs and RBC for EBMOs and business enterprises, especially for MSMEs with limited resources**, and particularly in regions and States with less developed policy and supporting infrastructure. However, the evolution of international, regional, and local legislation and the resulting challenges for business enterprises create an increasing need for information and support in this domain. While a range of companies have already adapted business practices to incorporate HRDD, many more **businesses around the world do not know or properly understand exactly what is required of them.**

HRDD and RBC may have become central themes in the public discourse in main consumer markets of the world. Transmitting and implementing them coherently around the world, however, will require a common effort by *all* business enterprises, which have to rely on States for the rule of law and State structures to be upheld. Progress in uptake and implementation will remain fragmented as long as so many business enterprises continue to face unreliable State structures and continue to have limited knowledge and information about how to practically implement HRDD and RBC across their systems and operations.

The IOE has informed and supported businesses and EBMOs around the world regarding HRDD and RBC for many years. Through the IOE Centre, this support will be scaled up considerably in its scope, actively contributing to a new period of normalisation of what has been achieved in the policy discourse on HRDD and RBC so far. This BHR and RBC *acquis* needs to be embraced for implementation by business, with the support of EBMOs. The States' role of protecting human rights as well as enabling and practicing respect in state-owned business undertakings will be of crucial support for this agenda. This normalisation process can realistically only be led by a business-driven and EBMO-led initiative with State support. **The IOE Centre on HRs and RBC is this initiative. It comes timely and fit for purpose.**

Outline for the IOE Centre

General Outline

The IOE Centre will have a unique trait: it will be the **first business-led initiative furthering the implementation of the BHR and RBC agenda internationally**. With business associations included at its core, the IOE Centre will not only be able to inform business enterprises with hundreds of millions of employees worldwide via its business membership around the world, but also **contribute to a harmonised normalisation of the BHR and RBC agenda**. By actively involving business, a core actor for the successful HRDD implementation, true relevance and impact can be created.

The Centre would carry out the following activities:

- Develop and disseminate guidance and tools for businesses to implement human rights due diligence processes, including risk assessments, impact assessments, and remediation measures.
- Facilitate dialogue and collaboration between businesses, governments, civil society, and other stakeholders in different regions to promote responsible business conduct and human rights.
- Provide training and capacity-building for businesses, including workshops, webinars, and online resources businesses to identify, prevent and mitigate human rights risks.
- Conduct research and analysis on emerging human rights issues and their implications for businesses, including the development of best practices and case studies.
- Organise events and conferences to raise awareness and review the latest questions and information on responsible business conduct and human rights.
- Develop partnerships with other organisations, including business associations, NGOs, and academic institutions, to advance the centre's objectives.
- Develop a network of businesses committed to responsible business conduct and human rights.
- Promote transparency and disclosure by businesses on their human rights impacts and actions.

An additional planned step in the IOE Centre development, contingent on funding, is to establish **regional hubs** in four geographic areas. Regional Hubs will likely be based in and will have to adapt to a developing country environment. These regional Hubs will address the regional, national, and local contexts and BHR/RBC challenges more specifically in the respective regions in the future. Many of the resources available to companies are mostly based in Europe and North America, and they do not always have up to date data on Africa, Asia, Latin America processes. The regional

hubs would focus on how companies can practically apply, integrate, and implement regional and national policies into their business operations. The synergy with initiatives and work such as that done by Global Compact, OHCHR, UNDP, GRI, ILO and OECD as well as engagement with and inclusiveness toward regional actors and entities will be an integral part of the regional Hubs' work. Existing structures shall be used for and included in this as far as possible, which will potentially favour some world regions as first-starters.

The aim of the regional hubs is to be “one-shop-stop” hosted by an organisation that companies in the region know and trust to receive information and advice on the business and human rights and on reporting their implementation. Furthermore, because there is a proliferation of tools and instruments for sustainability reporting and for responsible business conduct and the fight against corruption, it is very complicated for companies in these regions to establish which are important to them and their operations. The regional hubs can support them with this. **The hubs can be subscriber-based at a small fee for all foreign and national companies so they can be self-sufficient and sustainable.**

Because partnership, cooperation, and interest-balancing are core factors for HRDD implementation, the IOE Centre will guarantee a **framework for interaction between business and non-business actors** in order to provide balanced information to EBMOs and business enterprises. This will be especially useful in circumstances where States cannot or do not guarantee comprehensive legal protection in the human rights field, which is often intrinsically linked to a lack in rule of law. It is in those settings that the **role of third actors** becomes particularly relevant to avoid that businesses discontinue their engagement in specific local or national contexts. IOE intends to observe, listen to, learn from, and include those actors, institutions, mechanisms and initiatives who commit to truly advancing the business take-up of the BHR and RBC agenda internationally as part of the IOE Centre work.

The IOE Centre will follow an incremental approach in its content:

- First stage: the content shall be tailored for uptake and dissemination through EBMOs. A further extension is desirable but will have to come at a later stage and will be contingent on available resources and funding.
- Second stage: Additional content themes adjacent to human rights, i.e. environment or anti-corruption components which are increasingly included in national HRDD legislation, can be adopted. Other components of RBC (e.g., sustainability according to the SDGs) will be borne in mind for the gradual evolution and content extension of the IOE Centre.

Providing information and support through a mix of online and in-person guidance, training, and support will form the core of the IOE Centre activities. Building a strong **online information format** will be in line with many of the reviewed initiatives and should be the central task of a core team of content advisers and core IOE Centre staff. Regular (virtual) interactive formats could be introduced to guarantee direct access opportunities to relevant information. Due to technology and/or accessibility constraints in certain geographic areas, face-to-face engagement can be helpful for some EBMOs.

It is not envisaged that the IOE Centre will operate as a helpdesk, as this may not be viable in the long term and duplication of efforts with established initiatives such as the German Helpdesk and ILO Helpdesk should be avoided. Understanding that each national context has specific risks and the IOE Centre will provide up to date business-specific information from national and international sources, including: who should companies contact? Are there competing organisations that may be riskier than others? How can companies navigate paperwork?

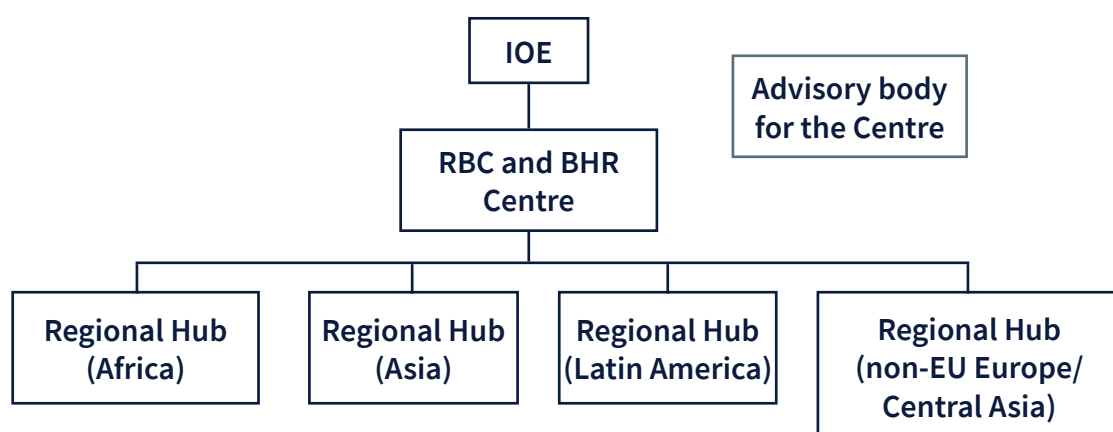
Because IOE has 148 members in over 150 countries, IOE's proposed project would go beyond a superficial overview/risk assessment and can support both foreign or national companies of all sizes on business and human rights issues in producing countries by engaging directly with business organisations (including supporting with capacity building of suppliers, mapping of stakeholders, supporting companies in producing countries on BHR and RBC, supporting foreign and national business on due diligence in countries, etc).

Structural Outline

Unlike other knowledge-sharing mechanisms, the IOE Centre will not be conceived as a new and independent stakeholder in the BHR and RBC environment. It will rather clearly be designed as a project **initiated by and linked to IOE**. With IOE as the organisation behind the IOE Centre, important opportunities arise: IOE can bring to the fore its world-spanning network of 156 national EBMOs and business partners. As part of the tripartite constituency at the ILO, IOE knows and values the critical role played by social dialogue and has long addressed BHR and RBC in its activities. IOE carries, beyond any reasonable doubt, a wide-ranging business competence in its institutional DNA. With strong, distinctive features, IOE is, therefore, exceptionally positioned to bring complementary perspectives and new incentives to HRDD implementation internationally.

The structural set-up of the IOE Centre shall provide opportunities for **all relevant stakeholders to bring their voices** to the table in advising the IOE Centre's work. This shall be guaranteed through the putting-in-place of structures which include a Board and an Advisory Board for sound participation and contribution of internationally relevant stakeholders.

Proposed structure of the IOE Centre:



- The **Advisory Body** would provide:
 - an opportunity for funding and content partners, including international organisations, national governments or third-party knowledge-sharing mechanisms, to impact the functioning of the Centre.
 - ample room to include important non-business perspectives from experts on BHR and RBC from different regions, as well as input and advice from those who could be potentially affected by adverse human rights impacts or those who are well acquainted with their concerns.
- To enrich the IOE Centre in the future, information with more specific and tailor-made support will be potentially included through **regional hubs**. These hubs shall ideally be established in regions with high business activity, and which are major suppliers of goods and services internationally. This could include the set-up of regional hubs in Africa, Asia, Latin America, and non-EU Europe where regulation, information, and State support for businesses in BHR and RBC implementation has been found to be comparatively limited so far but where MNEs increasingly require their producing partners to live up to the standards applicable to them.

This can be a challenge particularly for MSMEs, as they may not have the capacity to create knowledge and expertise on BHR and RBC by themselves and they often depend on MNEs in international markets. They may, therefore, be unfavoured in international markets as an unintended negative consequence of BHR and RBC legislation. The IOE Centre and notably its regional Hubs would contribute to reducing this risk and to enabling informed action on BHR and RBC notably in such circumstances. **Bi-directional exchange of information between markets** with strongly developed and less developed BHR and RBC policy and regulation uptake and implementation shall be guaranteed as a part of this with the intention of ensuring an increased look to the challenges of upstream and downstream business enterprises in HRDD implementation.

Content Outline

The IOE Centre's activities will be based on the highest international standards of expertise in the BHR and RBC context. Attaining this comes with the challenging task of manoeuvring in an environment which can carry a strong potential for political and interest-driven interpretation. Therefore, an important success factor for the IOE Centre will be to provide balanced fact and evidence-based information. To achieve this, the necessary time and resources to develop and fact-check any information and support shall be provided within the IOE Centre set-up.

Information from existing initiatives, such as the ILO Helpdesk for Enterprises on International Labour Standards or the UN Global Compact BHR Accelerators and select national or sector-specific initiatives, will be reviewed and potentially integrated and/or referenced as a part of this. It will also be essential to maintain a **excellent dialogue** with the receivers of information, with rights-holders and/or affected groups in HRDD, as well as with other relevant stakeholders in UNGP implementation. To this end, local

voices and stakeholders from the human rights field will be key components in IOE Centre content.

As seen in benchmark review, which was part of the feasibility study for the Centre, raising awareness for the underlying concepts of the UNGP framework and RBC among businesses of all sizes and in all regions of the world is of primary importance. The focus of the Centre will be on existing and expected policies and regulations on BHR. This will notably include, but is not limited to, the UNGPs, the OECD Guidelines, the ILO MNE Declaration, any regional regulation on HRDD and non-financial reporting, as

well as other national regulatory instruments (e.g. transparency, or anti-corruption regulation) with relevance for BHR/RBC. More specifically, there shall be concise guidance on the core elements of the internationally applicable or relevant regulatory and policy instruments on BHR/RBC with relevance for business enterprises internationally.

General background information will be required on material international human rights law, such as the International Bill of Human Rights and the ILO Fundamental Principles and Rights at Work as enshrined in the core ILO conventions and protocols and thus according to the scope foreseen by the UNGPs. For the sound provision of this information, close cooperation and cross-referencing with other knowledge-sharing and helpdesk initiatives, will be crucial for the successful operations of the IOE Centre as it is from within these organisations as well as internationally and nationally established interpretative and judicative bodies that interpretation of international law is provided. In all of this, it will be a success factor of the IOE Centre's work to provide the information in a **business-compatible language** and to notably break down any legalistic information to the practical implementation needs of business constituents.

As important multipliers, national EBMOs will be the focus of an IOE Centre to receive information and training. EBMOs will then be able to pass on this information and inform their constituents, thus acting as catalysts for their own member companies and reinforcing the **cascade effect**. Information and support will also increasingly be provided directly to business enterprises. This will then also include more in-depth information on regional, State-specific, and local HRDD contexts. While national EBMOs shall be properly represented as the main receiving stakeholders of the information and services provided, the human rights due diligence approach, according to the UNGPs, should always be focused on persons (potentially) affected by adverse human rights impacts. Therefore, their perspective shall also be at the centre of attention in background information on UNGP implementation, just like in potential sample cases and all other content provided for business orientation. This may eventually also contribute to the acceptance of the IOE Centre and its regional Hubs as **reliable sources of knowledge** and innovation in the broader B&HRs community.

In addition to the described core information, the objective of the IOE Centre is to provide case studies, infographics, informative videos, webinars, specific blog entries, interactive tools and formats, and any other relevant content for which a specific need is articulated by EBMOs and the business community at large. All content shall, as a priority, be made accessible via a central online portal. Depending on resources

and scope, this can additionally be accompanied by in-person training and context-specific information tailored to State, regional, and local needs. All the information and support provided by the IOE Centre via its online portal will be in English, Spanish, French (IOE's official languages); but potentially also other UN languages depending on available resources and requirements. Any future regional hubs will therefore be able to build their work based on the basic set of practice-oriented information already assembled and provided in the respective language version by the IOE Centre.

IOE's ambition is to guarantee a balanced fact-based approach to information and support provided by the IOE Centre. UNGP implementation always comes with a margin of human rights appreciation and, therefore, leaves room for individual application and specification. The review of content provided by an IOE Centre shall be conducted with the help of independent experts who fully understand the business and the human rights contexts and the complementarities and synergies with relevant community/stakeholders involved in UNGP and RBC implementation.

Finally, and as also prescribed in the UNGPs, the review and evaluation of content and work results generated by the IOE Centre shall be a regularly recurring component of its activity. Guaranteeing the highest standard in the provision of information and support is a core success factor for the IOE Centre's approach and shall be a yardstick to measure the suitability of its activity in the future. To this end, **regular third-party reviews of the content** and its propulsive force for BHR and RBC implementation shall be conducted, ideally with the support of experts and academic partners. This type of reliable external quality control will both be conducive to a coherent functioning and acceptance of the IOE Centre and a precondition for guaranteeing a constant and up-to-date evolution of information and support provided.

Funding the IOE Centre

With the IOE Centre, IOE is aiming for a long-term initiative which will not only contribute to the attainment of the SDGs by 2030, especially by MSMEs, but will also shape the second decade of UNGP implementation by 2031, and integrate an understanding of the synergies between the main international reference documents and initiatives on Responsible Business Conduct and Business and Human Rights.

Understanding that only a mutual approach by States and the business community can address existing shortcomings in implementing commonly agreed standards on BHR and RBC and avoid re-divergence from them in the future, **IOE is actively seeking public and private funding partners to ensure the sustainability of HRDD implementation and normalisation process** and guarantee the long-term functioning of the IOE Centre up to the second review of the UNGPs in 2031. Any evolution of the IOE Centre shall be inclusive to all business types and must not lead to favouring those business enterprises which are already advanced in their BHR and RBC uptake and implementation process.

The Centre will also prioritise building a network of supporters and donors who are committed to this mission and goals. Any funding at this stage will be matched with the opportunity to contribute to further shaping and refining the IOE Centre design. It

is also foreseen to offer a **formal engagement in the IOE Centre structures** to core funding partners.

Central funding elements for the IOE Centre will include, a core team of highly qualified staff as well as external experts on HRs and RBC tasked with positioning the IOE Centre suitably and content development. They shall further be tasked with guaranteeing the quality and continuity of the IOE Centre's role and success in BHR and RBC implementation. Given its experience in the relevant stakeholder and content environment and with a commitment **IOE stands ready to host the IOE Centre**, a move which will reduce costs, and ensure integration into a functioning organisation. Based on its own Secretariat structures, IOE will be able to back the initial steps of the IOE Centre through initiation support, communication, coordination with IOE members, multilingual translations, and other typical Secretariat functions. With the support of interested partners, IOE will champion the initiation phase of the IOE Centre, identify suitable partners and advocate for its continuity and evolution.

The IOE Centre shall be established as a balanced content-driven initiative primarily aiming to inform EBMOs and businesses, while also actively engaging with stakeholders from a non-business background. It is IOE's ambition to further build trust among core BHR and RBC stakeholders around the world to guarantee implementation and normalisation of the BHR and RBC agenda internationally.

The roll-out of the IOE Centre will be done in structured phases starting in 2023 for the next three years.

Year 1 activities USD 485'000

- Develop a strategic plan and budget for the centre's activities and programs.
- Identification and recruitment of expert staff, including a Senior Strategic Adviser, two researchers (including legal and regulatory expertise in business environment), and administrative and finance personnel.
- Conduct a needs assessment to determine the most pressing human rights issues in the global and global context and conduct research on key human rights issues identified in the needs assessment.
- Officially launch the centre with a public event and media campaign to raise profile of the Centre's mission and goals.
- Establish partnerships with international and local organisations, such as universities, non- governmental organisations, and government agencies, to collaborate on research and advocacy projects.
- Launch content platform and knowledge-sharing activities.
- Set up structure of bi-directional dialogue and host a major conference/event.
- Set up structure of regional hubs that can focus and provide regional-specific guidance.

- Set up initial online training session to upskill 12 business and human rights specialists to lead regional hubs.
- Set up a general one-day digital training on National Action Plans (NAPs) for each region.
- Select a pilot country for in-country capacity building workshops in partnership with other stakeholders.
- Content development and production of information and support materials and Infographics, translation, interpretation
- Web development, financial and other reporting, IT infrastructure and administration

Year 2 activities USD 865'000

- Expand outreach, training, and education efforts. Training and guidance on themes of high priority will help member organisations get a better understanding of BHR and RBC issues, which is a precondition to effectively influence policymaking.
- Publish research reports, policy briefs, and other materials to share the Centre's findings with a wider audience.
- Installation and operation of regional Hubs to support the IOE Centre in specific regions. This will allow us to further enlarge the scope and specify the content of the IOE Centre in a regional, national, and, ideally, local setting. During this phase of the project, the engagement of business enterprises and their stakeholders in developing countries without specific BHR/RBC regulation shall be a focus of the IOE Centre through its regional hubs.
- Develop sustainability and growth strategies.
- Develop policy recommendations and advocacy campaigns.
- Organise public events, such as conferences, workshops, and seminars, to engage with local and international stakeholders and raise awareness about human rights issues.
- Continue coherent dialogue with relevant stakeholders as well as interaction with other existing knowledge-sharing mechanisms.

Year 3 activities USD 865'000

- Continue research, training, and advocacy activities on key human rights issues, with a focus on implementing policy recommendations and measuring impact.
- Strengthen partnerships with local and international organisations to expand the Centre's reach and influence.
- Review the uptake of the UN agenda 2030 (SDGs) from a business side, notably by enabling and supporting UNGP uptake and implementation contribute to sustainable development and the completion of the until that point in time.

- Develop new initiatives and programs to address emerging human rights issues and gaps in existing research and advocacy efforts.
- Expand the Centre’s media and public relations activities to raise its profile and influence.
- Conduct a strategic review of the Centre’s activities and programs to identify areas for improvement and ensure long-term sustainability.

Timeline and Next Steps

IOE intends to go ahead with the **establishment of the IOE Centre on HRs and RBC in Q4 2023 contingent on receiving a minimum funding amount of 300,000 USD.**

With the IOE Centre, IOE remains committed to tangibly and constructively contributing to the reinforcement and implementation of the BHR and RBC agendas globally. In this effort, IOE strives to support the betterment of international economic cooperation and development with this initiative together with its partners.



A powerful
and balanced
voice for business

Avenue Louis-Casaï 71 – CH-1216 Genève
T +41 22 929 00 00 F +41 22 929 00 01
ioe@ioe-emp.com • ioe-emp.org

© IOE 2023