

GBA Intervention on:

Human rights, the right to development and global governance.

Thank you Chair. My name is John Drexhage, and I am here representing the President of International Council on Mining and Metals and am making this statement on behalf of the Global Business Alliance for Post 2015.

ICMM is an organization supported by 21 members from the mining and metals industry and is focused on promoting sustainable development in its members' corporate policies and practices. ICMM has been very active in the realms of human and indigenous rights both in multilateral forums and in community level initiatives. It has examined and held workshops on handling local level concerns and grievances, integrating human right due diligence into corporate risk management processes and has recently produced a community development tool kit as well as a good practice guide on indigenous peoples and mining. The reason we do so is simple: these issues are an integral part of social license for the industry and promoting a pragmatic and effective human and indigenous rights agenda means long term, sustainable economic growth for all concerned.

Let me begin with this important observation: States bear the primary duty for social development, poverty alleviation and ensuring the protection and realization of human rights. They also have responsibility for the effective management of the natural resources on which development often depends. These aspects are closely interlinked and require a vibrant and well-functioning private sector, working together with government and stakeholders, to enable significant progress towards a truly sustainable future that will see the realization of economic, social, gender, civil, political, legal and cultural rights.

We believe that the Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework, adopted by the UN Human Rights Commission in 2008, should be an important element in any decision going forward on human rights in the post 2015 agenda.

As noted in that decision, the Framework rests on three pillars. The first is the State duty to protect against human rights abuses by third parties, including business enterprises, through appropriate policies, regulation, and adjudication. The second is the corporate responsibility to respect human

rights, which means that business enterprises should act with due diligence to avoid infringing on the rights of others and to address adverse impacts with which they are involved. The third is the need for greater access by victims to effective remedy, both judicial and non-judicial.

Since 2008, the Framework has been endorsed or employed by individual Governments, business enterprises and associations, civil society and workers' organizations, national human rights institutions, and investors. The International Organization for Standardization and the Organization for Economic Cooperation and Development adopted this Framework in developing their own initiatives in the business and human rights domain. Other United Nations special procedures and organizations have invoked it extensively.

We would suggest that concrete targets be developed around these three pillars by seeking more governments, businesses, investors and others in civil society to sign on to this important framework on business and human rights.

Mr. Chair, business has an extraordinary potential to enable and contribute to social development, poverty alleviation and the realization of human rights. For example, business plays a significant role in producing the basic materials and developing and operating essential infrastructure that enables social and economic advances. In many post-conflict situations and fragile states, business has been essential in kick-starting economic and social progress, helping to sustain peace-building efforts as well as encouraging respect for the rule of law. Where governments embrace a market-economy and create the enabling environment for business to flourish, progress against the can be accelerated. In parallel, opportunities for the realization of many human rights are enhanced.

The reality is that without a thriving competitive private sector, significant social and economic progress is unlikely to be achieved and impossible to sustain. A healthy business environment — where companies make investments, create jobs, deliver services and improve productivity — helps alleviate poverty by contributing to economic growth, increasing employment and enhancing people's incomes and opportunities.

However, states effectiveness in enabling development depends on good governance and on the quality of its institutions – social, political and economic. States need to: create an enabling environment that incentivizes

businesses to expand their productive capacity in a responsible manner; provide social protection for the most vulnerable and strengthen their capacity to sustain livelihoods; and encourage collaboration between the state, business and other stakeholders in support of enhanced developmental outcomes.

To create a healthy business environment, states must ensure that markets and entrepreneurial activity are not stifled by excessive regulation and taxation, unfair competition, corruption, or an unstable policy environment. They must establish rules that: clarify property rights; reduce the cost of resolving disputes; increase the predictability of economic interactions; and provide contractual partners and investors with certainty and protection against abuse.

At the same time, states also have an important role to play in ensuring that business behaves responsibly, in a manner that respects human rights, supports rather than undermines the natural resource base, and contributes to sustainable social and economic progress. Part of this is about incentivizing responsible practices and players – and part is about creating strong disincentives for irresponsible behaviors.

Mr Chair let me be clear: the Global Business Alliance recognizes that business has a responsibility to respect human rights meaning to not infringe on the enjoyment of rights by others and remediating negative impacts with which they are involved.

If those already living in poverty are to enjoy the benefits of an improved business environment, they must be able to actively participate in the potential opportunities that this brings. To do so, requires investments in social and economic infrastructure – notably health, water and sanitation, and education – but also access to training, energy and credit without discrimination. It also requires specific attention to empowering women through access to education and healthcare.

In addition, it involves a sustained focus on governance reforms, particularly those that focus on promoting transparency and eliminating corruption. Corruption exacerbates poverty by impairing service delivery, constraining responsible investment, reducing incomes of the poor and undermining programs designed to address their basic needs, such as sanitation and healthcare. We would suggest that any international governance measures taken in the post 2015 negotiations stay focused on how it can support

effectively addressing this issue at the national and local levels, and not on internal machinations around institution building.

Mr. Chair, we wish to emphasize the real synergies that exist in the conditions necessary for doing good business and eradicating poverty: simple, clear policies and regulations that are implemented efficiently and fairly.

I would like to close by noting three relevant statements that all members of the Global Business Alliance signed on to in its Shared Messages. Namely, all members in the business and industry group recognize:

- The need for good governance focused on: smart regulation with minimal bureaucracy; rule of law; and well functioning national institutions notably to reduce corruption and informality. The implementation of regulations and policies that encourage better practices by governments, businesses and civil society;
- The need to support policies and institutions to protect and promote human rights including: democratic values, independent courts, free speech, and individual liberty; and,
- The need to align and scale up corporate sustainability based on universal principles in the areas of human rights, labor, environment and anti-corruption in order to promote transformative impact on markets and societies.

Thank you Mr. Chair