



RESPONSIBLE BUSINESS CONDUCT IN LATIN AMERICA AND THE CARIBBEAN

Project Fact Sheet

Project Overview

The expectation that goods and services should be produced and supplied in a responsible manner - in compliance with international standards that guarantee the respect for human rights, decent work and environmental protection - has significantly grown. At the same time, the past decades have seen a convergence of international standards on responsible business conduct (RBC), including on the corporate responsibility to respect human rights. Governments, business and civil society in Latin American and Caribbean (LAC) countries are also showing an increased interest in promoting responsible business conduct.

The Project "Responsible business conduct in Latin America and the Caribbean (RBCLAC)" is implemented by the International Labour Organization (ILO), the Organisation for Economic Co-operation and Development (OECD), and the United Nations Office of the High Commissioner for Human Rights (OHCHR). It is financed by and designed in collaboration with the European Union (EU).

The Project aims to **promote smart, sustainable and inclusive growth in the EU and Latin America and Caribbean by supporting responsible business conduct practices in line with the UN, ILO and OECD instruments.**

This initiative is part of the EU's commitment to promote human rights, decent work and sustainable development, a pledge underpinned by the EU Treaties and reinforced in the European Commission's trade policy strategy of 2015 "*Trade for All*". It falls in particular under the Commission's commitment to *identify opportunities for responsible supply chain partnerships* and the *EU's strategic approach to responsible business conduct*, which is based on internationally agreed principles and guidelines. It will also contribute to the EU strategic approach to CSR/RBC as put forward in the Commission 2011 Communication "[A renewed EU strategy 2011-14 for Corporate Social Responsibility](#)" and promote the importance of responsible business conduct in stimulating sustainable development. Moreover, responsible business conduct is a key element in bilateral or association discussions of several LAC countries with the EU.

In addition, the EU and the Community of Latin American and Caribbean States (CELAC) committed to jointly promote "Investments and entrepreneurship for sustainable development" in the latest [2015 EU-CELAC Action Plan](#). Finally, the Project's objectives are also in line with the commitments on responsible supply chains agreed on in the G7 and G20.

Geographical Focus

Activities under the Project will include a mix of regional and country-specific activities. Country-specific activities will be implemented in nine countries: **Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru**. These countries have been selected on the basis of interest identified among government, business and/or civil society actors in working together to promote responsible business conduct, including in the context of National Action Plans on Business and Human Rights/ RBC.

Implementation

Activities under this EU-funded Project are being implemented by the ILO, OECD and OHCHR. It is the first time these three organizations together join forces with the support of the EU to promote responsible business conduct within the framework of a joint regional project. Each organization will contribute to the project with its respective mandate, instruments, and expertise.

ILO

The only tripartite UN agency, ILO brings together governments, employers and workers of 187 member States, to set labour standards, develop policies and devise programmes promoting [decent work](#) for all women and men. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues. The call for ratification and implementation of international labour standards, especially the core labour standards, are included in EU trade agreements.

The [ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy \(MNE Declaration\)](#) provides direct guidance to enterprises (both multinational and national) as well as governments and employers' and workers' organizations on social policy and inclusive, responsible and sustainable workplace practices. The MNE Declaration is the only global instrument in this area and the only one that was elaborated and adopted by governments, employers and workers from around the world. As such, its guidance is founded substantially on principles contained in international labour standards and it forms the basis for ILO's work on CSR.

This Project will draw on ILO's extensive experience on the topic and regional presence. The implementation of this project will seek to involve governments, employers' and workers' organisations through a participatory approach, and foster synergies with ongoing ILO-supported assistance in the [region](#).

OECD

The OECD mission is to promote policies that will improve the economic and social well-being of people around the world. It is home to the most comprehensive international instrument on responsible business conduct, the [OECD Guidelines for Multinational Enterprises](#). The OECD's contribution to the Project will focus on key areas of corporate responsibility covered by the OECD Guidelines, including human rights, environment, labour and corruption.

A unique feature of the OECD Guidelines is that each adhering country is required to set up a [National Contact Point \(NCP\)](#) to promote the Guidelines and serve as a grievance and mediation mechanism to handle complaints and contribute to the resolution of issues regarding non-observance of the Guidelines by a company. Strengthening the NCPs will be a main objective of the OECD contribution to the Project. At the same time, the NCPs will also play a key role in the implementation of the Project, facilitating national ownership, knowledge management and continuity.¹

The Project will also draw on the [OECD Policy Framework for Investment](#) to help strengthen policy coherence around RBC and the [OECD guidance on due diligence in various sectors](#), including minerals, extractives, agriculture, garment and footwear, and financial sectors. Activities will build on the OECD's experience in promoting the effective uptake of its various sector guidance by companies, and include capacity building, research, convening of stakeholders and peer learning.

OHCHR

OHCHR has a mandate to lead the business and human rights (BHR) agenda within the United Nations system and supports the work of the United Nations [Working Group](#) on Business and Human Rights (UNWG) in promoting the dissemination and implementation of the UN [Guiding Principles on Business and Human Rights](#) (UNGPs), the authoritative global standard for how to prevent and address adverse human rights impacts involving business. OHCHR has extensive experience working on BHR issues in the LAC region, including through its regional and country offices.²

OHCHR and the UNWG provide advice, tools and guidance, and supports capacity building for all stakeholders on the UNGPs and BHR-related standards. The UNWG has developed specific [guidance for the development of NAPs on BHR](#), and the UN Human Rights Council has invited States and other stakeholders to engage with the Working Group on their National Action Plans and other relevant initiatives.

OHCHR and the UNWG have also developed guidance and recommendations for business, States and other stakeholders, and facilitated peer-to-peer learning on human rights due diligence by business (Pillar II of the UNGPs) and on access to remedy (Pillar III of the UNGPs), including in the context of the OHCHR "[Accountability and Remedy Project](#): Improving accountability and access to remedy in cases of business involvement in human rights abuses."

¹ Seven out of the nine countries targeted by the Project are Adherents to the OECD Guidelines and therefore have NCPs: Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico.

² Activities under the Project will primarily involve OHCHR regional offices for South America (located in Chile) and for Central America (located in Panama), as well as OHCHR country offices in Colombia and Mexico. See: <https://www.ohchr.org/EN/Countries/Pages/WorkInField.aspx>

Activities

Taking into consideration the peculiarities of each country and in coordination with national authorities, as well as local and international stakeholders, the Project has three components:

- 1. Support LAC governments in the development and/or implementation of National Action Plans (NAPs) on Business and Human Rights/ RBC.**

For those countries where the NAP has already been adopted, the activities will focus on implementation and review of the NAP, while for other countries the Project will facilitate the process of drafting, approving and implementing the NAP.

- 2. Enhance the understanding and capacity of stakeholders (especially business) to implement due diligence to identify, prevent and address adverse impacts on human rights, decent work and the environment.**

Activities under this component will include a focus on specific sectors, such as the minerals/extractives, agriculture, garment, manufacturing and financial sectors.

- 3. Facilitate the sharing of experiences and lessons learned and develop joint initiatives that promote RBC practices.**

Activities will include a number of regional consultations, support multi-stakeholder partnerships, and facilitate the sharing of good practices, in particular between the EU and LAC.

Timeframe

The project will be implemented over a period of 48 months (2019-2023), including a six months inception phase.

Financing

The total budget is €9.5 million, committed from the EU Partnership Instrument under Objective 2: "Promoting the external dimension of [Europe 2020](#)".