











A binding international instrument on business and human rights - why us, and why now?

The contributions of faith actors

Faith leaders and faith-based organisations have a long history of influence in relation to some of the most important issues of rights and justice the world has faced. Recently, we have highlighted to political leaders the need to address the climate crisis; ensure gender justice" and provide meaningful debt relief."

Now, we have an opportunity to encourage governments to put people before profits and fulfill their responsibilities to citizens and their human rights, by urging them to come together in a spirit of cooperation to progress a binding treaty on business and human rights at this year's 11th Session of the negotiations, scheduled for week commencing 20th October. The Call to Action towards the 11th session of the Intergovernmental Working Group on transnational corporations and other business enterprises with respect to human rights was developed by Christian Aid, the ACT Alliance, CIDSE, Bread for the World, Franciscans International and the World Young Women's Christian Association in collaboration with Church leaders. It is a call for an inclusive multilateral process that engages as many governments as possible, enables civil society and human rights defenders to make their views known, and builds consensus around the benefits of a widely adopted and progressive international binding treaty that is effective in upholding the rights of the most marginalised workers and communities.

A binding treaty on business and human rights could help:

- Direct the power of business towards the fulfilment of human rights and wellbeing.
- Protect workers from exploitation and dangerous working conditions and provide access to justice when abuses occur.iv
- Prevent issues such as pollution and depletion of water supplies that heighten the risks posed by climate hazards and undermine rights to food.

- Uphold the rights of Indigenous and other traditional communities who play a key role in stewarding nature and protect human rights and environmental defenders. vi
- Ensure the transition to renewable energy doesn't happen at the expense of poorer countries and the rights of people in poverty. vii

The process

The process towards a binding treaty, or 'legally binding instrument' (LBI) was initiated by global South actors to achieve some of the mentioned goals. Ecuador and South Africa proposed the Human Rights Council Resolution 26/9 for 'the elaboration of an international legally binding instrument on transnational corporations and other business enterprises with respect to human rights' in 2014. This was supported by many civil society organisations, while initially opposed by the UK, US, France and Germany. The Resolution established an Open-ended Intergovernmental Working Group (OEIGWG) to convene the intergovernmental negotiations. The OEIGWG has met for a week in Geneva for the last ten years.

All the most recent related documents can be found here: <u>Eleventh session of the open-ended</u> intergovernmental working group on transnational corporations and other business enterprises with respect to human rights | OHCHR.

For a more detailed history see: <u>Designing-an-International-Legally-Binding-Instrument-on-Business-and-Human-Rights-REV.pdf</u>

The case for the treaty

The patchwork of national and international laws, standards and guidelines currently aimed at preventing and addressing adverse impacts of business practices on human rights has proven inadequate. There are governance gaps, inadequate enforcement of national legislation and serious barriers to access to justice when abuses occur. Internationally, even the most influential frameworks, such as the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, overwhelmingly rely on voluntary efforts by companies as opposed to mandatory rules and accountability mechanisms.

The globalisation of production and investment flows have resulted in rapid growth of transnational corporations (TNCs) with complex structures, value chains and business relationships operating across borders, often in jurisdictions with very different legal systems and levels of enforcement. This has added to the challenge of protecting human rights in the context of business. In today's complex and interconnected value chains, human rights considerations often get lost. TNCs, which bear the

greatest responsibility and often also have significant influence over the practices of smaller suppliers, are rarely called to account for abuses when they occur.

A binding treaty would make an important contribution to global governance, reducing the risk that governments put business interests before human rights considerations. Undue influence of business and investors over policymaking is visible in the presence of fossil fuel industries in climate change negotiations; the prevalence of international trade and investment agreements that prioritise business interests over human rights and environmental protection; and business involvement in the treaty negotiations themselves.* This influence can also result in weak environmental protection, the significance of which was acknowledged in 2022 when the UN General Assembly recognized that a clean, healthy, and sustainable environment is a human right, following Human Rights Council Resolution 28.13 in 2021. A binding treaty could help ensure that this right is realised particularly in the context of the transition to renewable energy, in which the rush to secure critical minerals*, keep production costs low* and invest in large renewable energy projects* all involve significant human rights risks affecting the global South disproportionately.*

Amid these global challenges the testimonies of people and communities affected by human rights abuses by businesses of all kinds are powerful, distressing, and illustrate the disproportionate impacts on people living in poverty (many of whom are women) and the many barriers they face in seeking justice.** We urgently need to move from 'encouraging' companies to meet their responsibility to respect human rights to mandatory measures. In this, national laws are important, but international cooperation is also needed. A binding set of rules, building on international human rights law, could complement national legislation, ensure a 'level playing field' and improve access to justice for people affected by human rights abuses and violations, including outside of their national borders when necessary.

The challenges

In negotiating the draft treaty, divergent views^{xxi} have had to be reconciled, and human rights groups have also fought hard to ensure important principles are upheld.^{xxii} Whether the treaty should apply only to TNCs or to all businesses, and, if the latter, the nature of provisions needed to address specific and differing challenges associated with TNCs on the one hand and small and medium enterprises on the other has been the subject of intense discussion;^{xxiii} as have requirements to address the differential impacts of human rights abuses on women and other marginalised individuals and groups.^{xxi}

A degree of consensus on key provisions appears now to be emerging. With improved facilitation by the chair of OEIGWG and the hard work of civil society coalitions, the momentum picked up significantly in 2024.* The opportunity now is to build on this progress while time allows - the looming crisis in funding the UN system means time and resources could be running out for finalising the treaty.

Getting Down to Business - Christian Aid

ⁱ Global faith leaders call for urgent action on climate change - Vatican News; 154 religious leaders from world regions call for climate resilient future - ACT Alliance

[&]quot; Advancing Gender Justice and Equality: The Role of FBOs

[&]quot; Cancel debt burdens of low-income African countries, Government urged

^{iv} ImpACT International | Labour Rights in 2025: Tackling Exploitation in Global Supply Chains

^v See for example: <u>Undermining Resilience</u>: <u>climate change</u>, <u>rights and mining in the Brazilian Amazon</u>

vi See for example: <u>'Leave the gold in the ground'</u>: <u>Ecuador's forest guardians mobilise against illegal mining in Amazon | Global development | The Guardian</u>

vii Justice in the transition: Litigating corporate abuse in the shift to clean energy for all - 2025 analysis - Business & Human Rights Resource Centre

viii PeoplesTreaty-EN-mar2015-1.pdf

^{ix} The European Commission's <u>Omnibus Simplification Package</u> aimed at 'streamlining' business sustainability provisions including the recently agreed Corporate Human Rights and Due Diligence Directive may be one manifestation of this.

^{*} Corporations in the UN BHR Treaty Negotiations Final Report CHREN April 2025.pdf

xi All action on critical energy transition minerals must respect human rights: UN experts | OHCHR

xii Unjust transition on trial: Communities and workers litigate to shape corporate practice - Business & Human Rights Resource Centre

xiii See Getting Down to Business - Christian Aid

xiv See for example: Green At Home, Harm Abroad: Germany's Role in Global Resource Exploitation - Rosa-Luxemburg-Stiftung and Justice in the transition: Litigating corporate abuse in the shift to clean energy for all - 2025 analysis - Business & Human Rights Resource Centre

xv See for example: <u>Philippines: Nickel mining projects approved despite inadequate consultation and serious risks to communities' health and environment - Amnesty International</u>
Also The Mud Went Through my Soul

^{xvi} This paper from the European Parliament is quite helpful in explaining some of the complexities: <u>Towards</u> a binding treaty on business and human rights

^{xvii} This paper by the civil society Global Campaign sets out some of the most contentious issues: <u>Frontiers</u> of an <u>Effective Binding Treaty</u>

xviii Discussion paper

xix Feminists 4 Binding Treaty - International Alliance of Women

^{xx} In 2021 a <u>change to the methodology for taking forward the negotiations</u>, although not universally well received, resulted in a more streamlined draft text (although some more progressive provisions were lost). In 2024 annual discussions were supplemented by a decision to hold intersessional consultations to help expedite the process, supported by legal experts recruited to help clarify specific provisions based on existing human rights law.