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## Human Rights Based Approach and Private Sector Collaboration - Summary

Foreign Direct Investments plays an increasingly important role for a country's development. Economic, social, and environmental sound investments are essential for sustainable development and for creating an enabling environment for people living in poverty. Through the creation of more and decent jobs, economic and social rights of women and men living in poverty can be enhanced.

Applying a human rights based approach can help identifying business collaboration opportunities that coincides with the Swedish development goals. For example collaboration with businesses willing to apply and develop inclusive business models (i.e. companies whose core business empowers poor and marginalised women and men as workers, distributors, producers, entrepreneurs and leaders), businesses willing to make socially and environmentally responsible investments and initiatives where the business sector plays an important role for the respect of workers and economic rights.

The [UN Guiding Principles on Business and Human Rights](#) specifies that a) the state has the *responsibility* to protect the Human Rights while b) the business sector has the obligation to *respect* human rights. There is a c) shared responsibility to provide remedies for victims of human rights abuses.

The main areas are expressed in [UN Global Compacts principles](#):

- Businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.
- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
- Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.
- Businesses should work against corruption in all its forms, including extortion and bribery.

[Sida's guidelines on Corporate Social Responsibility](#) (CSR) builds on these and other international agreed principles and describes how Sida should act to reinforce human rights in the collaboration with the private sector.

This means that awareness raising and capacity building should be a central element of the supported initiatives. Equally important is the empowerment of poor and marginalised women and men as workers, distributors, producers, entrepreneurs and leaders in order for them to be able to engage with business opportunities and monitor compliance to Corporate Social Responsibility commitments.

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Key questions are;

- Does the intervention empower poor and marginalised women and men?
- Does the intervention build capacity of those responsible to protect, respect and remedy human rights?
- Does the intervention develop capacity of female and male entrepreneurs, smallholders and employees increasing their economic empowerment?
- Does the intervention empower them to monitor compliance to CSR commitments?
- Have barriers to inclusion of women and marginalised groups been identified?

[Sida's due diligence tool - a self-assessment made by Sida's business partners.](#) help us to know more about our business partner's maturity regarding Business and Human Rights. The questions below, related to the four HRBA principles, may also help to prepare, assess and monitor private sector collaboration initiatives to ensure that human rights are enhanced and respected both in results and processes.

<p><b>Participation</b></p> <ul style="list-style-type: none"> <li>• Is there a process/forum for people to express their view on the investment/projects' impact on their livelihood (socially, environmentally and economically)?</li> <li>• Are the workers allowed to form associations and do they have the right to collective bargaining?</li> <li>• Is there a scope to enhance the capacity of workers associations?</li> </ul>	<p><b>Non-discrimination</b></p> <ul style="list-style-type: none"> <li>• Have barriers to inclusion of marginalised groups been identified and addressed?</li> <li>• Are discriminatory policies, laws, regulations or practises identified and addressed?</li> <li>• Does the intervention make a deliberate effort to facilitate inclusion of vulnerable and marginalised groups (e.g. women, ethnic minorities, people with disabilities etc.)?</li> </ul>
<p><b>Accountability</b></p> <ul style="list-style-type: none"> <li>• Does the collaboration/business partner have systems in place to monitor and disclose social and environmental impacts according to internationally agreed standards for business, such as UN Global Compact, OECD guidelines for multinational enterprises, ILO labour rights and the Business and Child Rights Principles?</li> <li>• Do they disclose their impact in a sustainability report, and is it build on material aspects of sustainability?</li> <li>• Is there a salary-system in place that ensures fair and just wages based on experience and level of expertise?</li> <li>• Are complaints mechanisms in place through which stakeholders may challenge decisions or actions that affect them negatively?</li> </ul>	<p><b>Transparency</b></p> <ul style="list-style-type: none"> <li>• Does the intervention include communication strategies which consider accessibility of unbiased information for poor and marginalised groups?</li> <li>• Does the collaboration partner have a business ethic policy against corruption, extortion and bribery?</li> </ul>

To learn more on a human rights based approach in private sector collaboration, read the full thematic area brief.