

Oral contribution: “Revised Draft” reflects the EU’s position and is a good basis for the Commission and the Member States to be proactive in debate for a binding treaty on business and human rights

to the fifth session of the “open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights, 14-18 October 2019, Room XX, Palais des Nations

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Südwind on behalf of the “Treaty Alliance Austria”, a coalition of over 15 Austrian NGOs and trade unions, welcome the “Revised Draft. It is a constructive basis for fruitful discussion, as it reflects the concerns the EU has previously raised.

600.000 European citizens are demanding that the EU and its Member States act in good faith to hold corporations accountable for their human rights violations. We ask from the EU and its Member States to take up leadership. Especially Austria, as a new member of the UN Human Rights Council should take up its responsibility and constructively engage in this and upcoming sessions of the Working Group.

There are many positive developments in the “Revised Draft” that serve as a good basis for constructive EU engagement, however, we would like to draw attention to the need for improvements in the following areas:

- 1) In Article 5, On prevention the “Revised Draft” limits the due diligence process to an enterprise’s contractual relationships, representing a significant step backwards from existing standards concerning business relationships. According to the UN Guiding Principles, human rights due diligence should cover **all** types of business involvement in negative human rights impacts.
- 2) The treaty should more clearly establish the primacy of human rights over trade and investment rules as well as investors’ interests. Here Article 12.6. needs improvement.
- 3) Failure to comply with Human Rights Due Diligence must be met with sanctions or liability. This principle should be stronger established in Article 5.4.
- 4) Enforcement mechanisms will be crucial to the success of the Treaty. The current text of Article 10 needs significant improvement in this aspect.

We call on all states and the EU to formulate constructive proposals and focus on substantive issues. This debate is necessary to face the challenges of globalization and stop human rights abuses by corporations.