

**SRSG John Ruggie**  
**Remarks at Mid-Year Special Session**  
**Voluntary Principles on Security & Human Rights**  
**U.S. Department of State**  
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I am very pleased to be here with you today. This is my third or fourth VPs meeting – I stopped counting because I thought on each previous occasion that it might be the last one for this initiative. But each time, Houdini-like, it lived to see another day. This time, there actually are good reasons for feeling optimistic.

Mike Posner, I'm glad that you and your team are in place, and that you are committed to making this important initiative work. I'm also glad to see three new participating governments present today: Canada, Colombia and Switzerland.

In fact, the next time you invite me I hope we'll need a much bigger room to accommodate all the additional home and host countries – as well as emerging market companies.

As of today, I am in the last year of “operationalizing” the UN Protect, Respect and Remedy Framework for Business and Human Rights, which the Human Rights Council welcomed unanimously in June 2008. Just a few weeks ago, the Council strongly supported the idea that my final product next June should be a set of Guiding Principles for the implementation of the Framework, not simply a narrative report with recommendations tagged on. This is a highly unusual procedure for the Council. It demonstrates how much progress has been achieved in the business and human rights space in the past five years, and the breadth of the consensus among stakeholders about how best to move ahead.

If you haven't already done so, please contribute to our online consultation for these Guiding Principles, at [www.srsgconsultation.org](http://www.srsgconsultation.org).

The VPs address a critical subset of issues encompassed by the Protect, Respect and Remedy Framework. They cut across all three of the Framework's pillars. And they literally can affect life and death issues.

My most recent report to the Council addresses the particular challenges posed by and to business operations in difficult contexts, such as conflict affected areas. It stresses how important it is for companies and governments alike to develop innovative approaches.

We know that the worst forms of corporate-related human rights abuse take place in conflict or otherwise stressed governance zones. They account for the largest number of foreign direct liability claims against multinational companies, such as the Alien Tort Statute, brought in domestic courts but often invoking international standards. At the same time, companies in such contexts increasingly suffer significant financial costs as a result of stakeholder-related risks to their operations – which in turn reflect push-back by communities for harms they associate with company activities. Figures I have seen go into the billions of dollars per annum. So business has every interest in getting this right.

The same should be true of governments, who bear legal obligations under international human rights law. But host country governments often lack capacity and require assistance. And not many home country governments are equipped to provide it. I know from a series of informal dialogues with a group of states under my mandate that home and host states rarely cooperate around these issues. Home country embassies may be fully geared up to promote exports or investments. But typically they know little about how to deal with the fallout for impacted individuals and communities in the host country, and therefore they can't advise their companies when things go wrong.

I know from personal experience that the VPs are perfectly positioned to bring about the necessary change within their sphere. I have visited the human rights training center of the once notorious 16th army brigade in Casanare, Colombia. I spent time with BP and people in the surrounding community. I met with the Colombian national committee for the VPs, and the Vice President who has direct oversight responsibility. I addressed a parallel initiative for related industry sectors, called the Colombia Guidelines, which will be formally launched on July 14<sup>th</sup>.

All of this took place even before Colombia became a formal member in the global VPs process! So the potential is there, but all of you have to step up your game to help realize it.

You have at long last established participation criteria. Interim reporting criteria have been agreed. And a secretariat is in place. Now is the time to recommit – and re-launch.

As I see it, there are four immediate challenges. The first is to establish a rational governance structure. The plenary and rotating chairs simply cannot sustain a large-scale initiative that has to operate in real time, and in very challenging contexts. It is the recipe that induced paralysis for four long years. Therefore, aim to adopt a more effective mechanism by the time of your next plenary.

Second, the new secretariat needs to be resourced adequately. Governments and business both need to dig into their pockets because an effective VPs will pay significant human rights dividends and material benefits—as the Colombian example demonstrates. Apart from servicing the governing body or bodies, the secretariat should be charged with driving a learning process for all participants, including by connecting country-level experiences to one another. Its remit should include identifying new challenges and searching for corresponding practical responses. It should be empowered to build and protect the VPs brand and identify potential recruits.

The third major challenge concerns reporting. The VPs initiative as a whole should focus on aggregated trends, mapping and explaining the reasons for both achievements and failures. Preparing these reports could be the job of the secretariat.

For companies, some degree of public reporting on an individual basis is required for credibility and accountability purposes. It is right to challenge the sometimes conservative assumptions about what information involving companies can appropriately be put in the public domain. At the same time, everyone involved must be mindful of the risks to the security of personnel and facilities, the need to protect legitimate requirements of commercial confidentiality, and the reasonable expectation that companies doing the right thing don't increase their exposure to litigation as a result.

Fourth—and most important of all—do these things as quickly as is humanly possible. Get them out of the way, and then get down into the trenches—into the operational situations where real people work and live, and start making a positive difference to their lives. No constitution is perfect; all require amendments. If America's founding fathers hadn't taken that view their successors would still be sitting in Philadelphia striving for perfection—which in any event remains illusory.

The time is short, the stakes are high, and success is the only acceptable outcome. So—in the well-known words of the Nike commercial: just do it.

Thank you.