

A Roadmap for Responsible Recovery in Times of Crisis

Information Note by the UN Working Group on Business and Human Rights

This information note is part of a series of outputs from the [UN Working Group on Business and Human Rights](#)¹ under its project entitled ‘Business and Human Rights: Towards a Decade of Global Implementation.’² Also known as “UNGPs 10+ / Next Decade BHR,” the project is centered around the 10-year anniversary of the UN Guiding Principles on Business and Human Rights (UNGPs) on 16 June 2021.

The UNGPs 10+ project is informed by wide-ranging stakeholder consultations and is taking stock of achievements to date, assessing existing gaps and challenges, and developing an ambitious vision and roadmap for implementing the UNGPs more widely between now and 2030. Implementation of the UNGPs in times of crisis is a key focus of the project. The Working Group’s stocktaking of the first ten years of implementation was issued in June 2021.³ To learn more, please visit the [UNGPs 10+ webpage](#) and the [UNGPs 10+ project portal](#).

I. Overview and introduction

The UN Guiding Principles on Business and Human Rights (UNGPs) and their three pillars, “Protect, Respect, Remedy”, were developed amidst the 2008 economic crisis and its consequences. The UNGPs provide a framework for fixing the imbalance between the State, people and markets, and bridging the gaps between economic forces and respect for individuals, particularly those most at risk. As the UNGPs reached the 10-year milestone in June 2021, their relevance as a key framework for addressing risks to people during collective crisis and shaping a sustainable path forward was at the fore yet again as the world continued to face the ongoing COVID-19 pandemic and the worst economic crisis since the Great Depression. In its stocktaking of the UNGPs’ first decade, issued to mark the 10th anniversary, the UN Working Group on Business and Human Rights (“the Working Group”) underlined this connection. The

¹ The Working Group on the issue of human rights and transnational corporations and other business enterprises (also referred to as the Working Group on Business and Human Rights) was established by the Human Rights Council in 2011. It is composed of five independent experts of balanced geographical representation, and its mandate includes promoting the effective and comprehensive dissemination and implementation of the UN Guiding Principles on Business and Human Rights. For more information, see <https://www.ohchr.org/EN/Issues/Business/Pages/WGHRandtransnationalcorporationsandotherbusiness.aspx>.

² The official UNGPs 10+ / Next Decade BHR project page is available at <https://www.ohchr.org/EN/Issues/Business/Pages/UNGPsBizHRsnext10.aspx>.

³ [Guiding Principles on Business and Human Rights at 10: taking stock of the first decade \(The Working Group's official stocktaking report, available in all UN languages\)](#); [Reader-friendly version of the UNGPs 10+ stocktaking \(English\)](#) | [Executive summary \(English\)](#); [Report on institutional investors \(English\)](#) | [Executive summary of the institutional investors report \(English\)](#).

Working Group stressed that the UNGPs provide not only the authoritative framework for preventing business-related human rights harms, but also a touchstone for States and businesses to use in forging a better normal that prioritizes respect for people and the environment. The Working Group's stocktaking concludes that the UNGPs, and their key concept of human rights due diligence that is focused first on those most at risk, provide a blueprint for States and business for a responsible recovery from the COVID-19 crisis.⁴ A "roadmap for the next decade", based on the stocktaking, is being prepared for the end of 2021 to help set a strategic direction for implementation of the UNGPs over the next ten years. The present note complements the stocktaking and the forthcoming roadmap by providing recommendations for States in particular on the design and implementation of measures to prevent and address business-related human rights impacts specifically in the context of crisis recovery.

II. Current context

The global community continues to face a crisis of immense proportions due to the COVID-19 pandemic. This crisis is not only straining the resources needed to deal with the ongoing health, social, and economic emergencies faced around the world – it is also showcasing the crucial importance of upholding human rights standards in government and business responses.⁵

As of mid-July 2021, over 188 million cases of COVID-19 had been confirmed, and over 4 million lives had been lost to the virus.⁶ The estimated total working-hour losses in 2020 were equivalent to 255 million full-time jobs – approximately four times greater than during the global financial crisis in 2009 – and estimates of labor income losses suggest a global decline of US\$3.7 trillion.⁷ The pandemic has also been associated with significant mental health challenges related to the morbidity and mortality caused by the disease and to mitigation activities, including the impact of physical distancing and stay-at-home orders.⁸ Based on current mortality rates and recent growth projections by the International Monetary Fund (IMF), the current crisis will result in 44 million more people living in extreme poverty by 2030 compared to the world's development trajectory before the pandemic.⁹ Worryingly, the International Institute for

⁴ [Guiding Principles on Business and Human Rights at 10: taking stock of the first decade \(A/HRC/47/39, available in all UN languages\)](#)

⁵ "Ensuring that business respects human rights during the Covid-19 crisis and beyond: The relevance of the UN Guiding Principles on Business and Human Rights," Working Group on Business and Human Rights, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25837&LangID=E>; Office of the High Commissioner for Human Rights, "Business and Human Rights in Times of COVID-19," <https://www.ohchr.org/Documents/Issues/Business/BusinessAndHR-COVID19.pdf>.

⁶ World Health Organization's Coronavirus Database (COVID-19) Dashboard, <https://covid19.who.int/>.

⁷ International Labour Organization's COVID-19 and labour statistics, <https://ilostat.ilo.org/topics/covid-19/>.

⁸ According to the Centers for Disease Control and Prevention, <https://www.cdc.gov/mmwr/volumes/69/wr/mm6932a1.htm>.

⁹ UN Development Programme, "Impact of COVID-19 on the Sustainable Development Goals," <https://sdgintegration.undp.org/accelerating-development-progressduring-covid-19>.

Democracy and Electoral Assistance found that over 60% of countries regressed on basic rights in 2020 as a result of measures to tackle the pandemic.¹⁰

Yet, the COVID-19 health crisis and its resulting economic and social disruptions are not taking place in a vacuum. Other current emergencies of international scale include the urgent climate crisis, the ongoing fight against systematic racism and discrimination, continuous threats to the lives of human rights defenders,¹¹ and persistent violence and upheaval in conflict-affected areas around the world.¹² Each of these crises is both rooted in and consequential for global, regional, and national economic systems.

Decisions by the full spectrum of economic actors – including governments, multilateral institutions, businesses, investors, other financial actors, and industry associations – have, in many ways, contributed to the weakening of protections from these widespread crises for workers and wider communities.

Rapid declines in the economic activity of main trading partners, disruptions in global value chains, decreased commodity prices, increased risk aversion among investors, and reduced labor demand all have significant impacts on business activities.¹³ In turn, these business impacts can pose severe risks to workers and their families, as well as wider communities affected by economic activities. For example, women, who are overrepresented in sectors highly impacted by the COVID-19 pandemic, are disproportionately likely to be heavily affected, together with precarious workers and vulnerable groups such as children, the elderly, migrants, and Indigenous Peoples.¹⁴

Certain sectors also pose unique human rights challenges in the COVID-19 pandemic. For example, as reported by Oxfam, in FY2019 ten of the world’s largest apparel brands alone paid a total of US\$21 billion (an average of 74% of their profits) to their shareholders in dividends and stock buybacks. The following year “millions of apparel workers, from Bangladesh to Mexico, [lost] their jobs because companies cancelled orders and refused to pay their suppliers.”¹⁵ In

¹⁰ Statement by UNDP Administrator, Achim Steiner at High-Level Political Segment of 46th session of the Human Rights Council, <https://www.undp.org/content/undp/en/home/news-centre/speeches/2021/high-level-political-segment-of-46th-united-nations-human-rights.html>.

¹¹ “Human rights defenders and civic space – the business and human rights dimension,” Working Group on Business and Human Rights, <https://www.ohchr.org/EN/Issues/Business/Pages/HRDefendersCivicSpace.aspx> and “The Guiding Principles on Business and Human Rights: guidance on ensuring respect for human rights defenders” (June 2021), Report of the Working Group on Business and Human Rights, <https://undocs.org/A/HRC/47/39/Add.2>.

¹² “Business, human rights and conflict-affected regions: towards heightened action” (July 2020), Report of the Working Group on Business and Human Rights to the UN General Assembly, <https://undocs.org/A/75/212>.

¹³ “Joining forces in Latin America and the Caribbean to help minimise the Coronavirus (COVID-19) crisis and foster responsible and sustainable businesses,” Joint Statement by the ILO, the OECD, the OHCHR, the REDESCA of the IACHR, the UNICEF, the UN Global Compact and the UN Working Group on Business and Human Rights (May 2020), https://www.ilo.org/americas/programas-y-proyectos/WCMS_743496/lang--en/index.htm.

¹⁴ Ibid.

¹⁵ “Power, Profits, and the Pandemic” (September 2020), Oxfam, <https://assets.oxfamamerica.org/media/documents/bp-power-profits-pandemic-100920-en.pdf>; see also Oxfam’s

response to the COVID-19 driven humanitarian crisis of seafarers, the Working Group, the UN Human Rights Office (OHCHR), and the UN Global Compact released a joint call for action, calling upon all relevant business enterprises to discharge their human rights responsibilities to address the humanitarian crisis in the shipping industry in accordance with the UNGPs.¹⁶

III. A roadmap for State action toward business respect for human rights in times of crisis

As highlighted by the Working Group’s stocktaking of the UNGPs’ first decade, while crises reveal the fundamental shape of existing economic and financial systems – a shape defined by injustice and deepening inequalities – they also provide opportunities to see more clearly the flaws of “business as usual” and adjust accordingly.

Global crises, such as the current COVID-19 pandemic, provide a chance for governments and businesses to reset and reshape economies in a rights-respecting way, with human rights at the center of recovery plans. Such moments represent opportunities to learn the difficult lessons of the past to build forward smarter, better, and more equitably.¹⁷ As stated by a group of world leaders in February 2021, “We should not be afraid of a post-pandemic world that will not be the same as the status quo ante. We should embrace it and use all appropriate fora and available opportunities to make it a better world by advancing the cause of international cooperation.”¹⁸

As the world both continues to respond to COVID-19 and begins to chart a course out of the pandemic, we are at a tipping point. The decisions that government and business leaders make now have the power to build a more sustainable and resilient path for global and domestic markets and economies. The UNGPs and their three pillars provide a blueprint for States and

submission to the UNGPs 10+ project,

<https://www.ohchr.org/Documents/Issues/Business/UNGPsBHRnext10/inputs/oxfam.pdf>.

¹⁶ “The COVID-driven humanitarian crisis of seafarers: A call for action under the UN Guiding Principles on Business and Human Rights”, Joint Statement by the UN Human Rights Office (OHCHR), the UN Global Compact, and the UN Working Group on Business and Human Rights, (Oct. 2020), https://www.ohchr.org/Documents/Issues/Business/Joint_statement_Covid19_and_seafarers.pdf.

¹⁷ This key message was echoed in statements by UN and government leaders and other stakeholders at the UNGPs’ 10th anniversary. See: <https://www.ohchr.org/EN/Issues/Business/Pages/UNGPS10.aspx>. For a country specific example: “For instance, in Lao PDR, the Socio-Economic Response Plan seeks to expand access to basic services and increase community participation in decision-making. Using a human rights-based approach, this engagement ultimately aims to address the root causes of inequalities.” Statement by UNDP Administrator, Achim Steiner at High-Level Political Segment of 46th United Nations Human Rights Council, <https://www.undp.org/content/undp/en/home/news-centre/speeches/2021/high-level-political-segment-of-46th-united-nations-human-rights.html>.

¹⁸ “Multilateral Cooperation for Global Recovery” (3 Feb. 2021), Emmanuel Macron, Angela Merkel, Macky Sall, António Guterres, Charles Michel, & Ursula Von Der Leyen, <https://www.project-syndicate.org/commentary/multilateralism-for-the-masses-by-emmanuel-macron-et-al-2020-02>.

business for such a responsible recovery from the COVID-19 crisis, as well as for addressing recovery from future global crises.¹⁹

The UNGPs were unanimously endorsed by all UN Member States in June 2011, setting out for the first time what is expected of both governments and businesses when it comes to putting human rights at the center of economic activities. The UNGPs are founded on three pillars: (1) The State duty to protect human rights against abuse by third parties, including business, through appropriate policies, legislation, regulations and adjudication; (2) The corporate responsibility to respect human rights, meaning to act with due diligence to avoid infringing on the rights of others and address adverse impacts with which they are involved or directly linked; and (3) The need for access to effective remedy, both judicial and non-judicial, for victims of business-related human rights abuse.

Under the UNGPs, the roles and responsibilities of States and businesses do not change in times of crisis but are in fact of heightened importance as human rights risks and impacts increase with socioeconomic instability. Governments in particular have a duty to ensure that any support they provide to the private sector in times of crisis comes with clear conditions around business respect for human rights and consequences for corporate action that prioritizes economic recovery at the expense of human rights.

The UNGPs also clarify that all States are expected to ensure protection of and respect for human rights in their role as economic actors. This aspect of the State duty to protect human rights – the “State-business nexus” under Pillar 1 of the UNGPs – covers policy areas such as management of State-owned enterprises, export credit, official investment insurance, and public procurement. The UNGPs emphasize that States should both integrate human rights due diligence in the activity of entities in charge of these areas and incentivize due diligence by businesses with which the State conducts commercial transactions.²⁰

The UNGPs elaborate on these expectations in Principles 4, 5, and 6:

- UNGP 4: States should take additional steps to protect against human rights abuses by business enterprises that are owned or controlled by the State, or that receive substantial support and services from State agencies such as export credit agencies and official investment insurance or guarantee agencies, including, where appropriate, by requiring human rights due diligence.
- UNGP 5: States should exercise adequate oversight in order to meet their international human rights obligations when they contract with, or legislate for, business enterprises to provide services that may impact upon the enjoyment of human rights.

¹⁹ Guiding Principles on Business and Human Rights, Office of the United Nations High Commissioner for Human Rights, https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf.

²⁰ “The State as an economic actor and human rights”, Working Group on Business and Human Rights, <https://www.ohchr.org/EN/Issues/Business/Pages/StateEconomicActor.aspx>.

- UNGP 6: States should promote respect for human rights by business enterprises with which they conduct commercial transactions.

These Principles should serve as bedrocks in times of crisis for government responses to fuel economic recovery and resilience against future emergencies. The Working Group has elaborated on these expectations in previous guidance concerning the State as an economic actor, including a 2018 report to the Human Rights Council on “‘Economic diplomacy’ as a tool for States to promote corporate respect for human rights”²¹ and a 2016 report to the Human Rights Council on “Leading by example - The State, State-owned enterprises, and Human Rights.”²²

IV. Key responsible recovery recommendations for governments

Government support to businesses should always be tied to demonstrable commitments on the part of companies to sound business and human rights practices, as set out in the UNGPs. Moreover, in times of economic crisis or recovery from economic crisis, there are additional safeguards that should be implemented. The recommendations below detail how, in designing and deploying recovery plans, governments should align their efforts with Pillar 1 of the UNGPs (especially with UNGPs 4, 5, and 6) in fulfilling their duties to protect human rights in their roles as economic actors.²³

The recommendations below also build on the Working Group’s statement, “Ensuring that business respects human rights during the Covid-19 crisis and beyond: The relevance of the UN Guiding Principles on Business and Human Rights,”²⁴ as well as the UN Human Rights Office (OHCHR)’s October 2020 note, “Business and Human Rights in Times of COVID-19.”²⁵ Nevertheless, these recommendations are applicable beyond the current COVID-19 pandemic; they are intended to serve as a blueprint for centering human rights in equitable economic recoveries from all manner of crises.

While certain measures may need to be tailored to the size and sector of business enterprises, the general recommendations apply to all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership structure and considerations of national security.

²¹ Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises, A/HRC/38/48 (Feb. 2016), https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/38/48.

²² Report of the Working Group on the issue of human rights and transnational corporations and other business enterprises, A/HRC/32/45 (Apr. 2016), https://ap.ohchr.org/documents/dpage_e.aspx?si=A/HRC/32/45.

²³ “The State as an economic actor and human rights,” Working Group on Business and Human Rights, <https://www.ohchr.org/EN/Issues/Business/Pages/StateEconomicActor.aspx>.

²⁴ “Ensuring that business respects human rights during the Covid-19 crisis and beyond: The relevance of the UN Guiding Principles on Business and Human Rights,” Working Group on Business and Human Rights, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25837&LangID=E>.

²⁵ “Business and Human Rights in Times of COVID-19,” Office of the High Commissioner for Human Rights, <https://www.ohchr.org/Documents/Issues/Business/BusinessAndHR-COVID19.pdf>.

The focus of the present note is measures that States should take in the context of crisis recovery. These recommendations complement recommendations concerning the role of business in preventing and addressing adverse impacts on affected stakeholders through effective human rights due diligence and grievance mechanisms, as well as State action to ensure access to effective remedy for victims of business-related human rights abuses occurring during times of crisis and recovery; these were set out in a statement by the Working Group on the relevance of the UNGPs during the COVID-19 crisis and beyond.²⁶

Recommendations to States

1. Governments should enforce existing labor and employment laws and regulations, including those related to wages, occupational health and safety, discrimination, and the right to organize and bargain collectively. They should ensure that companies honor existing collective bargaining agreements, support unions, prioritize worker safety (through adequate and ongoing provision of PPE and sanitation support, for example), grant workers additional premium pay and childcare where appropriate, avoid layoffs, and collaborate with workers in corporate decision-making.²⁷ Governments should monitor and hold accountable companies that violate labor laws.
2. All companies receiving bailouts or other financial recovery support from governments should be required to respect human rights under the UNGPs, avoid infringing on human rights with the justification of crisis and emergency, and conduct human rights due diligence in accordance with the expectations outlined in the UNGPs.²⁸ These requirements should be applied retroactively, with a view to excluding companies with demonstrated records of undermining human rights through corporate action. Corporate behavior falling into this category should be construed to include any involvement in attacks or strategic lawsuits against human rights defenders who raise concerns about

²⁶ “Ensuring that business respects human rights during the Covid-19 crisis and beyond: The relevance of the UN Guiding Principles on Business and Human Rights”, Statement by the UN Working Group on Business and Human Rights, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25837&LangID=E>.

²⁷ COVID-19 Enterprises Resources, International Labour Organization, <https://www.ilo.org/empent/areas/covid-19/lang--en/index.htm>.

²⁸ Under UNGPs 17-21, HRDD is a way for enterprises to proactively manage potential and actual adverse human rights impacts with which they are involved. The four core components of HRDD under the Guiding Principles are: (1) Identifying and assessing actual or potential adverse human rights impacts that the business may cause or contribute to through its own activities or which may be directly linked to its operations, products, or services by its business relationships; (2) Integrating findings from impact assessments across relevant business processes and taking appropriate action according to its involvement in the impact; (3) Tracking the effectiveness of measures and processes to address adverse human rights impacts in order to know if they are working; and (4) Communicating on how impacts are being addressed and showing stakeholders – in particular affected stakeholders – that there are adequate policies and processes in place. Office of the United Nations High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf; Office of the High Commissioner for Human Rights (OHCHR), “The Corporate Responsibility to Respect: An Interpretative Guide,” available at www.ohchr.org/Documents/publications/hr.puB.12.2_en.pdf.

business-related risks and impacts on people and environment, as these practices are not compatible with the responsibility to respect.²⁹

3. All companies receiving bailouts or other financial recovery support from governments should be required to provide effective remedy to impacted rights-holders, particularly through worker-related grievance mechanisms, for any negative human rights impacts that they have caused or contributed to during the crisis. Companies should also be required to use their leverage to enable the provision of effective remedy in cases where they are linked to negative human rights impacts.³⁰
4. All companies receiving bailouts or other financial recovery support from governments should be prohibited from engaging in business practices that prioritize shareholder value creation at the expense of workers' rights. Activities such as stock buybacks, dividend payments, executive bonuses, salary increases for high earners, and layoffs have negative human rights impacts for workers during times of economic crisis, in that they redirect capital away from workers and toward shareholders and management;³¹ companies struggling enough to require government bailouts should be barred from these practices for a specified period of time, to include the reasonable duration of the period during which an increased threat is posed to workers.³² Arbitrary, short time frames for the banning of these practices that are not linked to the wider economic and sociopolitical context facing workers are insufficient.

²⁹ "Human rights defenders and civic space – the business and human rights dimension," Working Group on Business and Human Rights, <https://www.ohchr.org/EN/Issues/Business/Pages/HRDefendersCivicSpace.aspx> and "The Guiding Principles on Business and Human Rights: guidance on ensuring respect for human rights defenders" (June 2021), Report of the Working Group on Business and Human Rights, <https://undocs.org/A/HRC/47/39/Add.2>.

³⁰ See Pillar III of the UNGPs. Office of the United Nations High Commissioner for Human Rights, Guiding Principles on Business and Human Rights, https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf.

³¹ For example, US Senators Bernie Sanders and Chuck Schumer have argued that stock buybacks "restrain [companies'] capacity to reinvest profits ... in higher wages, paid medical leave, [and] retirement benefits." See <https://www.nytimes.com/2019/02/03/opinion/chuck-schumer-bernie-sanders.html>; Likewise, during the COVID-19 pandemic some businesses have paid out large dividends to shareholders or large bonuses to executives, only to cancel orders from suppliers in lower income countries or lay off large numbers of their own employees. See <https://www.theguardian.com/global-development/2020/jun/10/anger-at-huge-shareholder-payout-as-us-chain-kohls-cancels-150m-in-orders> and <https://www.nytimes.com/2020/06/08/business/hospitals-bailouts-ceo-pay.html>

³² For example, Denmark made COVID-19 recovery aid conditional upon companies agreeing not to pay out dividends or engage in share buybacks in 2020 and 2021. See <https://www.nordicpolicycentre.org.au/denmark-bars-tax-haven-companies-from-covid-19-financial-aid>; Austria's Finance Minister compelled airline executives to return bonuses paid out by companies that received federal bailout money. See <https://www.reuters.com/article/us-lufthansa-austrian-bonuses/austrian-airlines-execs-to-pay-back-bonuses-after-bailout-furore-idUSKCN25F2D3>; The European Commission's State Aid Temporary Framework includes "strict limitation of the remuneration of ... management, including a ban on bonus payments" as well as share buybacks. See https://ec.europa.eu/commission/presscorner/detail/en/ip_20_838; In a 2020 joint open letter to the UK Chancellor of the Exchequer, civil society groups including Greenpeace and Tax Justice called for government bailouts to airlines to be made conditional upon "no lay-offs for the duration of the corona emergency." See <https://www.greenpeace.org.uk/news/the-airlines-industry-wants-a-government-bailout-heres-what-needs-to-happen/>.

5. Companies that partake in tax evasion should be excluded from recovery support altogether, as corporate tax evasion has “considerable negative impacts on the enjoyment of human rights ... [by depriving] governments of the resources required to provide the programmes that give effect to economic, social and cultural rights, and to create and strengthen the institutions that uphold civil and political rights.”³³ ³⁴ Public registries should record which companies are using tax havens, and those identified should be excluded from aid.³⁵
6. There should be public transparency requirements on government bailouts to companies and full public transparency of bailouts themselves. Governments should increase corporate transparency by requiring supported companies to disclose supplier lists, identify their salient human rights risks in the context of the recovery, and disclose steps that the company is taking to prevent, mitigate, and address those risks. Governments should also require supported companies to disclose their corporate lobbying and company ownership.
7. Women and minorities are often most significantly affected by economic crises.³⁶ Moreover, in many countries women and minority-owned businesses have benefited least from government support measures during the COVID-19 pandemic.³⁷ Recognizing this dynamic, as well as the pervasive global credit gap that causes women and minority-owned businesses to face greater difficulty in accessing financing even outside times of economic crisis,³⁸ governments should structure financial recovery support to businesses to prioritize these underserved segments of the market.

³³ “Tax Abuse, Poverty and Human Rights” (October 2013), International Bar Association, <https://www.crop.org/Other-Resources/Reports-and-Surveys/Tax-Abuses-Poverty-and-Human-Rights.aspx>.

³⁴ Denmark has banned companies that utilize tax havens from accessing the Danish Government’s fixed cost compensation scheme and requires all companies that do so from engaging in share buybacks during 2020 and 2021. See https://www.nordicpolicycentre.org.au/denmark_bars_tax_haven_companies_from_covid_19_financial_aid.

³⁵ For example, the European Parliament adopted a resolution in April 2020 calling for public financial support to be conditional on companies refraining from tax evasion, and companies identified on the European Union’s tax avoidance blacklist cannot receive funding. See https://www.europarl.europa.eu/doceo/document/TA-9-2020-0054_EN.pdf; The G20 also recently agreed to a new global tax plan that would raise international corporate tax rates and crack down on the use of tax havens by multinational corporations. See the official G20 communique here: <https://www.g20.org/wp-content/uploads/2021/07/Communique-Third-G20-FMDBG-meeting-9-10-July-2021.pdf> and further analysis here: <https://www.nytimes.com/2021/07/10/us/politics/global-tax-overhaul-g20.html>

³⁶ Heather Long, Andrew Van Dam, Alyssa Fowers, Leslie Shapiro, “The COVID-19 recession is the most unequal in modern U.S. history, (30 September 2020), Washington Post, <https://www.washingtonpost.com/graphics/2020/business/coronavirus-recession-equality/>.

³⁷ See “One year of SME and entrepreneurship policy responses to COVID-19: Lessons learned to “build back better””, OECD, (8 April 2021), <https://www.oecd.org/coronavirus/policy-responses/one-year-of-sme-and-entrepreneurship-policy-responses-to-covid-19-lessons-learned-to-build-back-better-9a230220/>, and Marco Quiroz-Gutierrez, “Women and minority-owned small businesses aren’t sharing in the U.S. recovery, (9 April 2021), Fortune, <https://fortune.com/2021/04/09/women-minority-owned-small-businesses-us-economic-recovery/>.

³⁸ See Asli Demirgüç-Kunt, Leora Klapper, “The Gender Gap in Access to Finance”, World Bank, (8 March 2013), <https://blogs.worldbank.org/psd/the-gender-gap-in-access-to-finance>; Rachel B. Vogelstein, “Closing the Gender

8. Governments should give special consideration to the strain placed on both the care economy and unpaid caretakers by a global pandemic, including by prohibiting companies from penalizing workers who are forced into unpaid caretaker roles by the pandemic. Governments should also require companies operating in the care economy to meet higher standards for worker safety. These provisions are especially important with respect to women, who make up a disproportionate segment of the care economy and unpaid caretakers;³⁹ it is a responsibility of government to ensure that women are not discriminated against as a result of this imbalance.
9. Governments should communicate to the public, in a timely manner, recovery plan updates and how respect for human rights is continuously integrated into those plans. Changes to recovery budgets should also be transparent to allow for public oversight.
10. Government entities and State-owned or -controlled enterprises should lead by example in treating people with respect and dignity by integrating human rights due diligence into their own operations and procurement practices, and they should require the same for their business partners.⁴⁰ As governments procure large amounts of medical and protective equipment, they should choose businesses that commit to respect for human rights and that conduct ongoing human rights due diligence.⁴¹ Governments should recognize and reward those businesses that are committed to sustainable and responsible business practices, and they should ban the import⁴² and procurement⁴³ of goods produced with forced labor, child labor, or other human rights abuses.
11. Governments should make all procurement contracts transparent and publicly reported, as well as open to free and fair competition.⁴⁴ They should honor existing contracts, make

Credit Gap”, Council on Foreign Relations, (7 September 2015), <https://www.cfr.org/blog/closing-gender-credit-gap>.

³⁹ Anita Bhatia, “Women and COVID-19: Five things governments can do now”, UN Women, (26 March 2020), <https://www.unwomen.org/en/news/stories/2020/3/news-women-and-covid-19-governments-actions-by-ded-bhatia>.

⁴⁰ “Ensuring that business respects human rights during the Covid-19 crisis and beyond: The relevance of the UN Guiding Principles on Business and Human Rights,” UN Working Group on Business and Human Rights, <https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=25837&LangID=E>.

⁴¹ Ibid.

⁴² For example, on 15 July 2020, U.S. Customs and Border Protection (CBP) issued a Withhold Release Order against Malaysian company Top Glove, barring the importation of the company’s disposable rubber gloves following “evidence of forced labour practices, including debt bondage among other practices.” See <https://www.reuters.com/article/us-top-glove-usa/amid-virus-crisis-us-bars-imports-of-malaysias-top-glove-over-labor-issues-idUSKCN24H0K2>.

⁴³ See, for example, U.S. Executive Order 13267 on Strengthening Protections Against Trafficking In Persons In Federal Contracts, <https://obamawhitehouse.archives.gov/the-press-office/2012/09/25/executive-order-strengthening-protections-against-trafficking-persons-fe>.

⁴⁴ For example, the Open Contracting Partnership has published a document that specifically addresses “how to collect, publish and visualize open data about COVID-19 emergency procurement using the Open Contracting Data Standard.” See <https://www.open-contracting.org/resources/guide-to-collect-publish-visualize-covid-19-procurement-data/>.

on-time payments and mitigate impacts of canceling orders. Governments should also protect workers against exploitation resulting from, for example, unpaid overtime during periods of high productivity and any lack of access to paid medical and family leave, as well as childcare support.

12. Recalling UNGP 10, governments should coordinate through multilateral institutions to promote effective collaboration in times of crisis and put the global economy back in order on a sustainable path.⁴⁵ They should support the development of international, regional, and national standards⁴⁶ and tools that promote business respect for human rights and ensure development finance institutions are implementing recovery projects and funding that do not harm communities.⁴⁷
13. Also recalling UNGP 10, where multilateral institutions coordinate or facilitate financial recovery support to multiple countries, those institutions should incorporate the recommendations outlined in this document into the aid framework from the outset. Multilateral institutions should not leave decisions about whether to make financial support to businesses conditional upon human rights commitments up to the discretion of individual States.
14. Governments should consider the likely climate impacts of financial recovery support to specific businesses and industries and should structure aid packages to mitigate these impacts. Existing emissions standards and environmental regulations should not be weakened in conjunction with recovery efforts, even temporarily.⁴⁸ Companies receiving government aid should be required to comply with enhanced reporting requirements around their climate impact. Further, companies operating in industries with the largest carbon footprints should be required to comply with enhanced climate regulations as a

⁴⁵ See also, “Multilateral Cooperation for Global Recovery” (3 Feb. 2021), Emmanuel Macron, Angela Merkel, Macky Sall, António Guterres, Charles Michel, & Ursula Von Der Leyen, <https://www.project-syndicate.org/commentary/multilateralism-for-the-masses-by-emmanuel-macron-et-al-2020-02>.

⁴⁶ This includes supporting, developing, implementing, and enforcing mandatory human rights due diligence requirements for companies headquartered or operating within their own jurisdictions or, where appropriate, to further strengthen these regulatory regimes where they already exist, as part of recovery and resilience for future crises. See <https://www.ohchr.org/EN/Issues/Business/Pages/MandatoryHRDD.aspx>.

⁴⁷ For example, in response to IFC’s decision to provide US\$8 billion financing towards COVID-19 recovery, a joint letter from human rights organizations outlined recommendations for protecting workers, including greater transparency and civil society engagement, minimizing job loss, promoting occupational health and safety, ensuring paid sick and family leave, ensuring access to child care and other social protection programs, improving equitable access to health and other essential services without discrimination, and temporarily suspending debt recovery proceedings of microfinance institutions that would put workers under additional economic distress. See <https://www.hrw.org/news/2020/05/21/joint-letter-ifc-chief-executive-officer-re-request-information-and-recommendations#>.

⁴⁸ The OECD has issued suggested guidelines for climate-focused COVID-19 recovery policy, which include not temporarily relaxing environmental regulations, as these actions are often difficult to reverse. See <https://www.oecd.org/coronavirus/policy-responses/covid-19-and-the-low-carbon-transition-impacts-and-possible-policy-responses-749738fc>.

consequence of receiving government aid (e.g. commitments to lowering emissions by a specific amount).⁴⁹

V. Conclusion

Looking back at the 2008-2009 recession and the multiple crises that the global community is facing today, difficult but important lessons have emerged. It is abundantly clear, from crisis to crisis, that State responses that provide tangible support for business, absent of conditionalities that are pro-worker and pro-rightsholder, will fail in contributing to sustainable, resilient, and equitable economies.

Responsible recovery means doubling down on the State duty to protect human rights, which includes setting clear requirements and incentives for businesses to respect human rights throughout operations and business relationships. Unless States prioritize alignment with the expectations outlined in the UNGPs and require businesses to act in accordance with the UNGPs, we will continue to repeat the shortcomings of the past.

Governments must also understand that crises like the COVID-19 pandemic extend for years and generate multiple and unforeseen ripple effects across economic and social structures. Workers will still feel the effects of the economic damage done well after the reopening of businesses and the distribution of vaccines. The recommendations outlined in this document thus should not be viewed as applicable only during crisis scenarios, but rather important best practices for all times, which take on heightened importance during times of crisis.

When choices around financial recovery are made at the expense of people's fundamental welfare and dignity, the human consequences are real, severe, and often life-changing. The world now has a momentous opportunity to chart a different course – one that contributes to sustainable business while respecting the rights and dignity of all persons.

⁴⁹ The UN Framework Convention on Climate Change secretariat has published guidance on climate-positive COVID-19 recovery policy, including a call for “no bailouts for polluting industries.” See <https://www.un.org/en/climatechange/recovering-better/six-climate-positive-actions>.