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Item No. 18 on the agenda: Any other business

**Private Law and Development: Cooperation with the Global Forum on Law,
Justice and Development (GFLJD) and possible future work in relation with the
"Human-Centred Business Model" Project**

(prepared by the Secretariat)

<i>Summary</i>	<i>Information on the current cooperation with the GFLJD in relation with the "Human-Centred Business Model" (HCMB) Project</i>
<i>Action to be taken</i>	<i>The Council is invited to take note of the information</i>
<i>Mandate</i>	<i>n.a.</i>
<i>Priority level</i>	<i>n.a.</i>

I. Background

1. At the 96th session of the Governing Council (10-12 May 2017), the Secretariat informed the Council of ongoing exchanges with the Global Forum on Law Justice and Development (GFLJD) regarding cooperation and possible future work in relation with the "Human-Centred Business Model" (HCMB) Project.¹

2. The Secretariat's memorandum presented the GFLJD's project,² *i.e.* to develop a model of a "Human-Centred Enterprise (HCE)", a "tertium genus" type of organisation "that potentially combines – on an equal level of importance – profit seeking with the wider integrity dimensions of social and environmental sustainability" [...]. The Project seeks "to create a practical and sustainable business model to be available for voluntary adoption by entrepreneurs, in almost any business environment and sector, in developed as well as in developing countries, accompanied by a supportive legal regulatory and policy framework". The project "takes a holistic approach that addresses the entire context needed for a sustainable and competitive 'business ecosystem', including fiscal, financial, legal and regulatory regimes, procurement conditions, and capacity building and mentoring support".

¹ See: [UNIDROIT 2017 - C.D. \(96\) 14](#)

² see: <http://www.globalforumljd.com/communities-of-practice/human-centered-business-model>

3. Based on preliminary work ³ conducted by the UNIDROIT Secretariat back in 2010 regarding the legal regime governing social enterprises, the Secretariat expressed an interest in principle for the HCBM Project, and hosted a Conference on 17 February 2017 held under the patronage of the Italian Agency for Cooperation for Development. At its 96th session (10-12 May 2017), the Governing Council authorised the Secretariat to participate in the development of the project as co-leader with the University of Florence for Pillar II on 'Legal Framework and Governance',⁴ compatibly with other priority assignments of the Work Programme and subject to funding being made available.

4. At the 97th session (2-4 May 2018) of the Governing Council, the Secretariat reported on the advancement of the activities of the Project partners.⁵ In particular, the Secretariat led a comparative background research by coordinating a group of nine interns and researchers who conducted studies on existing forms and current proposals regarding a dedicated legal status for organizations pursuing social objectives in their respective countries or regions. The research, including an analytic study based on a structured Questionnaire and Explanatory Note drafted by the co-leaders, has been used in the preparation of the research paper of the Pillar.

II. Developments since the Governing Council 97th session and Future Action

5. As a major development, in June 2018, the Organisation for Economic Co-operation and Development (OECD) accepted to coordinate the overall project, through its Development Centre. While leaving the project strongly anchored within the GFLJD, the OECD's role will significantly strengthen the project and further promote cooperation opportunities with key international partners.

6. As part of the meetings held to present and discuss the HCBM Model in 2018, on 12-13 November 2018, UNIDROIT hosted an event organised in collaboration with the OECD Development Centre and the University of Florence, comprising two Workshops devoted to a review of Research Papers on the Guiding Principles (social and environmental sustainability) and Corporate Governance. The latter, authored by Prof. Andrea Zorzi and Dr. Diletta Lenzi, with the inputs by the UNIDROIT Secretariat, has been published by the University of Florence.⁶ The paper has been posted on the Global Forum Website ⁷ and will also be published by the Global Forum/World Bank in a compendium of research papers of the project. The HCBM papers will also be disseminated within the participants to the April 11 session in Washington DC (see below).

7. On 11 April 2019, as a World Bank Group Spring Meetings Event, a session will be devoted to the "*Human-Centred Business Model: Sustainable Business Practices for Sustainable Development Outcomes*". The session will seek to introduce the HCBM to a wider audience and explore how it can contribute to achieving the UN Sustainable Development Goals. It will also analyse what role legal frameworks play in supporting HCBM's multidimensional approach towards meeting these goals. Speakers are: Ms Sandie Okoro, Senior Vice President and World Bank Group General Counsel, Mr Angel Gurría, Secretary-General, Organisation for Economic Co-operation and Development, Ms Pascale Dubois, Vice President, Integrity, World Bank Group, Ms Odile Renaud-Basso, Director-General, French Treasury, and Mr Frédéric Samama, Co-Head of Institutional Clients Coverage, Amundi Asset Management, will moderate the session.

³ See: [UNIDROIT 2010 – C.D. \(89\) 7 Add. 5](#): Guidelines for a legal framework for social enterprises (or for a certain type of social enterprise). Notwithstanding the interest expressed by the Governing Council for the project, due to the lack of funding, no further work was engaged by the Secretariat in this area.

⁴ As described in the Project Concept Note, Pillar II's objectives are to: "identify functional legal and regulatory models; develop innovative corporate governance schemes that can ensure the pursuit of goals other than profit; develop compliance and monitoring strategies to control the fulfilment of the legal model within the corporate governance; develop draft provisions to be incorporated in HCEs bylaws".

⁵ See: [UNIDROIT 2018 C.D. \(97\) 16](#).

⁶ Andrea Zorzi and Diletta Lenzi, *The HCBM and Hybrid Business Forms: A Primer and a Roadmap*, Working Paper N. 13/2019, DISEI, Università degli Studi di Firenze.

⁷ <http://globalforumljd.com/new/communities-of-practice/human-centered-business-model>

III. Action to be taken

8. *The Governing Council is invited to authorise the Secretariat to continue monitoring and collaborating the development of the HCBM project, compatibly with other priority assignments of the Work Programme.*