VOLUNTARY PRINCIPLES ON SECURITY + HUMAN RIGHTS

FREQUENTLY ASKED QUESTIONS FROM GOVERNMENTS

General

- **How will a government benefit by joining the Voluntary Principles on Security and Human Rights Initiative?**

The Voluntary Principles on Security and Human Rights ("Voluntary Principles") is both a set of principles and a multi-stakeholder initiative that provides guidance regarding how to promote universal respect for human rights in the provision of security for extractive industry activities. Many governments have found that the Voluntary Principles are well-aligned with their policy objectives of protecting human rights, promoting development, and avoiding or reducing conflict.

Governments that join the Voluntary Principles Initiative have the opportunity to engage in mutual learning and joint problem-solving with other governments; international and national oil, gas, and mining companies; and non-governmental organizations to address challenges related to security and human rights concerns in the extractive industry – including company interaction with public and private security service providers.

- **Does a government's participation in the Voluntary Principles Initiative promote foreign investment? If so, how?**

Yes, by becoming a Participant in the Voluntary Principles Initiative, a government demonstrates its commitment to protecting extractive sector investments by promoting a working environment that reduces investors' exposure to the operational, legal, and reputational risks that are sometimes associated with conflict surrounding extractive industry projects.

Additionally, a government in the Voluntary Principles Initiative can encourage national companies to follow suit and join as well, which can help improve the reputation of those companies and make them business partners of choice for joint ventures and host governments.

- **What are "host" and "home" governments, and can governments fall into both categories at the same time?**

"Home governments" are governments of countries in which oil, gas, and mining companies are based, and "host governments" are governments of countries in which oil, gas, and mining companies operate. Many governments can be classified as both host and home governments.

- **What role do home governments play in supporting implementation of the Voluntary Principles?**

Home governments play a critical role in supporting Voluntary Principles implementation. Home governments can help support the Voluntary Principles through various aspects of their activities – including their diplomatic and economic engagement with other governments. For example, a home government often works through its embassies to engage with key players on the ground, including the host government, extractive companies, and local members of civil society. Such engagement may include coordinating and supporting initiatives by companies, non-governmental organizations, and other governments; providing training; hosting learning forums; and promoting best practices with regard to Voluntary Principles implementation. Home governments also support the Voluntary Principles through their economic policies. For example, in some instances, they can require or encourage the companies to which their export credit agencies lend to commit to the Voluntary Principles.

- **How does the Voluntary Principles Initiative's multi-stakeholder approach create a space to identify and solve security challenges?**

The multi-stakeholder aspect of the Voluntary Principles Initiative helps promote the sharing of best practices and provides opportunities for collective learning and problem-solving. These interactions between different stakeholders build trust which, in turn, promotes both improved collaboration to address root causes of existing security and human rights concerns, and coordinated and timely responses to specific challenges that arise over time.

Security concerns present particularly challenging issues that benefit from a multi-stakeholder approach. Different stakeholders bring unique perspectives to bear on security issues, and have access to different types of information. Governments possess diplomatic information related to the security sector; companies have firsthand knowledge regarding the challenges of working with public and private security on the ground; and NGOs have access to information

regarding how security-related issues impact local communities. By working together and sharing information, stakeholders are better equipped to address security concerns collectively.

- **Can a National Oil Company, with only national operations, become a Participant in the Voluntary Principles Initiative?**

Yes. There are no restrictions on National Oil Companies joining the Voluntary Principles Initiative. For information on how to become a company Participant, please see the Framework for the Admission and Participation of Governments.

- **My government is already a member of Extractive Industries Transparency Initiative ("EITI"). How is the Voluntary Principles Initiative different?**

Like the Voluntary Principles Initiative, the EITI applies to the extractive sector. The EITI aims to improve financial transparency, however, while the Voluntary Principles Initiative focuses on security.

Resources and Assistance

- **What are the financial commitments for participation in the Voluntary Principles Initiative?**

Government and Company Participants are responsible for providing an annual contribution towards the cost of running the Voluntary Principles Initiative. Each year at the Annual Plenary Meeting, the Participants agree upon the budget for the coming year to support an established work plan. In recent years, the expected annual contribution has been approximately $25,000 per government and company Participant. NGOs do not submit an annual contribution, but are responsible for funding their travel to the Voluntary Principles Annual Plenary Meeting.

Notably, Engaged Governments, during their first year of participation in the Initiative, are expected to pay an amount equal to one half of the costs attributed to a Government Participant, after which their dues increase to the full amount.

- **What must a government do to meet the membership requirements of the Voluntary Principles Participation Criteria? What happens if it cannot comply with the expectations of the Voluntary Principles Initiative?**

The Voluntary Principles Participation Criteria state that all Participants must commit to do the following:

- proactively implement or assist in the implementation of the Voluntary Principles;
- attend the Annual Plenary Meeting and, as appropriate, other sanctioned extraordinary and in-country meetings;
- communicate publicly on efforts to implement or assist in the implementation of the Voluntary Principles;
- prepare an annual report on efforts to implement or assist in the implementation of the Voluntary Principles;
- participate in dialogue with other Voluntary Principles Participants; and
- share information in response to reasonable requests from other Participants.

When seeking to become a Government Participant, a government is expected to draft and implement an action plan to promote and implement the Voluntary Principles. More information on what an action plan includes can be found in Annex A of the Framework for the Admission and Participation of Governments.

A government (or any other Participant) can be declared inactive and therefore expelled if it: fails to submit an annual report, refuses to participate in dialogue with other Voluntary Principles participants, or fails to pay dues.

- **What is the resource and time commitment to be a Participant Government in the Voluntary Principles Initiative?**

The time and resource commitments associated with being a Participant Government vary. At a minimum, a Participant Government is expected to attend the Annual Plenary Meeting, to participate in a monthly teleconference with the Government Pillar, and to submit an annual report to the Voluntary Principles Initiative providing an overview of its activities during that year to promote Voluntary Principles implementation. A government is also expected to implement the action plan that it submitted in order to become a Participating Government.

Many Participant Governments also participate in Working Groups, although this is not required. Working Groups focus on a range of topics, from outreach and implementation to governance. The time commitment associated with Working Group participation depends on the nature of the Working Group's activities, but generally is limited to monthly conference calls.

Home and host governments may also choose to be active in Voluntary Principles outreach through their embassies. Such outreach may include hosting multi-stakeholder dialogues and engaging with governments -- both other Participants and non-Participants -- on issues related to Voluntary Principles implementation.

Home and host governments may also choose to be active in promoting Voluntary Principles implementation and outreach within their respective countries. Potential activities might include meeting with extractive sector companies to promote Voluntary Principles implementation and address specific security and human rights concerns, participating in local multi-stakeholder dialogues, and supporting and promoting training of public security forces on the Voluntary Principles.

- **Are there options if a government wants to join, but cannot afford the expected annual financial contribution?**

If a government would like to join the Voluntary Principles Initiative, but is concerned about its ability to pay the expected annual financial contribution, it should contact the Voluntary Principles Secretariat to discuss specific options.

How to Join and What is Required

- **What are the steps to becoming a Participant in the Voluntary Principles Initiative?**

Any government wishing to join the Voluntary Principles Initiative should submit a letter of intent, in writing, to the Voluntary Principles Secretariat, thereby becoming an "Applicant Government." This letter should include a statement of the Applicant Government's commitment to the Voluntary Principles.

The Secretariat will transmit the Applicant Government's letter of intent to the Steering Committee, which will make a determination, in consultation with the Voluntary Principles Plenary, as to whether the government should be admitted as an "Engaged Government." All Applicant Governments are first admitted to the Voluntary Principles Initiative as Engaged Governments.

In order to become a Government Participant, an Engaged Government must submit an action plan outlining the steps the government plans to take to promote and implement the Voluntary

Principles. This plan should be submitted to the Steering Committee within 18 months of the government's admission as an Engaged Government. The Steering Committee, in consultation with the Plenary, will review the action plan and make a determination regarding whether the Engaged Government should be admitted as a Participant Government.

More information on the admission process, including regarding the letter of intent and the elements of the national action plan, is available in the Voluntary Principles Framework for the Admission and Participation of New Governments.

- **What if a government is interested in joining but is not prepared to meet the criteria to be a full Participant?**

Participants of the Voluntary Principles Initiative encourage interested governments to inquire further regarding how governments may work with Voluntary Principles Participants without becoming a full member. Any government is encouraged to contact the Voluntary Principles Secretariat or one of the current Engaged or Participant Governments to express interest and explore ways to learn more.

One way for governments to explore participation in the Voluntary Principles Initiative is to request permission to attend an Annual Plenary Meeting. The Voluntary Principles Steering Committee has invited several governments to attend past Plenary Meetings as Invited Guests. This is an excellent way to learn more about the Initiative and the benefits of Voluntary Principles implementation.

- **What is a government action plan? Will Participants in the Voluntary Principles Initiative assist in this process? How should a government begin to develop one?**

A government can become an Engaged Government without having adopted an action plan, but must create one within eighteen months to become a Participant Government. An action plan should outline the steps a government intends to take in order to promote and implement the Voluntary Principles. Specifically, the plan should (a) demonstrate commitment to and implement the Voluntary Principles both domestically and overseas, and (b) promote the Voluntary Principles and encourage companies, NGOs, and other governments to join the Voluntary Principles Initiative and implement the Voluntary Principles. Examples of potential activities designed to promote and implement the Voluntary Principles include regular multi-stakeholder roundtables; establishing interdepartmental Voluntary Principles promotion

strategies; demarches; administering training; developing national legislation; joint Government-Corporate-NGO outreach; and presentations at international fora.

There is no set procedure or template for developing an action plan, but governments should do so in a manner that involves consultation with relevant government agencies (*e.g.*, commerce, defense, justice, energy, and mining). For home governments, the development of the plan should also involve consultation with embassies and missions in countries where Voluntary Principles implementation is relevant. Finally, governments should consult with extractive sector companies and members of civil society.

Current Participants in the Voluntary Principles can assist governments in the development of action plans. Any Engaged Government seeking assistance should contact the Secretariat or members of the Government Pillar to discuss what forms of assistance are possible.

Does a government need to take any legislative action if it joins the Voluntary Principles Initiative?

The Voluntary Principles Initiative does not require governments to take any specific legislative action in order to join. An Engaged Government may identify the need for specific legislative changes as a part of its action plan.

Impact of Voluntary Principles Implementation

- **How does government support for the Voluntary Principles lead to better practices?**

The Voluntary Principles support the efforts of governments to positively influence security practices related to extractive projects. Participant Governments have reported that the Voluntary Principles promote government objectives relating to human rights and business, as well as overseas economic development and stability. By pledging and publicizing their own support – on government websites, to embassies, in meetings, and at events – Participant Governments help define responsible business behavior. Governments also can train their own security forces to comply with the Voluntary Principles. Finally, Participant Governments can engage with other governments to adopt and implement the Voluntary Principles.

More specifically, one Voluntary Principles government found that the Voluntary Principles provide a basis for its discussions with its companies to encourage them to take responsibility for and respect international standards regarding how their operations impact individuals and communities. Another Voluntary Principles government stated that the Voluntary Principles

help it meet the upstream conflict prevention objectives of the government's Building Stability Overseas Strategy.

Governments are also often well-positioned to facilitate relationships between Participant Companies and civil society organizations, relationships that advance implementation efforts. For example, the embassy of a Voluntary Principles Government has worked with a Voluntary Principles mining company and NGO to find ways to support their on-the-ground work to promote improved community security practices at mine sites. Similarly, in Indonesia, a Voluntary Principles government has supported efforts by a local NGO to hold multi-stakeholder dialogues to strengthen implementation of the Principles.

Additionally, a Voluntary Principles Participant Government that is mineral-rich has developed a National Plan for the implementation of the Voluntary Principles in its own jurisdiction, and its multi-stakeholder Mining and Energy Committee promotes and disseminates security-related human rights practices and works to develop VPs assurance indicators. The Committee also provides a forum for bilateral dialogues between companies and the government about human rights abuses. The country's Ministry of Defense has signed a memorandum of understanding with several Voluntary Principles Participants that incorporates the Principles. These efforts collectively support the armed forces in their efforts to employ security practices near company projects that are in accordance with international humanitarian law and guidelines on use of force.

- **How does company application of the Voluntary Principles support better results on the ground?**

The application of the Voluntary Principles by companies supports improved practices at the project level.

The Voluntary Principles recognize that companies can best respect human rights by integrating human rights awareness into the maintenance of the safety and security of their operations. To this end, company Participants have updated their corporate policies and procedures to reflect the values, and act on the recommendations, found in the Voluntary Principles.

For example, many company Participants have already integrated the Voluntary Principles into their contracts with private security providers. Additionally, companies have made significant investments in developing and deploying human rights training programs for public and private security forces, company employees, and contractors. As one example, a mining company's foreign affiliate in Indonesia conducted 28,500 hours of specific training on the company's human rights policy in 2011. Five thousand employees, 7,000 contractor employees, and 1,700 others – including police, armed service, students, and community organizations – received the training.

Companies can also draw on the experience of their peers, as well as Participant NGOs and Governments, to improve their risk assessments and thus better identify and manage security-related human rights risks.

- **How does NGO support for the Voluntary Principles improve implementation?**

NGOs support the Voluntary Principles by seeking to have them included in government and inter-governmental standards, as well as voluntary codes and initiatives. For instance, one NGO seeks to have the Voluntary Principles included in new EU directives, when pertinent. The NGO also successfully ensured the inclusion of the Voluntary Principles in the Dutch Coal Dialogue's assurance system for the supply chain of major coal users.

Voluntary Principles NGOs also support multi-stakeholder processes involving companies, local police and military, and communities. NGOs have convened ongoing multi-stakeholder dialogues to support the Voluntary Principles in countries including the Democratic Republic of Congo, Indonesia, and Tanzania. For instance, a VPs NGO helped convene multistakeholder meetings in Colombia that led to the government joining the Voluntary Principles, and also helped prompt the inclusion of human rights into the curriculum for Colombian security forces. The Voluntary Principles Working Group in Indonesia, which was initially convened by a VPs NGO, discusses implementation challenges in that specific context and shares best practices, and also conducts outreach to the government. Moreover, a Voluntary Principles NGO has conducted dozens of training for police that guard a Voluntary Principles company's mine site, and created a community policing program for the areas near the mine. This process required ongoing coordination and engagement with and between the government, the company, communities, and local civil society.

Finally, NGOs help companies improve their practices and accurately identify risks. For instance, one Voluntary Principles NGO has agreed to jointly carry out a Voluntary Principles Risk Assessment for the mine of a Voluntary Principles company in Colombia. Another NGO has developed Voluntary Principles performance indicators and is field-testing them with Voluntary Principles companies in Peru and Colombia.

For specific examples of Voluntary Principles implementation in particular countries or sectors, please contact the Voluntary Principles Secretariat at voluntaryprinciples@foleyhoag.com.