



Voluntary Principles on Security and Human Rights: Annual Report 2017

Founded in 1957, The Fund for Peace (FFP) is a nonprofit, nonpartisan, independent NGO based in Washington, D.C. FFP works to prevent conflict and promote sustainable security by building relationships and trust across diverse sectors and by developing innovative technologies and tools. FFP has worked in over 60 countries with a wide range of partners in all sectors: governments, international organizations, the military, civil society, and the private sector.

FFP has been engaged in a wide array of programs that have assisted companies in the oil, mining, renewable energy, infrastructure, and agribusiness sectors, including:

- Assessments (including Community, Human Rights Impacts, Risk, and Security Assessments);
- Training on Human Rights and Security for companies, communities, and security forces;
- Technical support for human rights monitors;
- Expert advice on implementation;
- Community/stakeholder engagement;
- Workshops on security and human rights for a variety of stakeholders.

FFP has long focused on company-NGO cooperation, particularly in regard to security and human rights implementation, with a number of notable achievements. One of the better known projects was where FFP assisted the Cameroonian military

in improving their human rights training program, ensuring that the program was context specific and accompanied by materials that would be more likely to appeal to, and resonate with, soldiers — in this case, comic books. FFP continues to employ an innovative and inclusive approach that focuses on finding contextual, practical solutions to affect change. FFP has experience implementing these programs in Cameroon, Canada, Colombia, Ghana, Guatemala, Haiti, Honduras, Laos, Malaysia, Mexico, Morocco, Nigeria, Panama, Papua New Guinea, Philippines, Spain, Turkey, and Western Sahara.

Commitment to the Voluntary Principles

1 FFP is highly active within the Voluntary Principles, as a member of the VPI Steering Committee and VPA Board of Directors since 2016 (after previously having served from 2011-2015). During 2017, FFP also Chaired the NGO Pillar and participated in Working Groups on In-Country Implementation, contracting of a new Secretariat, and on the development of common training materials. Beyond the international initiative, FFP also Chaired the Ghana In-Country Working Group and participated in meetings of the Nigeria In-Country Working Group.

Human Rights & Business Roundtable in 2017

The mission of the Human Rights & Business Roundtable is to promote the rule of law and open societies. Launched in 1996, the Roundtable was the first forum designed for multinational businesses and mainstream human rights organizations to discuss issues of common concern in an atmosphere of mutual respect, trust, and confidentiality.



The U.S. Government's Approach to Business & Human Rights through Transition

March 2016 — With the release of the National Action Plan on Responsible Business Conduct in December 2016, the U.S. Government mapped out its priorities and primary areas of focus to encourage high standards of conduct for American business. As the U.S. Government finds itself in a period of political transition, stakeholders in government, civil society, and the corporate sector are now seeking to understand what direction the incoming Administration may take on business and human rights going forward.

Implementation of Security and Human Rights Initiatives in Nigeria



May 2016 — Nigeria, Africa's largest economy and home to abundant natural resources, is also no stranger to cycles of conflict and violence. The intersection between business and human rights, and how companies ensure their operations are secure while also respecting the rights of communities, is an important issue amidst insecurity within the country. Ongoing Insurgency in the North, pastoralist conflict in the Middle Belt, and growing militancy and gang violence in the Niger Delta, can all have negative impacts on the economy and business' ability to operate. As conflict risk is heightened within hotspot regions, implementation of robust security and human rights policies remain critical to protect both communities and businesses.

Approaches to Conflict Mitigation in the Oil and Mining Sectors - Perspectives from Ghana



September 2016 — As the first government in Africa to join the Voluntary Principles Initiative, Ghana provides a useful example of how a multi-stakeholder initiative can provide a platform and vehicle for collectively addressing security and human rights issues on the ground. The platform provided by multi-stakeholder initiatives such as the VPSHR, can be used to troubleshoot and mitigate issues such as addressing conflict between communities and extractive sector operations, whether it be the tensions between offshore oil exploration and fisheries, competition for resources between communities and industrial mining projects, or violence and crime related to illegal or small scale mining operations.

Beyond Oil, Gas and Mining: Experiences of Voluntary Principles Implementation in Different Sectors



December 2016 — The Voluntary Principles were established as a practical tool for companies in the oil, gas, and mining sectors to better manage their security arrangements and, in so doing, to respect human rights. Though the Voluntary Principles were created with the extractive sectors specifically in mind, since then other industries have recognized the applicability of the Voluntary Principles to their own, often similar, security and human rights challenges. Indeed, the Voluntary Principles are now being implemented in sectors as diverse as renewable energy, agriculture, infrastructure, transportation and manufacturing, demonstrating the relevance of the Principles in addressing a broad array of business and human rights issues.

2 FFP has long featured the VPs prominently on its web site (www.fundforpeace.org), wherein FFP also makes publicly available its Annual Report to the VPI. FFP also provides extensive information and reporting on its ongoing implementation work in Ghana, hosted on a dedicated web site at www.ghanavps.org. Further, FFP frequently publicizes the VPs in lectures and panel discussions related to issues such as corporations operating in conflict-sensitive areas; conflict and human rights impact assessments; and multisectoral collaboration and partnerships. These events typically take the form of university classes, or conferences organized by industry, governments, international organizations, and civil society. In many of these cases, the theme of the presentations was the VPs and multisectoral collaboration in general. In 2017, for example, FFP presented on the VPs at the *Inter-Governmental Forum on Mining and Metals* in Geneva and a conference on *Extractive Resources for Prosperity — Responsible Sourcing from Fragile Areas* in The Hague.

3 FFP frequently engages with other participants of the Voluntary Principles Initiative to better understand challenges and lessons learned. A major pillar of this engagement is the *Human Rights & Business Roundtable*, a multistakeholder forum established in 1996 as a platform for business and civil society to dialogue on issues related to security and human rights. Among the Roundtable's corporate members are Barrick Gold, Chevron, ConocoPhillips, ExxonMobil, Freeport-McMoRan, Hess, and Newmont Mining.

Policies, Procedures and/or Guidelines to Implement the VPs

4 FFP continues to pursue multiple activities related to the promotion and implementation of the VPs, in furthering their implementation and sharing lessons learned. Key aspects of the VPs, such as security & human rights and risk assessments, are the focus of dedicated discussions within FFP's Human Rights & Business Roundtable, a multistakeholder forum that was established in 1996. Further, FFP has continued to develop and deliver training programs on the VPs, and has performed assessments, trainings, and provided advice on the VPs for various clients, including multilateral financial institutions. FFP is also one of a handful of organizations that has begun to examine first-hand — and promote — the application of the VPs in industries other than oil, gas, or mining.

Promotion of the VPs

5 As in previous years, FFP has promoted the VPs directly with companies who are not currently VP participants, at the project and corporate level. Sometimes the discussions are about joining the VPs formally, but we focus first on the adoption of the principles themselves in the companies' policies and procedures. We have spoken about the value of the VPs with companies in the oil and mining sectors, as well as outside the extractive industry, in sectors such as renewable energy, agribusiness, and infrastructure. A potentially successful example of this engagement is the pending expansion of the VPI to include non-extractive companies, including a company in the palm oil business with whom FFP has directly encouraged to implement the VPs over a period of years. Beyond meeting with various interested stakeholders one-on-one, FFP frequently publicizes the VPs in lectures and panel discussions as outlined in section 2 above.

6 Through our work in Ghana, FFP has engaged directly with local communities and civil society organizations throughout the country. Since 2015, FFP has trained and educated local community groups in the Ashanti, Brong-Ahafo, Obuasi, Volta, Upper East, and Western Regions on the VPs, community activism, and general human rights themes. Further, FFP has engaged directly with local civil society organizations, including our program partners WANEP-Ghana, as well as other relevant organizations such as KASA Initiative, Wacam Ghana, and YouthBridge. It is our hope that one or more of these organizations will seek to join the VPI in coming years.

7 Through our frequent engagement with companies — members and non-members of the VPI alike — FFP encourages the adoption and implementation of the VPs in corporate policies and practices, and in some cases assesses the effectiveness of that implementation and provides assistance and guidance for improvement. More broadly, FFP has worked closely with the International Finance Corporation (IFC), an observer of the VPs, to develop guidance on the use of security forces, culminating in a good practice handbook that was published in 2017.

The VPs in Ghana

With funding from the U.S. Department of State, FFP has run a 3-year program in Ghana to assist with implementation of the VPs and the development of the country’s National Action Plan. The program has enabled better cross-agency collaboration on VPs-related issues, and has improved local capacity and relationship-building. The program has also led to the development of a multistakeholder In-Country Working Group, that has begun working on priority issues.

In 2016-2017 five national dialogue sessions were staged in Accra bringing together national-level policy makers and practitioners from the Ghana government, foreign Embassies, companies and CSOs. Key accomplishments included:

- Identification of specific problem sets which can be collectively addressed as four priority issues by the group, including reforming private security licensing; centralizing public security forces training curriculum; increasing coordination between oil/gas operators, communities and national and regional governments; and ensuring security and human rights principles are integrated into Ghana government policy and planning in response to small-scale illegal mining (“Galamsey”).
- Facilitation of greater awareness and collaboration of the VPs within the Ghana government, where previously efforts were focused solely within the lead VPI agency, the Ministry of Lands and Natural Resources. This includes expanded engagement to Ministry of Energy, Petroleum Commission, Minerals Commission, Commission Human Rights and Restorative Justice (CHRAJ), Ghana Armed Forces, Ghana Police Service, Ministry of Interior, Environmental Protection Agency, and Foreign Affairs.

- Support of the Ghana Government’s efforts to refine and sensitize their draft VPI National Action Plan (NAP), enabling a platform by all pillars to provide feedback.

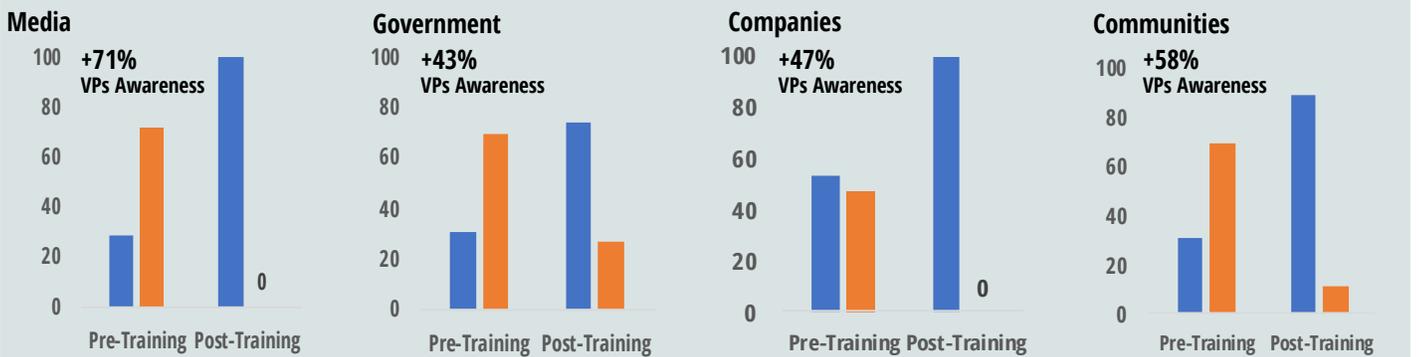
In 2017 three VPI Working Group meetings were facilitated in Accra, all hosted at rotating partner venues (Dutch Embassy, U.S. Embassy and Ghana Government). The meetings:

- Leveraged momentum and interest from the national dialogues to establish core group of policy makers, civil society representatives and VPI companies;
- Used the four priority areas identified in the national dialogues to create actionable items to be progressed by the working group; and
- Supported the Ghana Ministry of Lands and Natural Resources to host their first working group meeting and take up a co-chair role in 2018.

In 2015-2017 trained over 100 community, local government, company and media representatives in six oil/gas and mining areas across five regions in Ghana; building awareness of the VPs at the local level and early warning capacity to respond to security and human rights related risks and escalation.

- Distributed printed training materials to participants to be shared with their colleagues and communities, with tailored and accessible content for local audiences.
- Developed a sustainable knowledge platform for the VPs in Ghana at <http://www.ghanavps.org/>
- Identified local peace monitors to report on potential conflict risk issues in these areas for the broader conflict early warning system facilitated by WANEP-Ghana and ECOWAS.

Increased awareness of the VPs pre- and post-training — blue represents respondents who were aware of the VPs, orange were not.

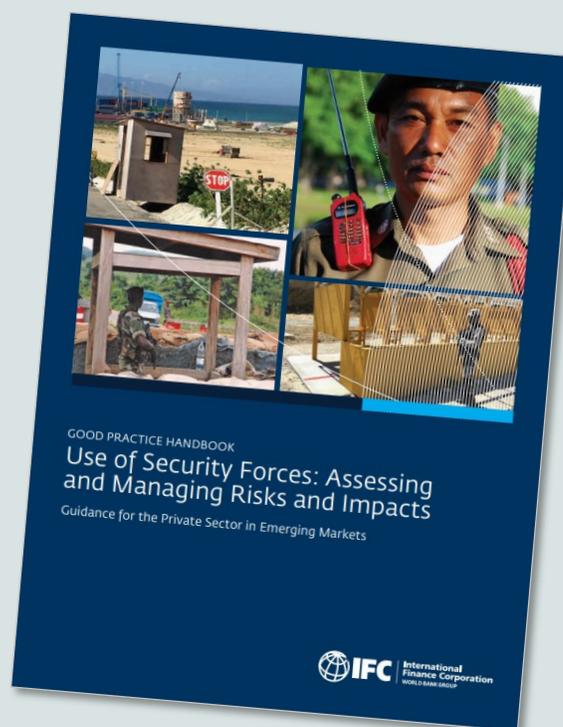


Country Implementation

8 FFP's efforts to strengthen the rule of law in countries around the world stretches far beyond its efforts related to the VPs. Indeed, strengthening the rule of law is woven into the fabric of many of FFP's projects particularly in West Africa, where FFP works closely with the Economic Community of West African States (ECOWAS) on building up their own internal capacity to respond to instability and support the rule of law throughout the region. More specifically germane to the VPs, FFP's work in Ghana has focused heavily on the security sector, particularly the police and military and their respect for human rights and the rule of law.

9 Similarly, FFP's work on conducting assessments and monitoring potential human rights violations stretches far beyond the organization's specific VPs programming. FFP has been tasked with performing risk assessments of commercial operations on behalf of investors, and has communicated any concerns directly with the investors, working together with the operations concerned to ensure that appropriate remedial steps are taken in response to such concerns, and that policies and practices are improved to ensure similar issues are prevented from reoccurring in the future. Further, as part of FFP's work in Ghana, a system for local communities to lodge grievances regarding human rights violations by oil and mining companies has been established, overseen by FFP's local partner WANEP-Ghana.

10 FFP works directly with companies, or indirectly via investors such as banks and multilateral financial institutions, to assess human rights and security risks, and to assist with improving policies and practices for their operations. Assessments, as well as assistance to improve these operations, centers around the implementation of the VPs. Further, FFP has worked closely with the International Finance Corporation (IFC), to develop guidance for the implementation of IFC's Performance Standard 4, which shares much in common with implementation of the VPs. During 2017, the IFC published *Use of Security Forces: Assessing and Managing Risks and Impacts*, a good practice handbook that relies heavily on the VPs. As this handbook is rolled out within the IFC and to its client operations, it is expected that so too will understanding of VPs implementation spread further to corporate operations, including those outside of the VPs' traditional oil, gas, and mining sectors.

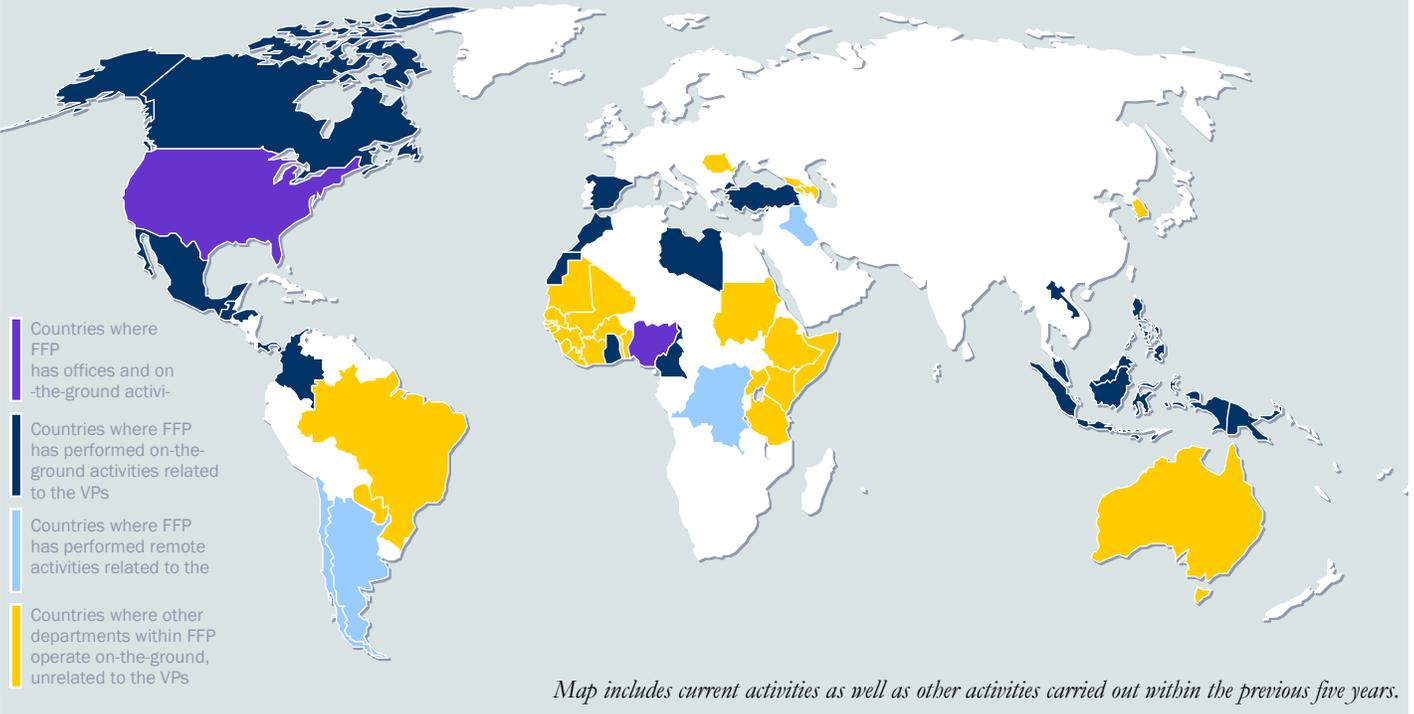


Guidance on Use of Security Forces

In 2017, the International Finance Corporation (IFC) published the *Good Practice Handbook on the Use of Security Forces: Assessing and Managing Risks and Impacts* to provide practical, project-level guidance for companies to better understand and implement the requirements outlined in IFC's Performance Standard 4 (PS4). The Handbook features extensive guidance not only on PS4, but also on the key tenets of the VPs, which are reflected significantly in the structure and expectations of PS4. Chapters in the Handbook focus on risk assessment, managing private security, managing the relationship with public security, preparing a security management plan, and assessing allegations or incidents related to security personnel, which are all core focus areas of the VPs. The Handbook is written with IFC's staff of Specialists in mind, however it can also be a resource for projects themselves in how to better manage their security arrangements.

The Handbook, developed together by IFC, FFP, and *Monkey Forest Consulting*, is publicly available for download at www.ifc.org/securityforces.

Where The Fund for Peace Operates



11 FFP’s engagements with security forces in Ghana, as discussed in section 8 above, have become even more critical in the past year, as the Ghanaian government has initiated *Operation Vanguard* that has sought to tackle the endemic issue of small-scale and informal mining in various parts of the country. In response, FFP has engaged extensively with the security forces and the relevant ministries to assist with internal efforts at ensuring that the mission is conducted in a manner that respects human rights and the rule of law. Further, the In-Country Working Group in Ghana has also begun examining reforms to the country’s laws and regulations governing private security forces, with the hope that that sector will be further formalized and more effectively overseen in future.

12 FFP follows a model of close consultation with companies, and as such respects the confidentiality of such processes. This practice allows FFP to have frank, open conversations with company representatives within the parameters of a trustful relationship. FFP continues to consult regularly with various companies — both members of the VPI and non-members alike — to discuss challenges and consider strategies for improvement.

Lessons and Issues

13 Through our experience in chairing the Ghana In-Country Working Group, and building upon our experience in previously having led the Indonesia In-Country Working Group several years ago, FFP has begun to recognize key lessons and good practices that can be relevant and informative to VPs in-country processes writ large. Pursuant to this recognition, in 2018 FFP will partner with DCAF Geneva and ICRC — both observers to the VPI — to conduct a study into lessons learned from VPs national level processes in Colombia, D.R. Congo, Ghana, Indonesia, Nigeria, and Peru. The findings of this study will hopefully provide a useful resource for future in-country processes, such as the Myanmar In-Country Working Group, which remains at an early stage of development. Separately, FFP continues to encourage the implementation of the VPs by companies in sectors other than oil, gas, and mining, as FFP has witnessed first-hand the effective use of the VPs in sectors as diverse as agribusiness, renewable energy, construction, and transportation. As implementation of the VPs increases, FFP believes it is critical that other sectors be afforded support in implementing the VPs effectively as possible.