

VOLUNTARY PRINCIPLES STRATEGY 2016-2019

I. Value Proposition for the Voluntary Principles Initiative (VPI)

Membership in the VPI provides important opportunities for multi-stakeholder engagement on security and human rights in the extractives sector. Bringing together the various perspectives present across the three pillars allows for dialogue, mutual learning and collaborative problem-solving, as well as collaborative opportunities for on-the-ground assistance in accurately identifying and assessing risks. Such interactions build cross-pillar relationships internationally and, increasingly, in-country, which in turn foster trust and the capacity to effectively respond to challenges as they arise. The VPI is increasingly focussed on VPs implementation and the Secretariat provides assistance to Participants looking to apply and adapt implementation processes and tools. New pilot in-country implementation groups allow more frequent, context-specific collaboration and sharing of best practices and tools by members on the ground in select countries.

Additional, indirect benefits of becoming a VPI participant stem from the demonstrated commitment to promoting a working environment that reduces exposure to the operational, legal, and reputational risks that can arise in cases of conflict surrounding extractive industry projects. This can in turn favour improved foreign investment in member countries and increased business partnerships or joint ventures with member companies.

The above benefits will only increase as the VPI improves with respect to accountability, transparency, implementation and active participation. More specifically, the VPI vision going forward includes:

- Coordinating the pillars in-country through the In-Country Implementation Pilot Groups (ICIPG);
- Encouraging all Participants to participate in verification;
- Increasing implementation of the VPs and participation in the VPI, especially by key host governments from high-risk, resource-rich countries, including through the development of robust VPs National Action Plans;
- Encouraging all Participants to share a public version of their annual reports.

II. Overview

The Initiative of the Voluntary Principles on Security and Human Rights (“Voluntary Principles Initiative”) is a multi-stakeholder initiative in which governments, companies and non-government organizations (“NGOs”) commit to implement or support the implementation of a set of principles that guide oil, gas and mining companies on providing security for their operations in a manner that respects human rights.

Established in 2000, the Voluntary Principles on Security and Human Rights (“Voluntary Principles”) guide companies in maintaining the safety and security of their operations within an operating framework that promotes respect for human rights and fundamental freedoms.

The Voluntary Principles have provided guidance to help extractive sector corporate actors anticipate and mitigate risks related to the deployment of public and private security. Participants strive to continuously improve their efforts and to credibly address the challenges of security and human rights.

The U.N. Guiding Principles on Business and Human Rights provide a commonly accepted framework of normative principles and policy guidance, which informs the implementation of the Voluntary Principles Initiative.

Participants of the Voluntary Principles Initiative aim to: promote the provision of security in a manner that respects human rights; continue to implement the principles on the ground; increase host government and country outreach; increase the number of Participants in the Initiative by strengthening the Value Proposition; and improve accountability.

To achieve these aims and reinforce the core principles of the Voluntary Principles Initiative, the Voluntary Principles Initiative will:

1. Increase and enhance implementation of the Voluntary Principles through multi-stakeholder working groups on the ground;
2. Leverage sharing of good practices and positive impacts on the ground;
3. Enhance engagement with public security forces;
4. Define a value proposition outlining the Initiative's benefits to Participants;
5. Improve services provided to members, such as assistance and tools;
6. Expand membership in all three pillars of the Initiative with particular focus on adding governments from resource extraction countries and NGOs;
7. Encourage Participants to prepare reports in accordance with the recently updated reporting guidelines and to provide a public version;
8. Continue to implement verification frameworks.

III. Objectives and Actions 2016-2019

1. Implementation objectives:

- a. Promote in-country implementation through the facilitation of In-Country Implementation Pilot Groups (ICIPG)
 - i. Identify three (3) countries open to the establishment of new ICIPGs as part of a pilot project (additionally to the existing group in Peru);
 - ii. Establish a roadmap to determine the scope and to facilitate the work of ICIPGs;
 - iii. Launch ICIPGs in identified pilot countries, under the oversight of the VPI-level Implementation Working Group; and

- iv. Provide support to the ICIPGs as required.
- b. Enhance engagement with government public security
 - i. Map existing Participant engagement and activities with public security functions and forces, including detailed identification of government-to-government engagement where available;
 - ii. Conduct pilot mapping of in-country public security related engagement through ICIPGs;
 - iii. Develop a strategic plan focused on public-security engagement using, among other references, the Model Clauses; and
 - iv. Continue to engage with public security forces representatives and invite them to the Plenary, as appropriate.
- c. Promote the use of existing VPI tools and develop new toolkits
 - i. Strengthen the services provided by the Voluntary Principles Initiative by identifying peer-learning and training needs of Participants, including Participants in the countries hosting ICIPGs, and by capitalizing on opportunities for sharing of best practices; and
 - ii. Support multi-stakeholder fora on security and human rights issues at local and national level where appropriate.

2. Governance objectives:

- i. Review and apply the grievance mechanism for dispute resolution among Participants;
- ii. Review mechanisms used in the case of non-compliance with core membership obligations;
- iii. Adopt and implement a credible method for assessing compliance with core membership obligations (e.g. possibility of corrective actions such as tiered membership approach);
- iv. Review entry criteria and approbation process for new members;
- v. Review the Framework for Admission of Observers; and
- vi. Assess governance options to support the long-term vision and value proposition of the Voluntary Principles Initiative in the following areas: decision-making processes, structures, and mandates of the Secretariat and the Chair.

3. Verification objectives:

- a. Conduct a review of Participants' use of the Verification Frameworks
 - i. Assess existing accountability efforts;
 - ii. Assess effectiveness of verification presentations and options to enhance verification presentations:
 - i. Assess opt-in/opt-out option for Corporate Frameworks;
 - ii. Explore whether presentations on implementation should feature peer-review and follow-up commitments;
 - iii. Improve public reporting at both the Participant and Initiative levels:
 - i. Encourage reporting against indicators;

- ii. Encourage VPI members to provide a public version of the VPs reports;
and
- b. Draft guidance on a verification process for the ICIPGs that will allow the Initiative-level Implementation Working Group to monitor in-country implementation in a way that that is complementary to Initiative-level verification processes, and which will:
 - i. Assess group members' familiarity with the Voluntary Principles and experience with Voluntary Principles implementation, with a particular focus on ICIPG members who are not VPI members;
 - ii. Assess and share progress achieved, lessons learned, and best practices with other ICIPGs and VPI members.

4. Outreach and promotion objectives:

- a. Secure new Participants:
 - i. Expand membership in the Government pillar of the Initiative, based on the list of identified countries discussed at the 2016 Plenary;
 - ii. Expand membership in the NGO pillar of the Initiative, based on a list of targeted organizations to be refined in 2016 in line with the NGO Strategy;
 - iii. Expand membership in the Corporate pillar of the Initiative;
- b. Adopt a value proposition outlining the Initiative's benefits of participation;
- c. Promote the Voluntary Principles and relevant tools and documents in key international and local venues/fora;
- d. Translate key Voluntary Principles documents into other languages;
- e. Strengthen NGO participation at national and international levels; and
- f. Continue to explore how to enhance cooperation between the Voluntary Principles Initiative and other multi-stakeholder initiatives (e.g. OECD Responsible Business Working Group, UN Working Group on Business and Human Rights, ICoCA).

IV. Progress review

The Steering Committee will review the strategy on at least an annual basis and report back to the Annual Plenary Meeting.