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VPSHR 2021 ANNUAL REPORT

REPORT ON ACTIVITIES AND OUTREACH FOR THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

For over 60 years, The Fund for Peace (FFP) has been a world leader in developing practical tools and approaches for reducing conflict. With a clear focus on the nexus of human security and economic development, FFP contributes to more peaceful and prosperous societies by engineering smarter methodologies and smarter partnerships. FFP empowers policy-makers, practitioners, and populations with context-specific, data-driven applications to diagnose risks and vulnerabilities and to develop solutions through collective dialogue. FFP is an independent tax-exempt non-governmental organization headquartered in Washington, D.C. with offices in Abuja, Nigeria and Tunis, Tunisia. FFP boasts six decades of programmatic experience in over 40 countries, focused on conflict early warning, peacebuilding, and sustainable development.

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VOLUNTARY PRINCIPLES ANNUAL REPORT 2021

COMMITMENT TO THE VOLUNTARY PRINCIPLES

1 FFP is highly active within the VPSHR, as a member of the VPSHR Association (VPA) Board of Directors since 2016 (after previously having served from 2011-2015). After chairing the NGO Pillar for most of its existence, including 2017-2020, during the year, FFP remained engaged as a member and also co-chaired the Ghana In-Country Working Group (ICWG).

2 FFP continues to feature the VPSHR prominently on its website (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 website at www.ghanavps.org. Further, in 2021, FFP frequently publicized the VPSHR 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. Due to the COVID-19 pandemic, these events typically took the form of online university classes, or virtual conferences organized by industry, governments, international organizations, and civil society.

3 As with previous years, in 2021 FFP engaged with other participants of the VPI to better understand challenges and lessons learned. A major pillar of this engagement is the Human Rights & Business Roundtable (HRBRT). Launched in 1996, the HRBRT was the first forum designed for multinational businesses, governments, and mainstream human rights organizations to discuss issues of common concern in an atmosphere of mutual respect, trust, and confidentiality. During the reporting period, the HRBRT continued to serve as an invaluable resource for corporations, NGOs, and

ABOUT FUND FOR PEACE'S WORK

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.

governments to work together to promote human rights, good corporate practices, and sustainable development, especially within the context of the COVID-19 pandemic. The pandemic and the resultant public health measures necessitated that the forum take place on a virtual platform for 2021. The accessibility of virtual meeting platforms made it easier for the Roundtable to engage with panelists and stakeholders around the world who would never have been able to travel for in-person events. This created a broader pool of expertise and participants that FFP engaged with on both the forums and the publicization of the VPSHR. Among the HRBRT's corporate members are Barrick Gold, Chevron, Freeport-McMoRan, and Newmont Mining.

POLICIES, PROCEDURES AND/OR GUIDELINES TO IMPLEMENT THE VOLUNTARY PRINCIPLES

4 FFP continues to pursue multiple activities related to the promotion and implementation of the VPSHR, in furthering their implementation and sharing lessons learned, including the 2019 research study on best practices and lessons learned from VPs In-Country Working Groups (ICWGs), and the subsequent 2020 publication of *From Commitment to Impact: A Guide for Local Working Groups on Business, Security & Human Rights* in partnership with the Geneva Centre for Security Sector Governance (DCAF). While this report focuses on ICWGs that support the implementation of the VPSHR, its application is of relevance to numerous international initiatives in the field of security, development, and human rights, predicated on effective implementation in often challenging environments. The report features prominently on FFP’s website. Further, key aspects of the VPSHR, such as security & human rights and risk assessments, are the focus of dedicated discussions within FFP’s Human Rights & Business Roundtable, as noted above. FFP has also continued to develop and deliver training programs on the VPSHR, and has performed assessments, trainings, and provided advice on the VPSHR for various clients, including multilateral financial institutions and multinational extractive companies. FFP is also one of a handful of organizations that has begun to examine first-hand — and promote — the application of the VPSHR in industries other than oil, gas, or mining.

PROMOTION OF THE VOLUNTARY PRINCIPLES

5 As in previous years, FFP has promoted the VPSHR directly with companies who are not currently VPSHR participants, at the project and corporate level. Discussions sometimes address joining the VPSHR formally, but FFP’s focus is first on the adoption of the principles themselves in company policies and procedures. FFP promotes the value of the VPSHR with companies in the oil and mining sectors, as well as outside the extractive industry, in sectors such as renewable energy, large-scale construction, agribusiness, and infrastructure. Beyond meeting with various interested stakeholders one-on-one, FFP frequently publicizes the VPSHR 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. FFP has worked closely with local civil society organizations, including our program partners WANEP-Ghana, as well as other relevant organizations such as Wassa Communities Affected by Mining (WACAM) and Youth on Board Africa (YOBA). During 2021, the Ghana ICWG, which FFP co-chairs, continued to work on the research study aimed at establishing a baseline on the current status of human rights in the Ghanaian extractive Sector. The Commission on Human Rights and Administrative Justice (CHRAJ), the research lead, conducted 28 interviews with relevant extractive stakeholders, including traditional, opinion, and community leaders and produced a draft baseline report, which is set to be validated in 2022. Additionally, the Ghana ICWG, in collaboration with the Kofi Annan International Peacekeeping Training Centre (KAIPTC) continued work on the development of VPs standards for security through standardized training, awareness raising, and regulatory review. The curriculum, as it is currently structured, includes seven modules and is set to be validated in 2022, after which a train the trainer (TOT) workshop will be organized for participants drawn from government, companies, and civil society to test-run the curriculum.

7 Through our frequent engagement with VPI member and nonmember companies, FFP encourages the adoption and implementation of the VPSHR in corporate policies and practices. In some programs, FFP 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. In 2021, across a variety of international projects, FFP provided IFC advice and recommendations for improving security management and for ensuring a proper relationship between public security, private security and the foreign company doing the construction. In addition, FFP worked with local experts to provide advice to an international construction company in the middle of historic national tensions in order to deconflict issues between the company and public security services so as to minimize the potential of incidents that could have negative human rights effects. FFP also developed a program to enhance VPSHR compliance by an agricultural project in and reduce the risk of human rights violations.

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 VPSHR. More specifically germane to the VPSHR, 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, as outlined in section 6 above. Strengthening the rule of law is woven into the fabric of many of FFP's projects and programming. FFP has been tasked with performing risk assessments of commercial operations on behalf of investors, and has communicated any issues 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.

9 FFP works both 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 internal policies and practices to mitigate risks for their operations. FFP follows a model of close consultation with companies, and as such respects the confidentiality of such processes. Assessments and recommendations for operational improvement center around the

implementation of the VPSHR. 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

10 During 2021, the global COVID-19 pandemic continued to impact the ways in which FFP does business. While creating additional challenges, the pandemic provided an opportunity for innovation, particularly in how activities and outreach for the VPSHR should be conducted. Virtual and online communication platforms made many meetings and conferences possible where logistics or situational risk might have prevented in-person connections in the past. For the Human Rights and Business Roundtable (HRBRT), the online format has enhanced FFP's ability to ensure local representation on key issues. For the Ghana ICWG, the virtual platform allowed for the participation of key members of the Secretariat. Looking ahead to 2022, FFP will seek to continue to innovate by capitalizing on the flexibility and global reach afforded by online communication platforms to expand its activities and outreach on the VPSHR and bring diverse perspectives on the subject matters we examine and the relationships we seek to build.

HUMAN RIGHTS & BUSINESS ROUNDTABLES IN 2021



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 CONFLICT IN CABO DELGADO, MOZAMBIQUE: INSIGHTS AND IMPLICATIONS

Cabo Delgado province, the focus of Mozambique's natural gas development initiatives, has been home to a violent insurgency since 2017. Despite efforts by the government to address the threat, the insurgency has recently demonstrated an increase in tactical capacity, expanding the scale and frequency of violent attacks. While the impact of the violence on international investment is serious, the impact on local communities has been catastrophic. The Roundtable explored the current state of violence in Cabo Delgado and the response of communities, the government, and the private sector. Panelists emphasized the deteriorating state of the region, the conflict's impact on communities and international business, and the importance of ethical investments. There is a pressing need for responsible development by businesses and international actors, increased humanitarian investment/access, and a massive statewide security overhaul to properly combat the insurgency.

INVESTMENT AND EXTRACTIVES IN SUDAN: INSIGHTS AND IMPLICATIONS FOR HUMAN RIGHTS

Sudan has been undergoing a democratic transition since its 2019 revolution. The Human Rights & Business Roundtable discussed the opportunities and risks of investing in Sudan during this period. Panelists emphasized the need for Sudan to update its legal codes and develop protections for its workers, especially women and youth. In addition, businesses need to ensure that the local community benefits from the presence of the businesses. Expanding the role of the business community in Sudan at this time will foster the growth necessary to reintegrate the country back into the global economy. However, investors must practice responsible business operations that ensure mutual benefits between the companies and local communities. Sudan should seize the opportunity to engage with the international community but must take steps to clarify its legal codes and create protections for its workers. Furthermore, prospective businesses should strive to invest ethically and sustainably, and engage local communities.