



2017 UK Annual Report on the Voluntary Principles on Security and Human Rights for Businesses operating in Complex or Fragile Environments

A. Commitment to the Voluntary Principles

Commitment to the Rules of the Voluntary Principles Initiative

The UK Government remains fully committed to the development and implementation of the Voluntary Principles on Security and Human Rights. We have consistently worked to:

- i. raise awareness and highlight the work of the Voluntary Principles Initiative (VPI) in priority countries for membership;
- ii. support UK oil, gas and mining companies to implement the Voluntary Principles in order to manage security and human rights risks more effectively;
- iii. promote and facilitate the sharing of Voluntary Principles information, best practice and tools;
- iv. encourage greater openness by companies in line with the UN Guiding Principles on Business and Human Rights (UNGPs).

The Voluntary Principles play a vital role in helping to implement the UNGPs. They make a valuable contribution to upholding human rights and preventing conflict where extractive companies operate in difficult and complex environments. The VPI provides an open and frank forum where a range of stakeholders, including companies, NGOs and governments, can share best practice, exchange ideas and information and discuss challenging issues. Through this collaboration, the Voluntary Principles help oil, gas and mining companies drive up standards in managing their security operations as well as contributing to the UK Government's efforts to build stability overseas and promote our core values and respect for human rights.

The UK considers the Voluntary Principles a key tool for implementing the UNGPs, alongside the UK's Action Plan on Business and Human Rights in the extractive sector. The UK Action Plan sets out our commitment to

“Continue to work closely with Voluntary Principles on Security and Human Rights Initiative (VPI) member governments, extractive companies and civil society organisations, to promote greater understanding of the Voluntary Principles and strengthen the implementation, effectiveness and membership....we will continue to work on better corporate implementation of the Voluntary Principles on the ground. This includes maintaining dialogues with ‘host’ governments.”

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/522805/Good_Business_Implementing_the_UN_Guiding_Principles_on_Business_and_Human_Rights_updated_May_2016.pdf

The UK's commitment to the Voluntary Principles is underlined by our decision to take the responsibility of the government chair of the VPI in 2018-19. The UK views chairing the VPI as a crucial opportunity to widen the reach and advance the implementation of the Voluntary Principles. Working with the VPI Steering Committee, members and Secretariat the UK is confident that the excellent progress made since the creation of the Voluntary Principles can be maintained.

Engagement in the Voluntary Principles Initiative

In 2017, the UK actively participated in the regular meetings of the VPI Steering Committee and government pillar as well as two Steering Committee Strategy Retreats in Washington DC and The Hague. The UK influenced key decisions made by the Steering Committee that have the potential to set the VPI on a more secure footing and enable the government, corporate and NGO pillars to grow. The UK also joined the Governance and Implementation working groups and participated in the work of both groups.

A key focus of UK engagement in 2017 has been leading the pilot implementation working group in Burma. The working group has had initial meetings but it is clear the context for advancing the Voluntary Principles in Burma has many challenges. A key development is the agreement by the Myanmar Centre for Responsible (MCRB) to join the working group. With the help and expertise of MCRB the UK believes the pilot working group will have renewed momentum in 2018 following an MCRB commissioned scoping study to explore the issues the pilot working group could focus on in order to have the most impact.

The UK continued to meet regularly with UK members of the corporate, NGO and observer pillars throughout 2017. These cross-pillar meetings discussed key issues being considered by the Steering Committee. Globally we remained engaged through UK Embassies and High Commissions, particularly in Burma, Cuba, Democratic Republic of the Congo, Kenya, Nigeria and Peru, and provided information and guidance to enable support to host governments, with awareness raising and implementation of the Voluntary Principles.

Transparency and Dialogue

The UK is supportive of increased accountability and transparency within the VPI. As required as part of membership of the VPI the UK gave a verification presentation detailing our work in relation to the Voluntary Principles on 16 January 2018. We also participated twice as a peer reviewer in order to help facilitate other members to assess their own implementation of the Voluntary Principles.

In line with the Government Pillar Verification Framework, the UK has published previous Voluntary Principles Annual Reports on both the UK Government (www.gov.uk) and the Voluntary Principles (www.voluntaryprinciples.org/) websites. The UK continues to encourage all participants in the VPI to make Annual Reports publicly available.

B. Policies, Procedures and Related Activities

Rule of Law

The Foreign and Commonwealth Office is responsible for UK policy on the Voluntary Principles. The Voluntary Principles fall within the UK's Business and Human Rights Action Plan, the latest version of which was published on 13 May 2016 (see link in the Commitment to the Voluntary Principles section). Other government departments, including the Department for International Trade and the Department for International Development, have a role in implementing the Voluntary Principles in pursuit of the benefits they bring to businesses and local communities.

The UK is subject to international human rights obligations under customary international law and as a result of the international legal instruments we have signed and ratified. Human rights obligations generally apply only within a State's territory and/or jurisdiction. Accordingly, there is no general requirement for States to regulate the extraterritorial activities of business enterprises domiciled in their jurisdiction, although there are limited exceptions to this, for instance under treaty regimes. The UK may also choose as a matter of policy in certain instances to regulate the overseas conduct of British businesses.

The UK has specific laws protecting human rights and governing business activities. As with all UK law, these are set out in legislation or sometimes protected by common law rules which, taken together, ensure certain rights and liberties. Some of these provisions have been in place for many years and will be familiar to business. Like all States we need to continually re-assess whether the current mix is right, what gaps there might be and what improvements we could make.

The UK has ratified a series of international treaties and agreements – the International Labour Organisation's eight core conventions, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the European Convention on Human Rights - which enshrine human rights and fundamental freedoms and have been given effect through the law. Currently the Human Rights Act 1998 ensures that individuals in the UK have a remedy for the breach of rights which are protected by the European Convention on Human Rights (ECHR). It applies to all public authorities and other bodies performing public functions, as private companies sometimes do.

C. Promotion/Implementation

During 2017, the UK has focused its resources on advancing implementation of the Voluntary Principles. UK funding has been channeled through the Security and Human Rights Implementation Mechanism (SHRIM), bringing the total UK contribution to the SHRIM to £380,000 since 2016. The SHRIM is a multi-donor fund established by the UK in 2016 in partnership with The Geneva Centre for the Democratic Control of Armed Forces (DCAF). The aim of the fund is to support targeted implementation of security and human rights good practice on the ground in a cost effective way. It funds projects supporting Voluntary Principles implementation, private security sector standards and wider work on the role of business in complex environments. The fund builds on engagement of committed donors combined with DCAF's experience developing international multi-actor mechanisms to support effective security, development and human rights projects in fragile contexts. An important wider objective of the SHRIM is to foster greater public-private cooperation. The SHRIM promotes partnerships with local, regional and international stakeholders. This objective is shared by the VPI. Whilst the

SHRIM is not formally linked to the VPI, where objectives overlap, the SHRIM Steering Committee will identify opportunities to support projects of mutual interest. By collaborating with DCAF the UK is able to ensure funding is used for a variety of projects that have a real impact in the implementation of the Voluntary Principles. Examples of projects funded through the SHRIM include:

i. Training Kenyan public security forces.

This project delivered human rights, conflict management and Voluntary Principles focused training directly to Kenyan public security forces in the Turkana region in order to reduce the risk of future human rights incidents. Safestainable were chosen as a partner for the project and delivered the training in December 2017. The project built on ongoing work by Tullow Oil to engage the Kenyan security forces to build a joint approach to security. A proposed second phase of the project is being developed and will focus on a train the trainer approach. A small group of individuals will be identified to receive training and then act as trainers to deliver the training to a wider number of public security forces personnel.



• Photograph of Human Rights and Voluntary Principles training delivered by Safestainable in December 2017.

ii. Improving Voluntary Principles implementation in Peru.

The aim of this project was to create a regional Voluntary Principles working group in the Macro Sur region of Peru and build the capacity of regional stakeholders to understand good practices in the provision of security, apply good practices in their activities and work in a multi-stakeholder way to address security challenges. The initial phase of the project encompassed a study on security, human rights and the main stakeholders in the region to determine if a Voluntary Principles working group would be feasible and have sufficient support. The second phase focused on establishing a working group, a process that is ongoing. The project was delivered in partnership with Socious Peru and ICRC.



• Photograph of Voluntary Principles meeting in Peru, October 2017.

iii. Private Security governance observatory project in Africa.

The project's aim was to strengthen the capacity of civil society to play an active role in the oversight of the private security sector. Elements of the project included building capacity of NGOs in the field of private security regulation; creating a network of African NGOs that can effectively monitor the private security sector; making knowledge on the private security sector widely available; and using lessons learned to build networks, capacity, and strengthen NGOs in the region. The partner for the project was Lumière Synergie pour le Développement and the project built on existing work that had already taken place. More information can be found at the following website - <http://observatoire-securite-privee.org/en>



• Photograph of Governance Observatory meeting in South Africa, 2017.

Risk Assessment

The UK views the Voluntary Principles as a risk management framework for extractive companies operating in fragile and high-risk environments. Engagement of the three pillars in the VPI is key to providing verification, monitoring, and grievance mechanisms and assurance that human rights standards in security operations are implemented and monitored. We welcome the additional work that has been led by the corporate pillar in 2017 on undertaking risk assessments.

Public Security

The UK is fully aware that adequate and effective training for public security providers is a key component of preventing human rights abuses and, as described previously in the report, has funded projects to implement effective training. It is sometimes the case that the host government's responsibility to provide adequate training and to ensure effective oversight and accountability of public security forces is not fully or effectively implemented. The UK is clear that the Voluntary Principles provide a framework for businesses to co-operate with the implementation of security by public security providers. The UK encourages extractive companies working with public security to use the Voluntary Principles as a method to reduce and ultimately eliminate human rights incidents and welcomes the work on the proposed template for Memoranda of Understanding between host governments and companies.

Private Security

The UK is committed to working with the Private Security Sector to raise the standards to which Private Security Companies (PSCs) operate. The UK works closely with the Security in Complex Environments Group (SCEG), the UK industry body for PSCs, including by serving on the Executive Committee. The UK was instrumental in securing agreement to ISO standards for PSCs which provide a minimum level of assurance that human rights considerations are taken into account in the recruitment, training and deployment of PSC staff.

At the international level, the UK played a leading role in drafting the International Code of Conduct for Private Security Providers (ICoC), and the launch of its oversight mechanism, the ICoC Association (ICoCA). A representative of the UK government sits as a Director on the Board of ICoCA. In the past 18 months ICoCA has moved into an operational phase. Member companies are now going through the process of certification to ICoCA's operating standards. ICoCA has also launched a mechanism for complaints to be received directly by the organisation at which point a process of assessment and follow up will be initiated. Finally, ICoCA had begun conducting monitoring missions. In 2017 they visited Nigeria and Iraq to talk to private security companies, clients and NGOs about the current issues and landscape for provision and use of security around extractive operations. The UK continues to encourage all states, businesses and NGOs contracting PSCs to recognise ICoCA membership and certification to relevant standards in their contracting processes, and the UK Government will do likewise.

D. Lessons and Issues

Over the last year the UK had been particularly encouraged to see VPI members of all three pillars increase collaboration and participation. We welcome the corporate pillar taking on responsibility for organising the Annual Plenary in Washington DC in March 2018. We also welcome individual members taking the lead on developing key strands of work identified at the UK led session at last year's Annual Plenary. The UK is looking

forward to hearing updates from the groups looking at offshore security, vetting of security forces, training, risk assessments and memorandum of understandings.

During the UK's chair of the VPI in 2018-19 we are committed to continuing the excellent work of previous chairs and ensuring that the significant decisions taken by the VPI Steering Committee during 2017 are developed and implemented. As chair the UK's objectives will include:

- growing the VPI by focusing on increasing membership of corporate, CSO and Government pillars;
- increasing the impact of the Voluntary Principles on the ground by focusing on the in-country pilot implementation groups in Burma, Ghana, Nigeria and Peru as well as looking for other opportunities to advance implementation on the ground;
- ensuring the VPI is a sustainable initiative able to deliver what members need and that it is on a firm financial footing with a new permanent secretariat appointed.

It is vital all stakeholders in the Voluntary Principles are fully engaged with the VPI. The experience over the last year emphasizes that by sharing experiences, best practice and tools the Voluntary Principles can make a real difference.