



The Voluntary Principles on Security & Human Rights

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Extractive Companies Increasingly Operate in Conflict Zones

The Voluntary Principles on Security and Human Rights (VPs or Voluntary Principles) provides companies with a critical tool for guiding their development of strategies and programs to ensure that workers and investments can be secure and human rights are protected. Extractive companies, the initial target industry of the VPs, are increasingly operating in complex, conflict-sensitive environments. Due to a convergence often of ethnic tensions, weak state institutions, high levels of poverty, lack of infrastructure development, and poor governance, companies can become the target of attacks. As they are operating in the host countries with the permission of the central governments and extracting nationally owned resources, those governments have the sovereign right to determine the method of protection, usually the national military or police. In some cases, these public security forces have been implicated in human rights abuses in the past, while in others they may not be properly trained or have access to non-lethal weapons. This has had disastrous repercussions.

The Voluntary Principles are a Critical Tool to Address Those Challenges

The Fund for Peace, primarily through its Human Rights & Business Roundtable, has been looking at this issue for the last decade. We have been a participant in the Voluntary Principles process since its inception. We have also worked to develop tools to assist companies, and others, understand the complex environments, identify the potential conflict drivers, and monitor the likelihood of violence over time. We have also been investing time and resources in introducing the VPs to the private security industry, as the VPs extends to them as well as to public security forces. We believe the Voluntary Principles are an important tool for home governments, NGOs and corporations to work together to develop best practices that can ensure that the security of both the local population and the companies, helping to ensure economic growth and thusly alleviate poverty, can be protected.

Examples of the Potential of the Voluntary Principles Going Forward

Some have criticized the VP process over the last of couple of years because it has appeared to stagnate and the group remains rather small and select. While it is true that we as a group - of multinational companies, international NGOs, and home governments - have been grappling with some major challenges regarding the governance structure of the group, criteria for reporting on progress, and membership criteria, it is not true that there has been stagnation. There has been progress made in countries in which participants of the VP process and others have

worked on implementation. Below two such examples are briefly highlighted. As we all learn through pilot projects such as these, replication in other countries can take place and the full potential value of the VPs on the ground will be recognized.

The leading example of VP implementation by a host government is Colombia. The Colombian Ministry of Defense agreed to include language on human rights protection, including a commitment to the Voluntary Principles, in agreements that the state-owned oil company, Ecopetrol, signs with the Colombian armed Forces. The national oil association, the Asociación Colombiana del Petróleo, formed a committee for the implementation of the VPs in 2004, which included the Colombian Vice President Francisco Santos, the Foreign Affairs Ministry, the Defense Ministry, and the governments of the UK, the U.S., and Netherlands along with BP, Chevron, and Occidental. International Alert, an international NGO participant in the VP process, has worked with a local partner to create indicators to track the implementation and success of the Voluntary Principles on the ground. While there will still be a lot of work to do and reforms within security structures are slow to show impact, the efforts of the Colombia government and others, is evidence that the VPs can be implemented at the local and national level.

In the Democratic Republic of the Congo, monthly meetings of security managers in Katanga province take place to dialogue on issues regarding security and human rights. Organized by the newest NGO member of the Voluntary Principles, Pact, Inc., this dialogue includes representatives of the UN security forces and private security companies. Multi-stakeholder dialogues at the local levels, such as this, are a critical step to identifying the challenges and best practices and developing policies and programs to address the challenges. The VPs provide a framework for this vital discussion.

Beyond the Formal Voluntary Principles Process

The real sign of success of the VPs is that they have already gone far beyond the actual participants of the formal VP Process. Companies that are not part of the formal process have also publicly stated their commitment to uphold the Voluntary Principles. These include companies within the extractive sector but also private security companies and companies in other sectors. While not legally binding, such a commitment can be a powerful tool for local NGOs to engage with companies on the ground, where it matters most. Ideally, there will be an international reporting and monitoring process so that those who claim to support the VPs can be held accountable. But most importantly, those on the ground, where the abuses would occur should a protest turn violent, can use the VPs to engage their own governments and the companies operating in their communities. That is only possible, however, if we open up the process to be more inclusive, maintain its voluntary nature, and not create barriers to entry, such as onerous reporting criteria.

Our Recommendations

While an international mechanism is valuable to share lessons learned and identify resources for implementation, The Fund for Peace believes the greatest value of the VPs will be achieved by focusing on local implementation and through engagement with the widest appropriate circle of stakeholders, including host governments and local civil society. The challenges are local. The solutions must also be local.

The Fund for Peace strongly recommends that additional resources be allocated to support in-country processes for implementation. For the U.S. Government, as well as the other government participants, we hope to see high-level attendance at key meetings, greater resources being afforded those working on the VPs, and greater engagement by the embassies in the countries where the VPs are most needed. We encourage investment in the development of local civil society's capacity to participate in VP implementation. We understand there are many issues being addressed by the U.S. Government that compete for the limited time, attention and resources available. We believe, however, that the VPs can play a critical role in helping create greater security in challenging environments. This would have a positive impact on the effectiveness of investments by development agencies, on the ability of the host governments to undertake appropriate security sector reform, and the prospects for local civil society to hold their governments accountable, all of which could help to alleviate the conditions that can lead to human rights abuses and potentially violent conflict.