

The background of the cover is a colorful illustration. On the left, a vertical blue band contains faint, semi-transparent silhouettes of three people's faces. The main illustration shows a woman in the center with a green headwrap, carrying a large blue water container on her head. She is wearing a colorful patterned top and a blue skirt. To her right is a man with dark hair, wearing an orange safety vest with reflective yellow stripes. The background is a mix of yellow, green, and blue.

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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Cover image: Creative Frontiers

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VOLUNTARY PRINCIPLES ANNUAL REPORT 2018

COMMITMENT TO THE VOLUNTARY PRINCIPLES

1 FFP is highly active within the VPSHR, as a member of the VPSHR Initiative (VPI) Steering Committee and VPSHR Association (VPA) Board of Directors since 2016 (after previously having served from 2011-2015). During 2018, FFP again 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 co-chaired the Ghana In-Country Working Group (ICWG) and participated in meetings of the Nigeria ICWG.

2 FFP has long featured the VPSHR 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 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. 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 VPSHR and multisectoral collaboration in general.

3 FFP frequently engages 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*, 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, ExxonMobil, Freeport-McMoRan, and Newmont Mining.

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:

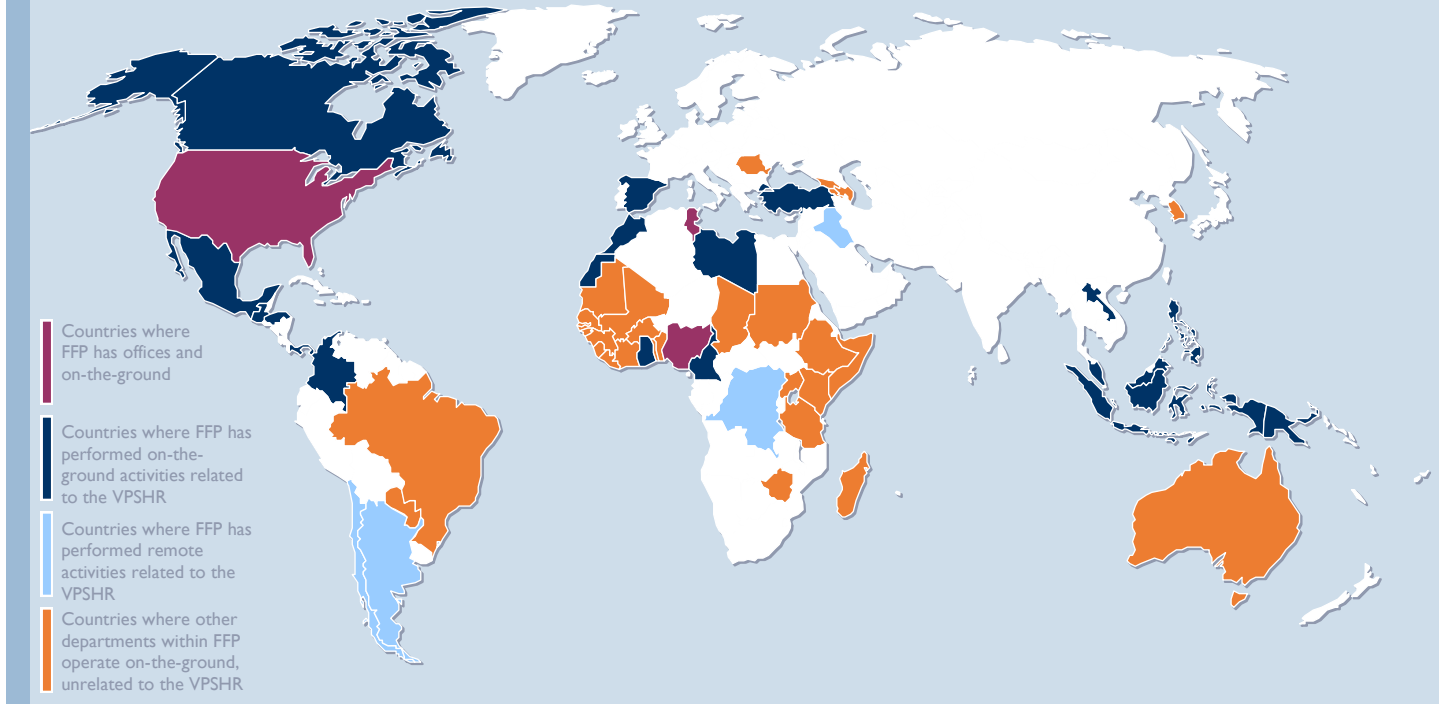
- Assessments (including Community, Human Rights Impacts, Risk, and Security Assessments);
- Training on Human Rights and Security for companies, communities, and security forces;
- Technical support for human rights monitors;
- Expert advice on implementation;
- Community/stakeholder engagement;
- Workshops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

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.

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. During 2018, FFP undertook research — in partnership with DCAF Geneva — on collecting best practices and lessons learned from the VPs In-Country Working Groups in Colombia, D.R. Congo, Ghana, Nigeria, and Peru, with research on Indonesia conducted remotely and research in Myanmar to be conducted in early 2019. Further, key

WHERE THE FUND FOR PEACE OPERATES



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*, a multistakeholder forum that was established in 1996. Further, FFP has 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. 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. Sometimes the discussions are about joining the VPSHR 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 VPSHR 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 VPSHR over a period of years. 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. Since 2015, FFP has trained and educated local community groups in the Ashanti, Brong-Ahafo, Volta, Upper East,



Online knowledge hub: www.ghanavps.org.

Image: FFP/Creative Frontiers

GHANA VPSHR COMMUNICATIONS



Media campaign to launch the #GhanaVPS series: clockwise from the top left; Samuel Asamoah from CSO Youth Bridge distributing bumper stickers; Youth Bridge educating schools and youth about the VPSHR using the cartoon; snapshots from the social media campaign for #GhanaVPS; bumper sticker.

Images: Youth Bridge, WANEP-Ghana, Creative Frontiers

and Western Regions on the VPSHR, evidenced-based advocacy, and 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 VPSHR 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 and has continued with ongoing advisory services for investments in the oil, mining, infrastructure, agribusiness and renewable energy sectors. This approach has also more recently been replicated in partnerships with IDB Invest in Latin America and the Caribbean.

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. 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 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.

9 Similarly, FFP's work on conducting assessments and monitoring potential human rights violations stretches far beyond the organization's specific VPSHR 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

HUMAN RIGHTS & BUSINESS ROUNDTABLE IN 2018

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.



Image: J.J. Messner/FFP

VPSHR In-Country Implementation: Challenges, Lessons and Opportunities

March 2018 — The VPSHR Strategy Document 2016-2019 places particular emphasis on the development of in-country working groups. These working groups can play a key role in supporting implementation on the ground of the VPSHR. In order to maximize the positive role that these groups can play there is a need to learn from experience to date. DCAF and Fund for Peace are conducting a project to analyse, document and share the challenges, lessons and good practices from current VPSHR in-country implementation efforts. This Roundtable sought to highlight concrete implementation experiences and gain insights on how to enable and provide capacity to these groups going forward.



Image: Solidarity Center (CC) via Flickr

Mitigating Gender-Based Violence Risks in the Natural Resources Sector

June 2018 — Women and children are often disproportionately impacted by conflict and violence – and are often at risk of sexual assault and human rights abuses by security forces. Implicit within international best practices for business and human rights is the need to identify and mitigate risks of human rights abuses. The VPSHR guides companies on undertaking these risk assessments – but do not explicitly highlight gender concerns. One of the most prevalent forms of human rights abuses by public and private security forces is sexual harassment or violence perpetrated against women. This Roundtable explored how companies are approaching gender-based violence in their risk assessment processes, as well as how civil society and governments are working to address broader security sector reform and social barriers around the issue.



Image: J.J. Messner/FFP

Perspectives on Responsible Business Practices in Complex Political Environments

September 2018 — The decision whether to operate or not operate in a given country or context can be simpler in some industries than in others. In the extractives sector, companies do not have the luxury of choosing where the resources exist - and the experience of the past decades has shown that valuable resources such as minerals and hydrocarbons are frequently found under the soil of countries that have challenging political, social, and conflict dynamics. Meanwhile, as expectations grow for businesses to commit to responsible business practices, particularly in fragile and conflict-affected situations, the drive to meet these expectations can sometimes clash with the prevailing political conditions on the ground. This Roundtable explored how multinational companies can uphold their commitments to responsible business practices in complex political environments.

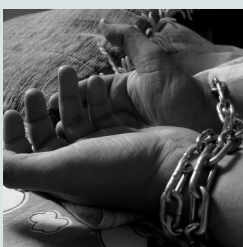


Image: Sammis Reachers (CC) via Pixabay

Eliminating Human Trafficking and Forced Labor in Supply Chains

November 2018 — Human trafficking and forced labor remain persistent concerns across the globe, with the ILO estimating that nearly 25 million people worldwide are trapped in situations of forced labor. As companies come under increasing scrutiny for their business practices and take steps to improve their due diligence, questions of supply chain management are of critical importance, particularly in regard to labor conditions. To what extent are companies accountable for, and able to control, down-stream labor practices? What meaningful steps can be taken to properly assess and improve supply chain management and engage with key actors in countries of origin to prevent human trafficking and forced labor? Drawing on lessons learned from the sectors as diverse as garment manufacturing and private security, this Roundtable explored how governments and companies across a range of sectors are taking steps to drive change and eliminate risks of human trafficking within international supply chains.



VPSHR IMPLEMENTATION IN GHANA: FINAL REPORT

As FFP concluded its three-year U.S. State Department-funded program of VPSHR Implementation in Ghana, FFP issued its final report that captured significant findings and experiences, key lessons learned, monitoring and evaluation, and overall recommendations for future steps. The report is available for download from the FFP web site at <http://fundforpeace.org/global/2018/08/28/voluntary-principles-in-ghana-final-project-report/>

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.

I 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 VPSHR. 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 VPSHR. As this handbook is rolled out within the IFC and to its client operations, it is expected that so too will understanding of VPSHR implementation spread further to corporate operations, including those outside of the VPSHR traditional oil, gas, and mining sectors.

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 continued *Operation Vanguard*, a security operation that sought to tackle the widespread practice 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 ICWG 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.



FFP’s Hannah Blyth (center) leading a training team comprised of Albert Yelyang of WANEP-Ghana (left), and Col. Amoah-Boakye of the Ghana Armed Forces (right).

Image: FFP

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 ICWG, and building upon our experience in previously having led the Indonesia ICWG several years ago, FFP has begun to recognize key lessons and good practices that can be relevant and informative to VPSHR in-country processes writ large. Pursuant to this recognition, in 2018 FFP partnered with DCAF Geneva and ICRC — both observers to the VPI — to conduct a study into lessons learned from VPSHR 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 ICWG, which remains at an early stage of development. Separately, FFP continues to encourage the implementation of the VPSHR by companies in sectors other than oil, gas, and mining, as FFP has witnessed first-hand the effective use of the VPSHR in sectors as diverse as agribusiness, renewable energy, construction, and transportation. As implementation of the VPSHR increases, FFP believes it is critical that other sectors be afforded support in implementing the VPSHR effectively as possible.



Social Media campaign from the #GhanaVPs cartoons

Image: Creative Frontiers

Social Media campaign depicting VPSHR impacts on women

Image: Creative Frontiers