A. Commitment to the Voluntary Principles on Security and Human Rights

Commitment to the Rules of the VPI:

Switzerland remains equally committed to the Voluntary Principles on Security and Human Rights (VP) as expressed in its action plan submitted when joining the VP Initiative (VPI) as a participant government in September 2011. This includes our commitment to promoting the VP, especially with regard to Swiss extractive companies and with governments for which the VP are relevant; to supporting priority in-country processes through Swiss embassies; to supporting VP implementation by companies; and to trying to create synergies between the International Code of Conduct for Private Security Service Providers (ICOC), the VP and the Swiss strategy to implement the UN Guiding Principles on Business and Human Rights (UNGPs).

Switzerland has reiterated its strong commitment to the VP through numerous public statements, including by high-level government officials, for instance in November 2015, when Federal Councillor Didier Burkhalter, Head of the Federal Department of Foreign Affairs FDFA, received Mongolian Foreign Minister Lundeg Purevsuren or when the Swiss Ambassador in Ghana held a speech at the Voluntary Principles multi-stakeholder workshop on July 23rd, 2015.

Engagement in the VPI:

Switzerland supports the transition of the VP to a stronger and more effective and accountable organization aligned with international norms and best practices in the field of business and human rights. Switzerland serves in its third year on the VP Steering Committee and has been deeply involved in its decision-making processes. At the VP strategy retreat in Washington in June 2015, Switzerland contributed actively to the discussions and decision-taking regarding Action Items for 2015-2016 based on the VP Strategy document first agreed on under the Swiss Chairmanship.
Switzerland also participates in all VP working groups. During the reporting year, Switzerland was involved in the review of the VP reporting criteria. It contributed to the Verification Working Group's development of a process to assess participants’ implementation through presentations and peer review. Switzerland was also part of an informal group of participants conducting research and preparing analysis and proposals for a discussion at the 2016 Plenary Meeting on governance issues such as the value proposition, entry criteria, membership and accountability in the VPI.

Transparency and dialogue:

The government of Switzerland shares its efforts to support VP implementation regularly with other VP participants at the Plenary Meetings, for example at the Plenary Meeting in London in March 2015 it presented its outreach and promotion activities in the DRC. During a verification conference call on April 5, 2015, Switzerland will present its VP-related work in Peru as part of the implementation verification exercise the VPI has started to conduct in early 2016. In order to inform the public on Switzerland’s participation in the VP, the Federal Department of Foreign Affairs maintains a dedicated web page: https://www.eda.admin.ch/eda/en/home/aussenpolitik/menschenrechte-menschliche-sicherheit/menschenrechte/wirtschaft-menschenrechte/freiwillige-grundsaezte.html.

B. Policies, Procedures and Related Activities

Rule of Law:

The protection of human rights is a cornerstone of Swiss foreign policy. This is anchored in the Swiss Constitution art. 54. The 2011 bill on the credit facility to support peace and human security measures during the period 2012-2016 explicitly mentions the Swiss Government’s participation to the VP as part of its main international commitments in the area of business and human security, and of its efforts to establish international standards for better corporate social responsibility. Switzerland's international cooperation 2017–2020 will be geared towards seven strategic objectives; one of them is ensuring respect for human rights and fundamental liberties, and supporting efforts to advance them. It is based on the conviction that peace and the respect of human rights are prerequisites for sustainable development. Furthermore, the Ministry of Foreign Affairs has published a Human Rights Strategy 2016-2019 which states that Switzerland promotes respect for human rights by the private sector including by supporting implementation of the UN Guiding Principles and multi-stakeholder initiatives that focus on specific industries, such as the VP.

Switzerland is currently finalizing its national strategy to implement the UN Guiding Principles on Business and Human Rights (UNGP) (National Action Plan) which will be published during 2016. The VP will be an integral part of the strategy as one of the means to practically implement the UNGP in a specific sector.

In 2013, the Federal Council published a background report on the Swiss commodities sector (http://www.news.admin.ch/NSBSSubscriber/message/attachments/30136.pdf) which provides an understanding of the importance of the commodities industry in Switzerland and
makes 17 recommendations to address its challenges, including that Switzerland “should focus its efforts to implement its state duties and promote corporate responsibilities within (…) resource extraction (…)”. The VP are addressed several times in the report and in the follow-up reports on the implementation of the recommendations made by the report.

As part of the implementation of Recommendation 11, stakeholders have agreed to develop a guide on how to implement the UNGP in the commodities trading sector. The Institute for Business and Human Rights (IHRB) was tasked with this work which is ongoing.

**Verification and accountability:**

Since Switzerland joined the VPI in 2011, most of the goals set forth in the national VP action plan were achieved or are being pursued continuously, such as raising Swiss companies’ awareness of the VPs or mainstreaming the VPs in the federal government. However, some activities that were initially planned have in the meantime proven to be unrealistic or not useful and are thus not pursued any longer. Instead other goals and activities were introduced in accordance with the VP Strategy 2014-2016, negotiated during the Swiss chairmanship of the VPs, as well as the outcome document of the follow-up strategic meeting in Washington in June 2015.

Switzerland updates fellow Participants on its support to VP implementation regularly at Plenary Meetings. At the London Plenary in 2015, for example, Switzerland presented its VP promotion activities in several provinces of the Democratic Republic Congo (DRC). On April 5, 2016, Switzerland presented its VP outreach and implementation support activities in Peru during a verification call on which it was peer reviewed by the Government of the US and the New Nigeria Foundation. Switzerland will keep track of the questions asked by peer reviewers and report on any potential follow-up that may be required to certain questions or comments during its next annual report. Furthermore, Switzerland participated in the Outreach and Implementation Working Group where it regularly provided updates on its outreach activities that are shared with Plenary via the VP website. Switzerland will also participate as a peer reviewer of a verification presentation at the Plenary 2016 in Bogota.

**C. Promotion/Implementation**

1. **Promoting awareness of the VP within the government (12):**

The Human Security Division (HSD) of the FDFA leads the Swiss Government’s engagement in the VPI and is mainstreaming the VP within the Department, as well as in other Ministries, for instance in the State Secretariat for Economic Affairs (SECO).

HSD holds regular communications and information exchange with embassies in VP priority countries, as well as with some non-VP priority countries, on outreach and VP-relevant topics, as well as to inform them on developments within the VPI. In-country processes are supported by expert staff from capital. This also serves to increase the embassy staff's knowledge of the VP, as well as their capacity to promote the VP and implementation support in host countries.

Since 2012 the VP have been an integral part of many briefings for newly appointed
Ambassadors as well as of trainings for newly recruited diplomats and experts of the Swiss Expert Pool for Civilian Peace-building. In 2016 FDFA and SECO are collaborating for the first time in a joint training session for new diplomats on corporate social responsibility and business and human rights including the VP.

The follow-up work to implement the recommendations made by Switzerland’s background report on commodities has been used as an opportunity to mainstream among Swiss Government’s staff the knowledge about challenges, practices and initiatives related to operations of the extractive sector, including the VP (see also B. Rule of Law).

2. Promoting the VP in Switzerland (10, 11, 14):

Throughout the reporting period the Swiss Government has been active in promoting the VP in various national processes, for instance with regard to Switzerland’s process of implementing the UNGPs. During 2015, Switzerland has been working on its draft National Action Plan based on an assessment conducted inside the federal administration as well as on a series of multi-stakeholder dialogues and consultations held on this topic to gather feedback and input. The VP will form part of this National Action Plan which is planned to be released in the second half of 2016.

Constant dialogue between the Swiss government, industry and civil society on business and human rights issues, including the VP, has taken place during the reporting period. For example, as a follow-up to the Swiss background report on commodities (2013) and its recommendations, promoting the implementation of the UNGP, and after consultation with all stakeholders, the Swiss Government supports the elaboration of a guide for the implementation of the UNGP for the commodities trading sector in Switzerland. The process is coordinated by the Institute for Human Rights and Business (IHRB), in collaboration with representatives of civil society, the private sector and the Swiss government. The guide should be completed in 2017.

The HSD contributes regularly as a speaker on business and human rights issues, including the VP, to academic courses and workshops or panel discussions by civil society or private sector organizations. The FDFA participates in the Global Compact Network Switzerland using the opportunity to promote the business and human rights initiatives that Switzerland is engaged in. Furthermore, HSD participates in the multi-stakeholder network on business and human rights of the Business School Lausanne created in 2015.

The HSD also engages Switzerland-based companies from the extractive and commodity trading sector on human rights issues, including on the VP. In particular, we maintain close contact with the VP participant company Glencore. In March 2015 our Embassy in Bogota has accompanied the CEO of Glencore, Ivan Glasenberg, Swiss and Colombian NGOs, and a delegation of Swiss concerned citizens to visit several communities affected by Glencore operations in Colombia and to discuss a range of human rights and environmental concerns of those communities. In March 2016 HSD has visited two mining sites of Glencore in the DRC to discuss the implementation of the Glencore VP action plan in the DRC and other human rights-related issues. (Section 3, Outreach and implementation support in priority countries) These visits are then followed-up on in discussions with the company at headquarters.
3. Promoting and advancing implementation of the VP internationally:

**Outreach and implementation support in priority countries:**

During the reporting period outreach efforts continued in the two VP priority countries where Switzerland is (co-)leading outreach to the host governments: **DRC and Peru**.

The Swiss Embassy in Peru continues to facilitate outreach and implementation support activities, particularly supporting the work of the Peruvian VP multi-stakeholder working group, and increasing the awareness of the VP at a national level in Peru. The Swiss embassy continues to conduct regular visits to the different Peruvian ministries, giving presentations on the initiative and conducts diplomatic demarches towards the often changing authorities of the Peruvian Ministries (especially Foreign Affairs, Interior, Justice and Human Rights, Energy and Mines). The VP working group in Lima has also sent a common letter to various ministries, signed by the three pillars, inviting them to the regular meetings of the working group. Currently, the Ministry of Interior participates actively to the VP working group meetings.

Switzerland works to promote open dialogue and transparency on security and human rights issues as well as trust-building between the different VP stakeholders in Peru, including those involved in social conflicts. The Embassy plays a facilitating role, sometimes in collaboration with the VP working group, in discussions on specific cases of grievances as well as facilitating visits to extractive projects by NGOs or Swiss parliamentarians.

Regarding the VP-workshop for police, see section on public security below.

The Swiss Embassy in the DRC is convening regular meetings of the multi-stakeholder VP working group in Kinshasa to discuss and coordinate VP outreach. During the reporting period, Switzerland proposed to create a permanent secretariat for the VP in Kinshasa, operated by International Alert, which would develop regular outreach and implementation support activities and thereby significantly increase the capacity of VP participants to promote the VP in the country. However, due to the lack of political and financial support from other VP government representatives, this idea did not materialize.

In November 2015, Switzerland has organized a workshop on the VP together with International Alert and Search for Common Ground in Goma, inviting representatives of the local government and civil society from North and South Kivu. The locally active company Alphamin which has recently become a VP participant has also contributed to this workshop. As a result, all participants have made commitments to promote VP implementation in their area of influence.

In March 2016 a delegation from the FDFA in Berne and the Swiss embassy in Kinshasa have visited two mining operations of Glencore in the Province of Lualaba in south-eastern DRC and have held meetings with local government and civil society representatives. The aim was to gain insight into security practices and the implementation of the VP at Glencore operations in this challenging environment. Switzerland will assess potential opportunities to strengthen VP implementation via existing local mechanisms that promote multi-stakeholder
dialogue on human rights issues in the mining sector.

In addition, the Swiss Government co-fines a project by PAX that assesses the impact of gold mining on human rights and human security in the East of the DRC and aims at promoting a conflict-free supply chain of gold from artisanal mining.

*International promotion of VP in general:*

Switzerland puts the VP regularly on the agenda of high level political and human rights consultations or dialogues we hold with a series of countries, such as China, Nigeria, Mexico, Russia, Senegal, South Africa, Tajikistan or Vietnam. Furthermore, the VP are also integrated into other meetings and demarches the Swiss government conducts. During the reporting period such contacts existed with the following countries: Brazil, Chile, Colombia, DRC, Ethiopia, Ghana, Mexico, Mongolia, Mozambique, and Peru. For example, during the official working visit of the Mongolian Foreign Minister Lundeg Purevsuren to Bern in November 2015, the VP were part of the discussion with the Head of the Federal Department of Foreign Affairs.

Since 2006, Switzerland supports the Fundación Ideas para la Paz in the creation of the so-called "Guías Colombia". The Guías Colombia is a project that is based on the VPs, and extends its principles beyond the extractive industry to other types of businesses. “Guías Colombia” developed a guidance tool on security and human rights in 2014 ([http://www.ideaspaz.org/tools/download/72991](http://www.ideaspaz.org/tools/download/72991)) making reference to the VP.

Through the Institute for Human Rights and Business (IHRB), Switzerland is supporting the so-called Nairobi Process, a pact for responsible business established in 2013 by IHRB and the Kenya National Commission on Human Rights ([http://www.ihrb.org/our-work/nairobi-process.html](http://www.ihrb.org/our-work/nairobi-process.html)). The Nairobi Process brings together oil, gas and mining companies around the table with home and host governments and major civil society platforms with the aim of embedding human rights due diligence through the application of the UN Guiding Principles on Business and Human Rights in the emerging oil and gas sector in Kenya. The Nairobi Process contributes to promoting the VP and the International Code of Conduct for Private Security Service Providers in the region. In the context of this process the Extractive Sector Forum (ESF) was created in 2015 with the aim to facilitate regular dialogue among businesses from the extractive sector and other stakeholders with an interest in the sector, including civil society organizations, community representatives and academics.

During 2015/6, the Swiss government continued to support a number of initiatives on various business and human rights issues which we believe have similar objectives and are complementary with the VP:

- Switzerland was involved in the OECD process to implement the gold and the ‘3 T’ supplement to the “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas”. Switzerland financially supports the implementation and participates in the governance group that assists the implementation process.

- The Better Gold Initiative, which seeks to increase the supply of sustainably...
produced gold from small and medium-sized mines, to reinforce the relevant voluntary sustainability standards and to bring together the various stakeholders along the value chain, through targeted interventions in production, trade and demand. This will enable small and medium-sized mines to meet the growing requirements regarding traceability and responsible production. This should secure them a better income and long-term access to international markets. The project is being run as a public-private partnership between SECO and the Swiss Better Gold Association. This approach is being taken for the first time in Peru, and there are plans to scale up the project to other countries. The total budget for three years is CHF 2.9 million. The Better Gold Initiative represents a concrete contribution towards implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

- The Swiss government contributes to the Institute for Human Rights and Business (IHRB). The Institute has carried out desk research, interviews, and workshops. It leads the ‘Nairobi Process (see p.8.) that seeks to promote the VP among stakeholders in Kenya. Together with the Global Business Initiative on Human Rights (GBI) it works with the University of Peking to establish the “China Responsible Business Forum” (CRBF).

- Switzerland financially supports the Myanmar Centre for Responsible Business which seeks to encourage responsible business activities throughout Myanmar. The Centre is a joint initiative of the Institute for Human Rights and Business (IHRB) and the Danish Institute for Human Rights (DIHR).

Switzerland presented on the VP or included the VP in a presentation at various international conferences and workshops in order to promote the awareness of the VP internationally. For instance, in
- Ghana multi-stakeholder meeting on a national VP action plan, Accra July 2015
- UN Annual Forum on Business and Human Rights November 2015
- Regional conference on private security companies in Addis Ababa, November 2015
- Conference on business and human rights for Spanish companies, Madrid, March 2015
- Conference on business and human rights at the University of Pennsylvania Law School in November 2015

Risk assessment:

(17) Switzerland has contributed to the financing of practical tools that help companies ascertain their key human rights risks and impacts. For example, the HSD is supporting a project launched and implemented jointly by the Geneva Centre for the Democratic Control of Armed Forces (DCAF) and the International Committee of the Red Cross (ICRC), to develop guidance and toolkits for VP Member Companies and Governments in relation to
companies’ engagement with public and private security forces as well as with communities in complex environments. The project has created a knowledge hub to share existing tools and good practices (http://www.securityhumanrightshub.org/). It is an ongoing project which is constantly adopting and developing guidance tools that take experiences of companies’ into account. The project, initiated at the beginning of 2013 is now running in its third phase developing guidance on community engagement on security and human rights issues. It is planned to begin an implementation phase in 2016 to support local implementation activities and develop implementation support tools including adapting the toolkit to different local contexts, translating it into other languages, and having it tested by companies on the ground. Thereby, the project aims to contribute significantly to the improvement of VP implementation on the ground.

**Public Security**:

(18, 19) In April 2015, Switzerland organized a training workshop on VP for officers of the National Police of Peru in Cuzco, one of the main mining regions of the country. This was developed in collaboration with the Ministry of Interior, the National Police, the ICRC and Glencore. This two-week course was considered as very useful and necessary by the vast majority of participants and is an example of collaboration between the private and public sectors for the promotion of respect for human rights by companies. Currently, discussions are under way regarding the possibility to replicate this successful experience in other regions and with other companies.

**Private Security**:

The Swiss Government has been strongly engaged in developing the governance and oversight mechanism of the International Code of Conduct for Private Security Service Providers (ICoC). The International Code of Conduct Association (ICoCA) was launched in September 2013 and since then 97 companies, 16 civil society organizations and 6 governments have joined. Switzerland chairs the Board of Directors of the Association. The Geneva-based ICoCA is an independent non-profit association under Swiss law. The overarching purpose of the Association is to promote the responsible provision of private security services and respect for human rights and national and international law by exercising independent governance and oversight of the ICoC. Under the Articles of Association, the ICoCA has three main functions, namely certification of private security service providers, monitoring their activities, and maintaining a complaints process for alleged victims of ICoC violations. Currently, the procedures for the Reporting, Monitoring and Assessing Performance function are being developed by the Board of Directors. Given the Swiss government’s leadership of the ICoC, which is of direct relevance to the VP, complementarities are being sought between both initiatives. The ICOCA has now also become an observer in the VPI.

The Montreux Document on Pertinent International Legal Obligations and Good Practices for States related to Operations of Private Military and Security Companies during Armed Conflict which sets forth how international law applies to the activities of private military and security companies (PMSCs) when they are operating in an armed conflict zone. It contains a set of good practices designed to help states take measures nationally in order to fulfil their obligations under international law. In December 2014, the Montreux Document Forum was
launched. It provides a platform for member states to continue working on the implementation of the Montreux Document, to discuss challenges regarding the regulation of PMSCs and to exchange good practices for example with the ICOCA. The Montreux Document is now supported by 53 states and three international organizations: the EU, the OSCE and NATO.

The Federal Act on Private Security Services Provided Abroad which builds on the Montreux Document on Private Military and Security Companies (Montreux Document) and on the International Code of Conduct for Private Security Service Providers (ICOC) entered into force in September 2015. Companies based in Switzerland that provide private security services abroad, are subject to a prior declaration requirement and are required to become a member of the ICOC Association. The purpose of the Act is, among others, to ensure respect for international law, in particular for human rights and international humanitarian law. It is complementary to the VPs as it promotes the responsible provision of private security services. The Private Security Services Section of the FDFA's Directorate of Political Affairs is responsible for implementing this Act.

D. Lessons and Issues

- In order to improve the mainstreaming of the VP and other business and human rights initiatives throughout the government, it is important to work towards a systematic inclusion of those topics into briefings for economic commissions to VP priority countries. A briefing on human rights issues, including VP-relevant topics, for participants of economic missions would be useful.

- We believe that for government outreach to be more effective increased cooperation among pillars is required. To gain new members, in particular host governments, and to avoid participants leaving the Initiative, it is key to show evidence of the VP’s positive impact on the ground, including in the prevention of conflicts. This evidence could be provided by VP Participants operating and applying the VP in priority countries. Furthermore, participants from all three pillars should contribute to outreach activities in host countries, including with high-level representation when appropriate.

- Switzerland’s representations in the DRC and Peru are small and staff responsible for VP promotion has also a range of other tasks to fulfil. Therefore, capacity constraints can be an important obstacle to more sustained outreach activities. In our experience, building trust among stakeholders, as well as organising outreach events can be very time-consuming.

- Drafting a VP Strategy and developing it further during Steering Committee strategic retreats has been a useful experience. It helped to identify common interests among participants and to drive an agenda to strengthen the initiative. The process of reviewing progress on implementing the agenda and holding strategic retreats to develop “next goals” for the initiative should be continued.

- The governance review process that developed out of the Strategy discussions must be pursued and should lead to improvements in the VPI on the following issues:
review the process and criteria for admission, review governance structure regarding accountability, strengthening the NGO pillar, consider ways to fill the gap in the VP regarding the provision effective remedy for victims.