

Business and Human Rights in Development Cooperation – has Sweden incorporated the UN Guiding Principles?

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The Storyline:

- Development cooperation aims to promote human rights
- Increased business involvement
- Global awareness of business linkages to human rights harm
- Research question: has Sweden incorporated the UNGPs (United Nations Guiding Principles on Business & Human Rights) in development cooperation (to ensure that business does not cause harm when engaging in development cooperation)?
- Novelty: first analysis in Sweden and internationally
- Conclusion: *despite substantial work in some agencies or State-owned companies, none has fully aligned policies, procedures and practices with the UNGPs.*

Positives – ”the top 3”

1. Sweden is among the first eight countries in the world to adopt a National Action Plan (NAP) which includes mention of development cooperation;
2. Ministries have ensured references to the UNGPs in steering documents (e.g. letter of instruction and owner’s policy);
3. Individuals (staff) in some agencies and state-owned companies have worked diligently and developed their own internal policies and procedures.

Negatives– ”the top 3”

1. Ministries do not encourage nor require human rights due diligence (HRDD) of their agencies or State-owned or controlled companies (**no mandatory HRDD**);
2. Business-supported aid modalities are compromising the ability of Swedish State actors to disclose relevant human rights information to stakeholders (**lacking transparency**);
3. Ministries do not have specific controls in place to ensure that agencies and State companies live up to the policies that commit them to respecting human rights (**no tracking of performance**).

Methodology

- Qualitative case study methodology: activities linked to mining in Africa
- Data generation via:
 - a) mapping Swedish development cooperation activities;
 - b) systematic analysis of ~100 steering documents and procedures
 - c) qualitative assessment through >30 interviews

“Many countries try to position themselves – it’s a sort of indirect global colonialism. Sweden is different – we’re more honest with the double objectives [of aid and trade]... But the self-promotion is certainly there, you shouldn’t try and hide this...”.

State institutions examined

State institution	Type	Supervising Ministry
Sida	State Agency	MoFA
SGU	State Agency	MoEI
Business Sweden	Partially State-owned company	MoFA
Swedfund	Fully State-owned company	MoEI
SEK	Fully State-owned company	MoEI

Note on terminology:

“Ministries” i.e. MoFA & MoEI = “Government” or “State”

“Agency” or “Authority” = *Myndighet (State Authority)*

“Company” (here) = State owned or controlled Company

“Actor/Institution” = Ministry, Agency or Company

Brief findings by actors

Actors organized by relative ranking

State institution	Strengths include	Challenges include
Swedfund	Mandatory HRDD requirements	Full coverage of HR in procedure
SEK	Internal procedures	Transparency
Sida	Internal procedures	Inconsistent approaches
Business Sweden	Commitment	No internal procedures
SGU	Willingness of staff	No internal procedures

Internal procedure: *”...it’s not easy to map risks in another country... we had to trust our gut feeling and recommendations from others”*

Transparency: *“In the shareholder agreement with the company there are secrecy clauses that state that we cannot disclose information without the consent of the other shareholders.”*

Key findings I

- Q1: Does the State set out an expectation (of agencies / companies) to observe human rights obligations?
- *Yes, for four of the five actors examined.*
- Q2: Does the State encourage or require HRDD?
- *No, it does not encourage nor require HRDD of its agencies or State-owned or controlled companies; not even in high risk situations.*

Key findings II

- Q3: Does the agency/company require HRDD (human rights due diligence) on its own?
 - *Differing levels: some require (Swedfund) and others encourage/voluntarily commit (SEK, Sida) to undertake HRDD while yet others (Business Sweden, SGU) make no commitments.*
- Q4: Does the State provide support to agencies and companies?
 - *The ministries perform differently; MoEI provides some level of support and training to companies while the MoFA provides no such support.*

Key findings III

- Q5: Does the agency/company consider human rights impacts?
 - *Some of the institutions (Swedfund, SEK, Sida) have developed own internal and substantial procedures whilst others (Business Sweden, SGU) have few if any procedures in place.*
- Q6: Does the State ensure that policies are implemented?
 - *The Swedish State (MoFA, MoEI) does not have specific controls or follow up processes to ensure that agencies and companies live up to the policies that commit them to respecting the UNGPs in their activities.*

Key findings IV

- Q7: Does the agency/company track its own performance on BHR?
- No agency or company could demonstrate the required tracking of its own performance, despite some institutions (SEK, Swedfund) having developed some more general approaches to tracking human rights performance.
- Q8: Does the agency/company disclose relevant human rights information?
- Whereas all agencies and companies examined did disclose policies, only one of the five institutions (Swedfund) was able to disclose requested operational procedures (though not all, only some selected) and how they were implemented (though only one partial report).

Conclusions

- Ministries have set out high level expectations but could provide more support
- Sida has developed substantial procedures but has work left to fully incorporate the UNGPs
- New actors in development cooperation perform poorest (SGU, Business Sweden)
- State-owned or controlled companies in some regards perform better than the State agencies e.g. in tracking performance and transparency
- BHR is erroneously perceived by many civil servants to be more relevant for companies than State agencies
- The Swedish NAP provides detail of how the UNGPs apply in a development cooperation context but more is needed to address current performance gaps

Recommendations

The Ministries should:

- *Require HRDD at least in situations that pose high risk to human rights.*
- *Provide support, training and information to ensure a consistent approach to business & human rights; and increase knowledge of how BHR applies to State actors.*
- *Put controls in place to ensure that policy commitments are implemented and to be able to report on performance.*

The agencies and State-owned or controlled companies should:

- *Strengthen the exercise of HRDD – mandatory in high risk situations.*
- *Put systems and procedures in place for managing all internationally recognized human rights risk (gut feelings will not do the job) & increase knowledge.*
- *Improve transparency and disclosure of information to stakeholders and public.*

Thank you.

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