



**International
Finance Corporation**
World Bank Group



Guide to Human Rights Impact Assessment and Management (HRIA)

UN Global Compact U.S. Network Meeting
April 28, 2008



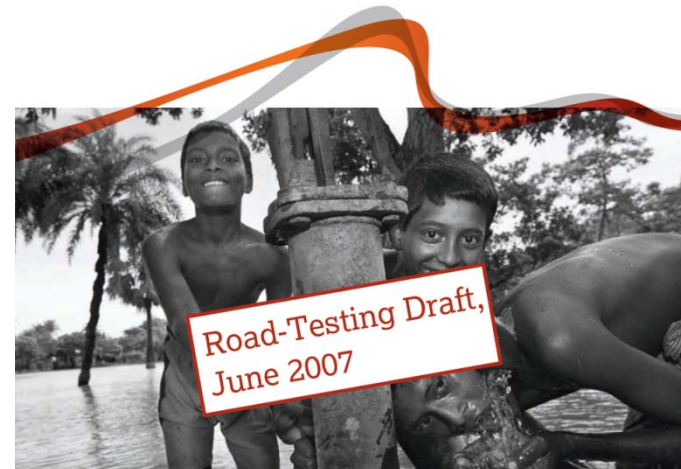
Background information

- Initiated by companies request
- Result of an intensive collaboration between IFC and IBLF
- Built on wide-range consultation of various stakeholders
- Road-testing draft was released in June 2007
- Formal and informal road-testing phase to be completed by the end of 2009



GUIDE TO HUMAN RIGHTS IMPACT ASSESSMENT AND MANAGEMENT

Road-Testing Draft, June 2007



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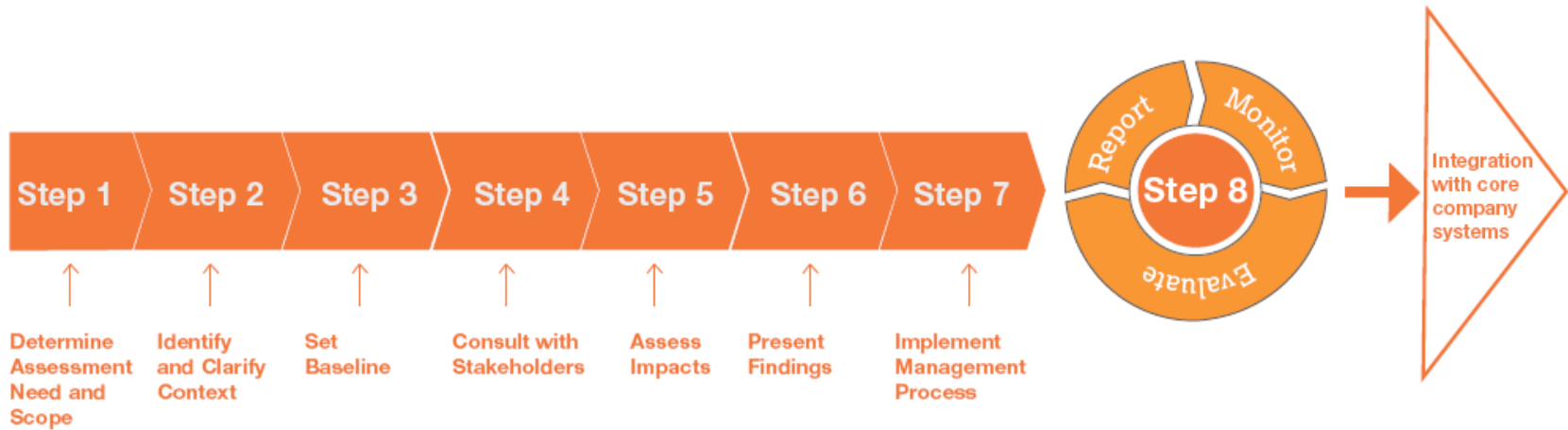
The guide is a work in progress, and this draft version has been published to allow companies from different business sectors to test it in practice. The experience gained from the road-testing will be used to further refine the guide. A revised version of the guide will be published by mid-2009. For further information and to receive guidelines for the commenting and road-testing, please contact Caroline Ersmarker at the International Business Leaders Forum: caroline.ersmarker@iblf.org.

Objectives and benefits

- **What is the added value of this guide?**
 - Risk management tool
 - Engagement tool
 - Decision-making tool

- **What are its main objectives, specifics and concrete benefits for a company?**
 - Predictive approach
 - Participatory process
 - Link between human rights and management processes

The eight-step process: overview



Step one: need assessment

Objective: Determine whether a full Human Rights Impact Assessment is needed

- **What should be the main components of such an assessment?**
 - Review of the human rights laws and conventions
 - Understand the company's experience
 - Study relevant country human rights profiles
 - Review internet-accessible material
 - Consult with relevant colleagues
 - Use other due diligence

Step two: context identification

Objective: Identify and clarify the Business project context

- **What kinds of sources of information can be useful?**
 - Company's own sources, history and experience
 - Other due diligence processes within the company
 - External sources, such as home and host governments, international and local civil society organizations and industry associations

- **What are the particular aspects to be identified?**
 - The overall human rights framework and policies
 - The specificities of the country of operation
 - The business sector of the business project
 - The range of business relationships
 - The key milestones in the business project's lifecycle

Step three: baseline setting

Objective: Set the baseline – Articulate the current local picture and conditions

- **What are the essential elements to be addressed?**
 - The legal and regulatory framework
 - The local cultural context
 - The prevailing local economic and infrastructural picture
 - Understanding of the local and national government's processes
 - Local history of human rights violations
 - Local attitudes to the role of business

Step four: stakeholders consultations

Objective: Consult with stakeholders to verify the human rights challenges

- **What are the main objectives of the stakeholders consultations?**
 - Enable individuals or groups to bring forward human rights challenges
 - Validate or amend the company's human rights assessment
 - Identify possible alternatives approaches

Step five: impact assessment

Objective: Assess the human rights impacts and consequences

- **Which elements in particular should be assessed?**
 - What is the precise nature of each human rights challenge?
 - Which individuals or stakeholders groups will be affected?
 - What is the nature and extent of the impact of the affected people?
 - What operational alternatives are available to the company?
 - What economic, social and/or environmental benefits will accrue to stakeholders from the project?
 - Does the company have direct or only indirect control over the management of the project?
 - How might the company exercise its influence to mitigate those human rights challenges over which it has no direct control?

Step six: findings presentation

Objective: Present the findings and recommendations to management

- **What are the main elements to be included in the presentation?**
 - Make the difference between the human rights impacts that are clear, and those that are not
 - Define the nature of potential impacts on stakeholders
 - Define the potential consequences for the company if the human rights challenges occur in practice
 - Offer the alternative options open to the company
 - Set the critical milestones within the business project
 - Bring out the positive impacts on human rights that are inherent in the business project
 - Recommend any further research or consultation

Step seven: implementation

Objective: Implement a comprehensive human rights management process

- **What human rights aspects should the management plan include?**
 - A full briefing for the business project's operational managers
 - A clear definition of the policies and standards to which the company is committed
 - The key actions to be embedded in operational and management processes to take account of the human rights challenges
 - Procedures to properly monitor, identify, report and respond to human rights challenges
 - Key milestones in the project's lifecycle
 - Clear allocation of responsibility for each aspect of monitoring, reporting and responding to human rights issues
 - Training for managers of key functions within the business project

Step eight: monitoring and evaluation

Objective: Monitor, evaluate and report on the management process

- **What elements should the framework for monitoring, evaluating and reporting should include?**
 - A list of these issues that have been highlighted in the impact assessment
 - Allocation of responsibility
 - Appropriate formats for regular reporting
 - Procedures for reporting on human rights issues beyond the project management team
 - Guidelines for responding to allegations of human rights violations

Road-testing phase

- How can you contribute to the roadtesting phase?
 - Feedbacks are more than welcome
 - Informal roadtesting
 - Formal roadtesting: what are the guidelines

- What do we offer?
 - Advice and support to each company conducting the test
 - Expert consultant to assist with the effective application of the guide

- To be completed by the end of 2009

Resources and contact

How to access the Guide to Human Rights Impact Assessment and Management?

- http://www.ifc.org/ifcext/enviro.nsf/Content/OurStories_SocialResponsibility_HumanRights

Comments, remarks, suggestions or questions are more than welcome:

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Thank you!