



The State of Finland's Development Policy in 2013

No development without human rights

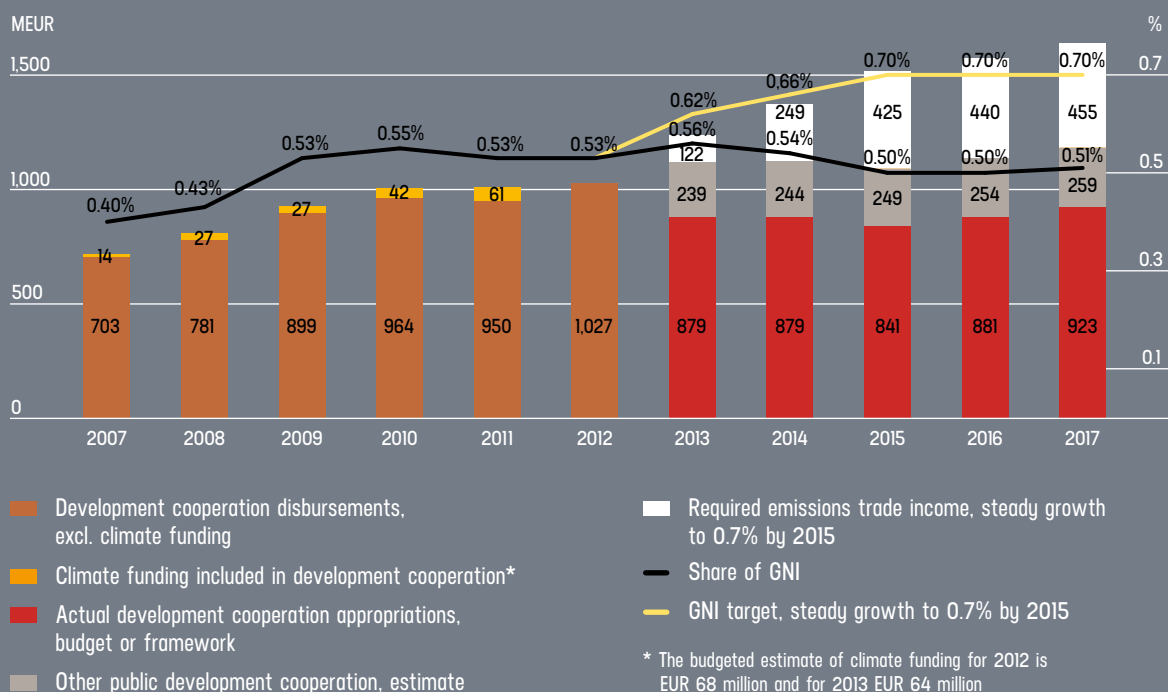


DEVELOPMENT POLICY COMMITTEE

Finnish development cooperation appropriations

Volumes 2007–2017 (MEUR)

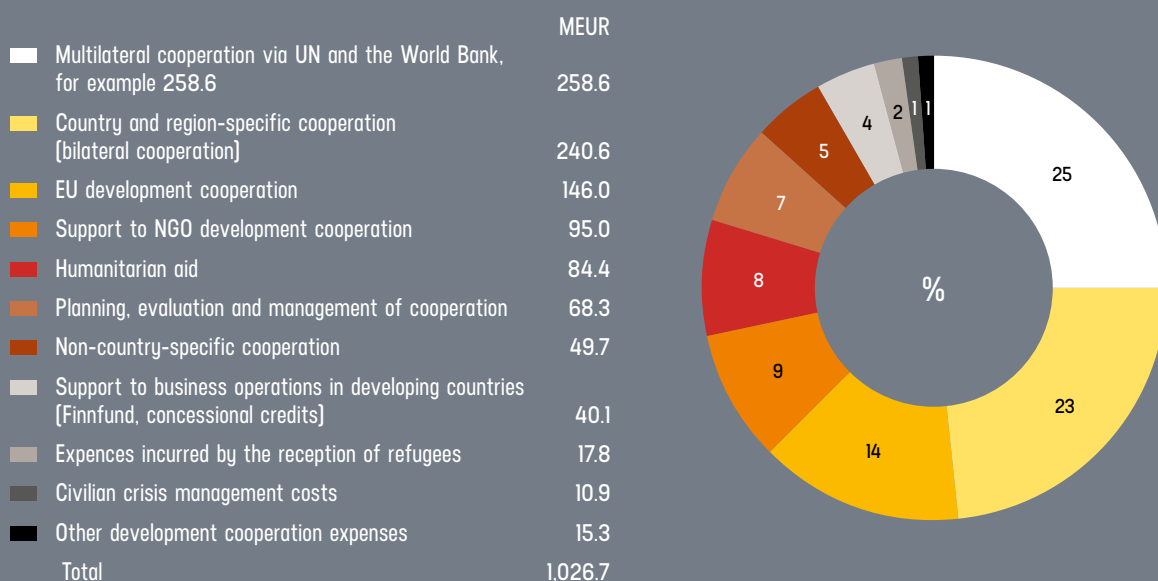
Source: Financial planning and statistical reports, Department of Development Policy of the Ministry for Foreign Affairs



Spending targets

Finnish development cooperation disbursements in 2012

Source: Kehityspolitiikka ja -yhteistyötä koskeva kertomus vuodelta 2012, The Ministry for Foreign Affairs



The figures combine the items of the actual development cooperation budget section and those of other public development cooperation.



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Foreword



Photo: Philippe Gueissaz

The Development Policy Committee (KPT) is an advisory body appointed by the Government to monitor Finland's operations in the policy areas that concern developing countries. The first annual review of the current Committee focuses on assessing the realisation of the human rights based approach in Finnish development policy.

Human rights are one of the fundamental principles of Nordic societies; the question remains, how can we promote them in other countries? This question was raised as Finland applied for a non-permanent seat on the UN Security Council. Did Finland's firm stand on human rights issues cost us votes? The Finnish media discussed whether Finland's self-righteous attitude, typical of Nordic countries, may have been a reason for the disappointing voting result.

The Development Policy Programme approved by the Government in 2012 establishes human rights as the basis of Finnish development policy and cooperation. There is general agreement on the importance of the matter in Finland. However, the matter is more sensitive and politically controversial internationally and in many of our partner countries.

The basic principles of development policy are currently a subject of much discussion globally. In recent decades, the operational environment of

development cooperation has undergone drastic changes, with the increased importance of other financing sources and emerging economies (the BRICS nations: Brazil, Russia, India, China and South Africa) to the poorest countries coinciding with a decline in public development cooperation. In many African countries, economic growth has been strong for a long time now. Still, poverty has not been significantly reduced in these countries. In addition, poverty has also become an issue in an increased number of middle-income countries.

In this context, the emphasis on human rights in the Finnish Development Policy Programme is justified. The promotion of human rights is an appropriate source of Finnish added value and should penetrate our operations at all levels, from UN forums and development banks to country-level cooperation. The Government is also committed to coherently supporting this development through policies applied in other sectors. These policies should be reviewed with attention to how they affect the actualisation of human rights in developing countries.

Jouko Jääskeläinen

Member of Parliament,

Chairman of the Development Policy Committee

Summary

In this report, the Development Policy Committee assesses the realization of the human rights-based approach in Finnish development policy. The Development Policy Programme approved by the Government in 2012 establishes human rights as the basis of all Finnish development policy and cooperation. This means a major shift of emphasis.

The overall opinion of the Development Policy Committee is that the actualisation of human rights-based approach in development cooperation is off to a good start. Still, the human rights perspective should be considered more thoroughly. In the report, the Development Policy Committee issues recommendations about matters that should be the focus of special attention in the future. Matters of importance include the building of more expertise within the foreign affairs administration and the development of monitoring and reporting procedures to gain more extensive information on the progress of human rights work.

The main focus of the Development Policy Committee's current assessment lies in the country-level cooperation in Finland's long-term development partner countries, but the review also discusses the work carried out within various multilateral organisations, as well as cooperation with non-governmental organisations (NGOs) and the private sector. The country programmes show that Finnish aid is directed to the poorest and most vulnerable groups. However, the tools offered by the human rights-based approach should be more effectively utilised. A more extensive human rights analysis should be included in

the country programmes, and strategic cooperation with local civil society should be increased.

Practical progress in human rights can only be achieved through work at the local, national and international levels. Political dialogue with partner governments forms an essential part of the practical application of the human rights-based approach. Controversial issues must not be shied away from in these discussions. On the other hand, a sensitive approach is necessary, and the manner of proceeding must be selected according to the partner country and the situation.

Finland's work in all policy areas must be based on the human rights principles in a consistent manner. A responsible private sector has great importance for the promotion of human rights, particularly through the creation of decent jobs. The tools for developing the private sector and business cooperation should therefore be further improved. At the same time, international standards of corporate responsibility should be developed and the roles of businesses and governments in the practical work established in more detail.

Reduction of development cooperation appropriations slows down the execution of new development policies and undermines the credibility of Finland's commitment to the fight against global poverty. Therefore, the Development Policy Committee requires that the Government prepare a transparent and credible plan to bring development cooperation funding to the level of 0.7 per cent of GNP as required by international commitments. The budgetary framework decision in spring 2014 must increase the funding for the years 2015–2018 in compliance with this schedule.



Photo: Satu Rynnänen

Human rights as the basis of development policy

A human rights-based approach to development means that human rights, as defined in international treaties, apply to everyone, including the people who are the poorest and most discriminated against. The basic principle is that countries are responsible for the implementation of human rights and that people's awareness of their rights must be increased. Development policies and cooperation also work towards these ends.

The human rights-based approach has been applied among international development cooperation organisations since the late 1990s. Pioneers in the field include a group of UN organisations that created a shared understanding of the meaning of the concept in 2003 (<http://hrbaportal.org>). In addition to the UN, several other international organisations, countries and NGOs that engage in development cooperation emphasise human rights in their policies. The concept is not, however, a simple and straightforward one, and different aspects of it are emphasised according to the context and the parties involved.

The Development Policy Committee believes that the human rights-based approach further strengthens the idea that the purpose of development cooperation is to eradicate poverty and, above all, to remove its underlying causes. The human rights perspective helps to identify the structural factors behind poverty, and the underlying power relationships. This is important, as the journey towards a just, equal and democratic society where human rights are respected always requires power relationships to be adjusted.



Photo: Milma Kettunen

Development is thus understood as a political process instead of a series of technical measures.

The human rights perspective reveals the many dimensions of poverty. It is not merely a matter of low income; what is essential is the lack of means to influence matters that concern the subject's own life. The rights-based perspective has an impact on the objectives and practical procedures of the development policy, as well as on measuring the results achieved. Other indicators

are needed to complement GNP and the income available to families, and to evaluate factors such as political rights, equality and freedom of speech. The rights-based perspective means a major shift in the way of thinking in development cooperation, previously based on the needs of the people. The attached table shows the differences between a needs-based approach and a rights-based one.

Land rights: a current issue

UN's human rights treaties divide universal rights into two groups: civil and political rights, and economic, social and cultural rights. Both groups are equally important and indivisible, and complement each other. For example, freedom of association and the right to assemble, guaranteed by civil and political rights, allow workers to form unions, which promotes the realisation of the economic rights of people.

At the moment, rights related to the control and ownership of land and natural resources have particular emphasis. Land grabbing from the local people has received attention particularly in Africa, where governments have been selling or long-time leasing agricultural land to foreign businesses and other states. The underlying factors include unclear ownership and the fact that control of the land is highly concentrated. Women's limited rights to own and inherit land also increase the poverty and insecurity of women. Increased foreign investments make it necessary to pay attention to corporate human rights responsibilities.

Fair land rights are an essential component of human rights and closely related to the improvement of the position of oppressed population groups. Therefore, Finnish development policy should promote the realisation of fair land rights in developing countries and seek means to reduce problems such as land grabbing.



Photo: Global.finland.fi

Differences between human rights-based and needs-based development cooperation

Charity-based	Needs-based	Rights-based
Focus on input, not outcome	Focus on both input and outcome	Focus on process and outcome
Emphasises increasing charity	Emphasises meeting needs	Emphasises realising rights
Recognises the moral responsibility of the rich to the poor	Recognises needs as valid claims	Recognises the rights of groups and individuals as claims toward legal and moral duty-bearers
Sees individuals as victims	Sees individuals as objects of development intervention	Individuals and groups are empowered to claim their rights
Individuals deserve assistance	Individuals deserve assistance	Individuals are entitled to assistance
Focuses on the manifestation of problems	Focuses on the immediate causes of problems	Focuses on structural causes and their manifestations

Source: *Applying a rights-based approach: an inspirational guide for civil society.*
Jakob Kirkemann Boesen and Tomas Martin (2007)



“ Not all development cooperation is based on human rights based approach, even when the cooperation reduces poverty.”

Photo: Milma Kettunen

The application of the human rights-based approach in practice

Practical application of the policies in progress

Promoting human rights is a long-term objective of Finnish development policy and cooperation. The area is further emphasised in the Government's 2012 Development Policy Programme which states human rights as the basis of all Finnish development policy and cooperation. This means a significant shift in emphasis, as the previous Development Policy Programme, created in 2007, focused on ecological sustainability. The current Development Policy Programme states that, "the aim is that everyone, including the poorest people, knows their rights and is able to act for them. It is equally important that the authorities know their human rights obligations and are capable of implementing them."

The Development Policy Committee is of the opinion that the practical application of the human rights-based approach is off to a good start. It has been made clear in the Committee's discussions with the representatives of the Ministry for Foreign Affairs that the matter is currently being considered. The human rights based approach receives attention in all policies and guidelines prepared after the adoption of the new Development Policy Programme. The more detailed discussion of the approach and the practical guidelines and instructions are, however, inadequate. Monitoring and reporting tools need to be further developed to gain information on how successful Finnish development policy is in the promotion of human rights and cross-cutting objectives.

Practical implementation is somewhat challenging due to the fact that the development policy

includes multiple areas of emphasis. As human rights have been chosen as the primary principle of the policy, they must receive emphasised attention in all connections. Development policy management must engage in continuous, practice-oriented communication of what the human rights-based approach means in various contexts; investments in the preparation and implementation of practical tools are also required. Different procedures are, however, necessary in different situations, which means that guidelines must be flexible.

For coherence, the Development Policy Programme should also be observed when cooperating with other countries, not only with the long-term partner countries of Finland. Since the publication of the Development Policy Programme, the Ministry for Foreign Affairs has drawn up action plans for Latin America and the Caribbean and for India. The Latin America plan lists the promotion of human rights and corporate responsibility as its objectives, but their influence in practical operations remains unclear. The background section of the India action plan discusses poverty and human rights issues, but they are not included in the actual objectives. It thus seems that extending the human rights-based approach to other fields of foreign affairs administration besides traditional development cooperation is still somewhat challenging. For example, the human rights violations taking place in Russia and China are rarely taken up in Finland's cooperation with these countries.

The first human rights strategy of the Finnish foreign affairs administration was published in June 2013, and aimed at including human rights

considerations in the mainstream of all foreign policy areas in an effective and coherent manner. The strategy and the related action plan contain policies and measures that are important for the implementation of human rights-based development policy throughout the foreign affairs administration. Since the late 1990s, special human rights reports have been the primary tool for directing the human rights policy of the Ministry for Foreign Affairs and, later, the entire Government. Parliament will receive the next human rights report in 2014.

Being results-oriented is not enough

The Ministry for Foreign Affairs' guideline, prepared based on the Development Policy Programme, lists universality, non-discrimination and participation as the primary principles of the human rights-based approach. The non-discrimination principle directs attention to the rights of the population groups that are in the weakest position. The Development Policy Committee is of the opinion that, in many cases, focusing support to these groups as directly as possible is justified. Still, it is also important to

Reviews reveal challenges in the implementation of the Development Policy Programme

The Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) carries out a peer review of its member countries roughly every four years to provide recommendations for a more efficient development policy and improved procedures. Finland's review issued in 2012 gave a positive overall evaluation of our development policy. The new Development Policy Programme was, however, considered to be too general, to contain too many areas of emphasis, and to lack clear strategic objectives. These results are based on the concern that in recent years, development policy has been fragmented into several functions and areas.

The multiple areas of emphasis included in the Development Policy Programme may make the human rights-based approach difficult to implement; the human rights perspective could be lost among other important themes. It is not, however, very useful to define development objectives and strategies very strictly in Finland. The most important asset of human rights-based development policy is its aim to combine efficient and skilled administration with genuine dialogue and partnership with the target country. When the more detailed objectives of the development policy are defined at the country level, as has been done in the new country programmes of the Ministry for Foreign Affairs, the special characteristics of each country can be taken into account and solutions tailored accordingly.

At the same time, the fragmentation of development cooperation into many small areas should be reduced. Focusing on a limited number of countries and fields of operation is justified. Above all, the reduced number and increased size of projects will reduce the administrative burden on partner countries.

Challenges related to the implementation of the Development Policy Programme are also revealed in a meta-evaluation carried out in 2010–2011. The evaluation examined practical development cooperation work through a review of various assessments of development cooperation programmes. Major deficiencies were found in results-orientation, the way cross-cutting objectives (including human rights) are taken into account, and the involvement of the beneficiaries. Involvement is one of the most important prerequisites of successful human rights-based work. These are permanent challenges in development cooperation; still, some improvement has taken place in these areas since the meta-evaluation of 2007–2009.

recognise and provide support to the defenders of human rights in the more prosperous and educated sectors of the population. All in all, civil society plays a central role in the changes that lead to stronger human rights.

In addition to the human rights-based approach, the Development Policy Programme follows the current trend and emphasises results. The Development Policy Committee recognises the importance of both aspects and believes that they are basically compatible, but that emphasising results also has its risks. If development cooperation is assessed based

on only results in the strictest sense, the process that has led to these results and that is of primary importance in the realisation of human rights, will be ignored. Objectives and indicators defined from above leave no room for genuine dialogue, democratic processes in the partner country, or listening to the voices of the poorest people. It is of primary importance to secure people's right to participate in the decision-making process and to ensure that the "development" does not actually weaken the position of those already marginalised. Thus not all development cooperation is based on the improve-

Coherence is a human rights concern

The peer review of the OECD Development Assistance Committee (see previous page) considered the promotion of coherence in development policy to be the Finnish policy area in which implementation had been least successful. Coherence means that the perspective of development politics is taken into account in all policy areas, for example in trade, agricultural and energy policies. The minimum objective is to ensure that policies in other areas do not undermine the achievement of development objectives.

Coherence is closely connected to the human rights based approach. According to UN human rights treaties, the realisation of human rights is not the sole responsibility of the governments of developing countries, but also that of the international operators who have an impact on the matter. Therefore, the human rights impact of the policies of Finland and the EU in other sectors must also be considered.

Finland's current Government Programme includes a commitment to increasing coherence in development policy. Also, the Development Policy Programme emphasises coherence to a higher degree than during the previous Government. Despite these facts, the promotion of coherence is still largely rhetorical and based on unofficial networks. There is a need to proceed from the current pilot exercise, comprised of an examination of the impact that various political fields have on global food security issues, to the setting of tangible targets and a review of coordination mechanisms, as recommended in the OECD review.

The significance of coherence has increased as the cash flow to developing countries, including trade, investments and remittances, has grown. These sources of funds have a far greater impact on the development of partner countries than development cooperation itself has. Coherent policies may boost the ability of these funds to improve the well-being of people. It must also be ensured that large reverse cash flows, such as illicit capital flows, do not undermine this potential.

ment of human rights, even when the cooperation reduces poverty.

Practical ways of turning attention to human rights at all levels

Political dialogue with the governments of partner countries at both country and international levels is an essential part of the implementation of a human rights-based approach. Controversial issues must not be avoided in these discussions.

On the other hand, a sensitive approach is necessary, and the manner of proceeding must be selected according to the partner country and the situation. A pragmatic approach should be preferred to a dogmatic one. Criticism may be easier to accept when it is accompanied by an offer of support in problematic situations and building new capacity. The main principles of the human rights-based approach must also be applied even when human rights are not the primary concern in the case at hand. (See also the example of Denmark on page 15.)

Reduced funding undermines Finland's credibility

The Government has frozen development cooperation funding for 2013–2014 at the level of 2012 and decided to reduce the funding by a total of EUR 59 million in 2015. Reductions of EUR 30.5 and 32 million have been agreed for 2016 and 2017, respectively. The reduced funding slows down the execution of new development policies and undermines the overall credibility of Finland's commitment to the fight against global poverty.

The current Government Programme aims to achieve steady funding that will allow Finland to achieve a level of 0.7 per cent of GNP and fulfil its international commitments. Finland has agreed with the European Council that it will achieve the level of 0.7 per cent by 2015.

In the spending limit discussions in March, the Government also decided to steer emissions trading income into development cooperation and, more particularly, into international climate action. However, the estimated amount of emissions trading income has fallen steeply since the matter was agreed during the government negotiations. At the current emission rights prices, the income would only amount to EUR 50 million per year. This is not enough to bring Finnish development cooperation funds to anywhere near the growth trend that would be required to achieve a level of 0.7 per cent. Because the income is uncertain, strategic planning for using the funds is difficult, and directing the funds to human rights improvements is challenging.

Development cooperation funds are also used to cover Finland's contribution to international climate work based on the commitment made in the UN climate negotiations. The current level of annual climate funding is EUR 60–70 million, and the need for it will increase in the future. Climate change and the eradication of poverty are both major challenges that require, above all, credible resources. It must be ensured that climate funding will not result in a reduction in development cooperation that primarily aims at the eradication of poverty. The commitment made at the UN's Copenhagen Climate Change Conference requires that climate funding is taken from new additional funds. It must also be ensured that emissions reduction projects or other projects that Finland supports in developing countries have no negative impact on human rights.

Practical progress in human rights can only be achieved through consistent and wide-ranging work at the local, national and international levels. Political work is often most effective when carried out in cooperation with other donors. Finland must actively pursue cooperation with countries that have similar objectives. The natural reference group consists of the Nordic countries and the European Union. Finland must take the initiative in this matter and ensure that the human rights perspective is included in the discussion agendas.

Human rights are emphasised in the EU development policy through the Agenda for Change, adopted in May 2012, and the new budget support policy, which emphasises that budget support must take on the characteristics of a pact, meaning that the government of the partner country commits to the principles of good governance. In principle, these policies and the aim of building closer cooperation within the EU concerning country-level development cooperation offer a good basis for promoting human rights. In practice, however, there are major differences in how

The Danish example

Denmark's new development cooperation strategy, The Right to a Better Life, came into force in June 2012, a few months after Finland's Development Policy Programme. The strategic choices are fairly similar to those of Finland. The Danish strategy also establishes human rights as the basis of development policy.

In February 2013, the Development Policy Committee travelled to Denmark on a fact-finding mission to study the implementation of Danish development policy and, in particular, the application of a human rights-based approach. The work is based on four principles: non-discrimination, participation, transparency and accountability. These are used as analytical tools in all forms and at all stages of cooperation.

In the application of the human rights based approach, Denmark strongly emphasises practicality, flexibility and realism. Starting points include country-specific analysis and a positive and constructive approach. This means, among other things, that the work is based on those recommendations of the UN Universal Periodic Review (UPR) that the government of the partner country has accepted. (For more information on the UPR mechanism, see page 20.)

The guidelines concerning the human rights based approach are intended to provide food for thought, but they also contain clear and practical instructions for applying the principle. For example, when conducting political discourse with the partner country, representatives of Denmark must ensure that the human rights based approach is always included in the discussions.

The guideline openly discusses the fact that the human rights-based approach may also face opposition, and that there must be preparation for such situations. The expertise and interaction skills of the public servants involved are of primary importance in these cases. Denmark also prepares for situations where the human rights situation in the partner country takes a turn for the worse. There are no standard answers. However, negative development will always have consequences for cooperation with the partner country.

Denmark's strategy clearly states that ownership by the partner country is a necessary starting point for cooperation. For example, increasing budget support is an essential part of the implementation of a human rights-based development policy. It aims to make governments more clearly accountable.



the various EU countries would prefer to act in different countries and situations. Finland can contribute to the building of a stronger, shared human rights-based policy within the EU.

Appropriate allocation of human resources

The tight funding situation of development cooperation affects the foreign affairs administration's human resources, which should, in the opinion of the Development Policy Committee, be allocated more in supporting human rights-based work. This would require job descriptions to be redefined and the recruitment of new special experts and advisers to the Ministry and diplomatic missions. So far, this has not been done. During the previous Government, the so-called "five per cent allocation" was used to recruit special experts and advisers to diplomatic missions and the Ministry, many of them to manage the fields of natural resources, the environment and the private sector, which were emphasised at the time. Currently, such additional funding is not available, as the increase in development cooperation funds has halted.

Successful application of the human rights-based approach requires that everybody who works in the area of development cooperation takes the principles into account in their daily work. Civil servants in other policy areas should

also receive basic information about what human rights-based development policy means for their work. In addition to written guidelines, training plays an important role. The new basic course on development policy and cooperation begins with a discussion of the human rights based approach, but the time allocated for this is very limited. Specific training on the human rights-based approach is also available, but the Development Policy Committee hopes that the volume of such training is increased at all levels. At the same time, particular attention should be paid to improving negotiation and interaction skills.

The advisers and special public servants recruited to the Ministry for Foreign Affairs based on their special expertise play a significant role in the implementation of development policy. Their status in the Ministry's HR policy was strengthened recently, as the adviser positions were changed from employment relationships to public-service positions. Their career development opportunities have also been improved. Attention must still be paid to equal treatment and appropriate development opportunities for advisers and experts to ensure continued and increasing development policy expertise within the Ministry. The Development Policy Committee is also concerned about the high turnover of personnel in the Ministry for Foreign Affairs, which is, above all, due to the high number of fixed-term employment relationships. This results in abrupt managing of development policy issues.

Recommendations:

- *Finland must, together with other like-minded countries (such as the Nordic countries), prepare a joint strategy on promoting the human rights-based approach at an international level. Strategic cooperation with global civil society plays an important role in this development.*
- *Active human rights dialogue with the BRICS nations (Brazil, Russia, India, China and South Africa) is necessary, and the dialogue between the civil societies and governments of these countries should also be supported.*
- *Finland must work actively and coherently for the adoption of a human rights-based approach within the EU and in other international cooperation, for example by encouraging dialogue with civil society.*
- *Finland must align how it will promote land rights in a non-discriminatory manner, promote ecologically sustainable and just utilisation of natural resources in developing countries, and find ways to fight problems such as land grabbing. Within these themes, particular attention must be paid to improving the position of women.*
- *Development policy management must continuously and clearly emphasise the importance of the human rights based approach and create new practical instructions and tools for its implementation and monitoring. The instructions should emphasise flexibility, mention the potential conflicts arising from the approach, and provide tools for solving these conflicts.*
- *More training must be provided to public servants on the human rights based approach and interaction skills. The skills of the heads of the diplomatic missions in the main partner countries, as well as those of the public servants responsible for development cooperation, deserve particular attention. The number of advisers specialised in the human rights based approach should be increased, and attention should be paid to the equal treatment of special experts and advisers in the HR policy of the Ministry for Foreign Affairs.*
- *Internal cooperation and coordination within the foreign affairs administration should be strengthened in order to ensure the implementation of the human rights policy in accordance with the human rights strategy and the Development Policy Programme.*
- *The Government must prepare a transparent and credible plan to bring development cooperation funding to the level of 0.7 per cent of GNP, as required by international commitments. The framework decision of spring 2014 must increase the funding for 2015–2018 in compliance with this schedule.*
- *To comply with the commitment made at the Copenhagen Climate Change Conference, the Government must define the international climate funding provided by Finland so that it does not affect development cooperation which aims to eradicate poverty. It must also be ensured that projects to cut emissions and climate projects carried out in developing countries have no negative impact on human rights.*

A young woman with dark hair tied back, wearing a bright green short-sleeved shirt and orange pants, stands in a field. She is holding a long-handled hoe and looking towards the camera. The field is filled with tall green grass and small yellow flowers. In the foreground, there are some wooden stakes and small green plants in the soil.

“ Development cooperation should not be seen merely as something that happens between governments and officials; instead, it should involve a wide variety of citizen groups, both in the target country and in Finland.”

Photo: Milma Kettunen

Many ways of promoting human rights in partner countries

Conflicts may occur

The Development Policy Committee believes that the principles of human rights-based approach should be applied and implemented in a consistent manner in all cooperation with partner countries. This is also important in situations where it is better to avoid the open use of traditional human rights discourse.

Human rights-based country-level work is based on the human rights principles and tools of the UN and their monitoring mechanisms. These internationally binding standards to which the partner countries have committed offer a good starting point for cooperation. However, some of Finland's partner countries reject the human rights ideology and discourse, which they consider to be inherently Western.

For the sake of continuing dialogue, it is not useful to refer to the universal nature of human rights and stubbornly insist that partners accept a particular definition of human rights. Still, a suitable minimum requirement is that Finland's partner countries monitor the compliance of non-discrimination clauses included in their own constitutions, concerning factors such as gender, race, age, disability or ethnic background. When looking for shared starting points, Finland can also rely on the recommendations of the UPR of the UN Human Rights Council, if the partner country has accepted these recommendations. (For more information about the UPR, see page 20.)

Cooperation with the partner country's own human rights activists and organisations is also essential. It is natural for Finland to assume a role

in which it can support the local civil society in its effort to promote its own rights.

Stronger expertise and wide-ranging interaction

In addition to adopting a constructive and practical approach, it is essential that Finland bases its cooperation effort on adequate expertise and an independent view of the human rights situation in the partner country and the biggest obstacles hindering improvements to the situation. This requires adequate resources of independent research and the creation and development of connections with many different social groups in the partner countries. The overall rule is that there can never be too much grassroots work; too often donor countries end up isolated in their own narrow environment in the capital cities. Information received from various sources must be used and combined to create a comprehensive picture of the overall situation in the country. Connections may also create strategic advantages in negotiations, for example.

Finland should also work to promote discourse between these groups in their own countries. Development cooperation should not be seen merely as something that happens between governments and officials; instead, it should involve a wide variety of citizen groups, both in the target country and in Finland.

Regarding human rights activists, Finland's operations should be based on EU guidelines. It must be ensured that the personnel responsible for

the management of immigration services in Finnish diplomatic missions carry out their duties in accordance with the spirit of these EU guidelines. Finland should also assume a more active role within EU cooperation to protect human rights activists, and to contribute to the systematic execution of that protection effort. When the actual conflict concerns natural resources, the people and organisations that defend local communities should also be seen as human rights activists.

The Development Policy Committee considers it important that Finland monitors the level of armament and various forms of armament (such as the weapons trade) in connection with sustain-

able human rights-based development, and raises the issue in political dialogue when possible. This will also promote the inclusion of the question of armament in negotiations over global treaties.

Human rights analysis of country programmes should be improved

Finland has seven long term development cooperation partner countries (Mozambique, Tanzania, Ethiopia, Nepal, Kenya, Zambia, Vietnam) and major cooperation in some countries recovering from armed conflicts: Afghanistan (fourth-larg-

UPR covers all countries

The Universal Periodic Review (UPR) is a transnational peer review mechanism established with the UN Human Rights Council, founded in 2006. In a short time, UPR has become an international tool of major political value and complements other UN human rights mechanisms.

With the UPR, the realisation of the human rights obligations and commitments of each UN member state is examined roughly every four years. The process contains several stages, and dialogue between states is a central method of assessing the situation in the target country. The dialogue is based on advance documentation concerning the national human rights situation. Representatives of other countries may then ask questions on the basis of the documentation. After the discussions, recommendations are issued for the target country.

est recipient of Finnish development assistance), Palestinian territories (eight-largest recipient of Finnish development assistance) and South Sudan.

The country programmes of the Ministry for Foreign Affairs, published in February 2013, are a central tool for implementing the Development Policy Programme in country-level work. No country programmes have so far been prepared for cooperation with countries recovering from conflicts. Therefore, it is difficult to estimate the current level of the implementation of the human rights based approach in these countries.

All country programmes pay attention to the human rights situation in the country. In the case

of some countries, these considerations play a fairly large role throughout the strategy. In these cases, human rights seem to be a relatively integral part of project planning and assessment as well as political dialogue. In other cases, however, human rights are only discussed in their own subsections. The influence of human rights on the projects, political dialogue and donor cooperation remains unclear.

The main observations about the country programmes concern the differences between countries and the overall poor level of human rights-based analysis. Mentioning human rights does not make a country programme human

Special characteristics of fragile states

The term “fragile states” refers to countries with multiple problems and characteristics such as weak democracy and administration, corruption, economic instability, poor human rights and a lack of freedom of speech. Human rights are the starting point of cooperation with these countries as well, even though the operating environment is even more complicated than that of relatively stable societies. In fragile states, the international community must assume even larger responsibility for human rights due to the weakness or illegitimacy of the country’s government.

A detailed analysis of the situation to understand the reasons underlying that fragility is essential. When planning and carrying out operations, it must be taken into account that the actions will have an impact on the power relationships and the resources of the different groups. Local communities and the dynamics behind the fragility may change significantly. Human rights must also be the starting point for operations not included in development cooperation: crisis management, civilian crisis management and humanitarian aid should be subject to systematic examination of how the human rights based approach is implemented in the operations.

The g7+ group, consisting of fragile states, is a positive initiative at the international level to support the voice of fragile states in politics concerning them. Finland should support the work of this group, dialogue between countries, and listening to civil society. Finland has signed the New Deal¹ document, which has been prepared at the initiative of the group. According to this document, operations concerning fragile states should always aim to strengthen local ownership and cooperation between various operators.

¹ New Deal for Engagement in Fragile States. 4th High Level Forum on Aid Effectiveness, Busan, November 2011.

rights-based; deeper analysis of the groups in the weakest position and the government's responsibility to ensure their rights, is necessary. Based on an assessment of the programmes, the implementation of the human rights-based approach at the country level seems rather arbitrary: the application methods depend on the people in charge. A better analysis would be an important step toward a more systematic method of operation.

Country programmes do, however, make it clear that human rights-based thinking forms a part of Finnish development cooperation, and that Finland aims to direct its assistance to the poorest and most vulnerable groups. The human rights-based approach offers tools that can help put these good intentions into practice, and the tools should be more effectively utilised than they currently are.

Case Nicaragua: When are human rights a reason for ending cooperation?

The 2012 Development Policy Programme dropped Nicaragua from the list of Finland's main partner countries. The decision was justified by the weakened state of human rights and democracy in the country. It had also been decided that development cooperation should be targeted at fewer countries, with increased emphasis on the least-developed countries in Africa and Asia.

The media linked the end of Nicaraguan cooperation directly to the human rights focus. If the human rights situation in the country is compared to that of some other partner countries, however, it is difficult to find objective justification for pulling out of Nicaragua and not from other countries. The case of Nicaragua has influenced the way the human rights based approach of development policy in Finland is interpreted. For this reason, it would be important to openly establish a guideline for situations such as this, where conflicting viewpoints exist.

To improve the effectiveness of development cooperation, the responsibility and ownership of the partner countries has been emphasised during the last decade. This can be seen in the 2005 Paris Declaration on Aid Effectiveness, as well as in the documents of the Accra (2008) and Busan (2011) follow-up meetings.

The Development Policy Committee emphasises that development cannot be imported into or forced on a country. There is not, and there should not be, a standard solution to situations such as that of Nicaragua. However, if a situation turns for the worse, Finland must react and be prepared to change its operations. It is important that appropriate tools to promote the human rights based approach in each context are used.

Recommendations:

Prerequisites for successful implementation of a human rights-based approach at the country level include the following:

- *Country-specific analysis. Finland must have adequate expertise and an independent view of the human rights situation in the country, the biggest obstacles in the way of improving the situation, and how Finland can influence them. The analyses in the country programmes must be grounded in the human rights-based approach. Shared guidelines are needed for this purpose.*
- *Political dialogue with the government of the partner country. The dialogue must be target-oriented and focus on the human rights issues selected based on the analysis. The heads of Finnish diplomatic missions play a central role in this, together with the public servants responsible for development cooperation.*
- *Donor cooperation. Finland must keep human rights principles in the foreground in a consistent manner within EU cooperation and donor coordination mechanisms and when chairing them, and actively promote these principles together with other countries with similar objectives.*
- *Review of budget support procedures. When reconsidering Finland's budget support policy, it must be ensured that the budget support provides maximum support to the human rights-based approach.*
- *Ensuring the cross-cutting effect of measures. Human rights should be a cross cutting theme in the programmes and projects supported by Finland. This requires adequate time and money at the planning stage as well as local involvement and the use of human rights experts. The effects of measures on various groups of people must be analysed, and preparations must be made for compensating for potential losses.*
- *Communication with civil society. Dialogue and cooperation with local civil society, the building of research capacity, and political and financial support for human rights organisations, for example, are all important parts of the operations. Civil society should also be used as a source of expertise and information. Utilisation of the expertise and contacts of Finnish organisations is part of the work.*
- *Strategic use of the funds for local cooperation. These funds, granted by the Finnish diplomatic missions, should be used in a more strategic manner, directing the funds to support human rights NGOs and other similar organisations.*
- *Identification, support and protection of human rights activists. The Ministry for Foreign Affairs must prepare a public guideline concerning human rights activists, based on dialogue between the various departments of the Ministry as well as various other sections of public administration, such as the Ministry of the Interior and the Finnish Immigration Service.*
- *The example set by Finland is an important method of influence in areas such as the role of women and the disabled in society, as well as their possibilities of being heard. Finland can also set an example in the areas of local participation (including dialogue with civil society) and transparent decision-making and administration.*



“ Finland provides significant amounts of funding for many UN organisations, which makes influencing their operations an important development policy objective.”

Photo: United Nations Photo

Active involvement in organisations and development banks

The Development Policy Programme states that Finland shall put more emphasis on multilateral cooperation and strengthen its influence in various organisations. The Ministry for Foreign Affairs has analysed the efficiency and effectiveness of the multilateral organisations supported by Finland. Allocation of funds will be reviewed and organisation-specific strategies prepared based on the analysis.

The Development Policy Committee supports Finland's effort to increase its target-oriented influence within organisations. It is important to keep the human rights-based approach in the foreground and to promote goals such as increasing local involvement and transparency in organisations. Close cooperation with the other Nordic countries concerning these themes is natural.

Human rights need defenders even within UN organisations

Finland provides significant amounts of funding for many UN organisations, which makes influencing their operations an important development policy objective. UN organisations have been pioneers in the application of a human rights-based approach to development cooperation. In 2003, major development organisations (such as UNICEF, UNDP, UNFPA, UNHCR and WFP) agreed on what that approach means. Political discourse on human rights is, however, a sensitive matter for many UN member states.

The UN defines its overall policies for four years at a time. Last year, negotiations were carried

out to achieve a four-year QCPR (Quadrennial Comprehensive Policy Review) resolution that provides binding guidance to UN development organisations and recommendations to special organisations (such as the WHO) to improve the efficiency, effectiveness and consistency of their operations. Finland's primary objective was to include the human rights based approach in the resolution, resulting in better opportunities of promoting human rights at the country level. Finland succeeded in this, but the negotiation process was difficult.

Finland's areas of focus within the UN include evaluation issues and, in particular, the inclusion of human rights indicators in the evaluations. The evaluation system is an important way of measuring the accountability and effectiveness of organisations. At Finland's initiative, human rights based approach indicators will be developed for the UN evaluation network (UNEG) and the international EvalPartners system, which includes, in addition to UN organisations, donor states, development banks and other organisations.

Finland's active efforts also resulted in UNICEF's Board discussing the human rights based approach evaluation carried out for the operations of the organisation, which is a good example of Finland's work towards promoting human rights based approach. The joint Nordic address emphasised that the recommendations of the evaluation must be taken into account when preparing the organisation's strategy for 2014–2017, including the performance targets.

The support of UN special organisations must be seen as a good way of promoting the human

Evaluation: Nordic countries promote equality

According to an evaluation¹ carried out in 2012, Finland and other Nordic countries have been able to promote gender equality by influencing decisions of the World Bank and the African Development Bank. The evaluation focused on African countries in the period between 2006 and 2011. Examples include an active role adopted in the preparation of the World Bank's 2012 World Development Report. The Nordic countries were a significant force behind selecting equality as the special theme of the 16th additional funding of the International Development Association (IDA).

The evaluation provides recommendations and urges the Nordic countries to support the practical implementation of the results of the development report in African countries. It also encourages operators to utilise opportunities of launching value dialogue and political discourse in an innovative manner in the development banks and in African countries.

¹ Nordic Influence in Multilateral Organizations: A Finnish Perspective.

rights-based approach in the international system on a wider scale. For example, the International Labour Organisation (ILO) plays a central role in the area of human rights through defining and monitoring basic labour rights. The EU's decision to withdraw the GSP trade benefits of Myanmar in 1997 based on human rights violations was made on the basis of the ILO monitoring mechanism, as was the decision to restore the benefits in 2012. ILO also supports the building of basic rights protection systems through technical cooperation.

In recent years, donors supporting UN organisations have increased the share of earmarked funding tied to a certain purpose. For a long time now, Finland has directed most of its funding to the general operations of the organisations. Challenges to such general support include the difficulty of influencing the actualisation of principles such as the human rights-based approach. On the other hand, earmarked support increases the administrative workload of organisations, complicates the planning and monitoring of their operations, and thus deteriorates their effectiveness. The Development Policy Committee endorses general support as the primary method

of support to organisations, and encourages seeking new ways of combining it with effective exertion of influence.

Development banks: sensitive issues need to be brought up

Human rights have been taken into account in the policies of the World Bank and the regional development banks. The particular rights that are emphasised include economic, social and cultural rights. Civil and political rights are a more complex issue for banks, as their founding documents forbid participation in political operations, and some recipient countries consider discussions of civil and political rights to be a violation of their national independence. All banks are committed to the objectives of the UN's Millennium Declaration, but they have no human rights strategies of their own.

Lobbying by NGOs has, over the years, resulted in development banks adopting various responsibility mechanisms and safety clauses that aim to survey the risks of projects and guarantee the rights of the people in the projects' areas of influence. Gender equality, the rights of indigenous

peoples and issues related to forced population transfers have taken a particularly prominent position in the work of the banks. Development banks have also adopted mechanisms for the people involved in the projects to promote their rights.

Finnish representatives on the boards and in the board offices of development banks can raise up human rights issues. These issues are also included in the agenda of Nordic cooperation. Finland has drawn up a contribution strategy for 2012–2015 for the Asian Development Bank. As its main objectives, the strategy defines the reduction of poverty and ecologically sustainable economic growth that encourages local involvement. Finland also undertakes to promote equality and increasing openness and transparency.

Within the World Bank, Finland has promoted the human rights-based approach through the Nordic Trust Fund (NTF), for example. The NTF, established in 2006 and funded by the Nordic

countries, provides funding for various projects and training that aim to increase awareness of human rights within the bank. The fund has been considered an important tool of promoting the human rights-based approach. The Development Policy Committee believes that the fund and the work it supports are particularly important because human rights are such a sensitive political issue within the World Bank.

The European Investment Bank plays a central role in channelling development and climate funding in the EU context. Therefore, Finland should also pay attention to the actualisation of the human rights-based approach in the work of the European Investment Bank.

Recommendations:

- *Finland should continue to advance and maintain discourse concerning the human rights based approach in multilateral organisations and development banks. The strategies for working within these organisations are a good opportunity to define a clear Finnish vision, tangible objectives and proper means of promoting the human rights based approach in the administration of the organisations and at country level.*
- *Finland must actively work to ensure that the post-2015 development objectives negotiated at the UN are based on human rights and legal commitments by states to secure these rights.*
- *Finland's representation on the Boards of the World Bank and the African Development Bank in the next few years is a good opportunity to strengthen the human rights based approach of the operations in the banks, as well as in the related cooperation with other organisations.*
- *Funding provided to organisations must consist mainly of general support, combined with effective influence. Earmarked support may be justified if the human rights perspective otherwise runs the risk of receiving too little attention. To minimise the administrative burden in these cases, flexibility must be pursued.*



“Many countries have legislation that restricts the operations of NGOs and, for example, hindered their potential influence by limiting foreign funding.”

Photo: Shutterstockimages

Increased role of civil society

Building a stronger civil society is an essential part of the change that leads to the realisation of human rights in different societies. NGOs are pioneers of the human rights-based approach. Most of the organisations have a long tradition of applying the human rights-based approach to their work, and they have gathered plenty of experience and expertise in it. There is, however, a great variation in the implementation of the human rights-based approach depending on the operating environment and the organisation's capacity.

The Development Policy Programme states that the human rights-based approach also covers NGO development cooperation, and that the

volume of development cooperation channelled through NGOs is to be increased. In the opinion of the Development Policy Committee, guidelines are needed for the practical implementation of the Development Policy Programme to help NGOs take the human rights-based approach more extensively into account in their practical work.

The narrowing of the operating environment of civil society is a grave phenomenon on an international scale. Many countries have legislation that restricts the operations of NGOs and, for example, hindered their potential influence by limiting foreign funding. Deteriorating situations require particular sensitivity and close monitoring, as well

Strength of NGOs: creative solutions in difficult operating environments

NGOs have the advantage of being able to operate in difficult operating environments and support people who cannot be reached by the development cooperation of government operators. Creative solutions may, however, be required of NGOs to achieve this. The Ministry for Foreign Affairs must also recognise this when making decisions on the funding of NGOs.

Examples of creative solutions include a support project for the disabled people in Ethiopia which a Finnish organisation Kynnys ry. supported. The project was carried out by the EWDNA human rights organisation, but Kynnys had to withdraw its support after the Ethiopian government imposed restrictions on the foreign funding of human rights work. The remaining funds for the project were used to found a bakery run by disabled women so that the women would be able to have an income when foreign funding ceased. Support was channelled to a new charity organisation (WWDC), which was allowed to receive foreign funding.

Operators in civil society can also influence human rights at the national level. For example, Finn Church Aid has supported its Nepalese partner organisation NNDSWO (Nepal National Dalit Social Welfare Organization), which aims to increase awareness of the position of Dalits, the out-caste population group, and to create pressure for the government to improve the situation. The organisation actively participated in several stages of the UN's UPR of human rights in Nepal. The work has resulted in Nepal issuing a law against caste-based discrimination.

as increasing activity to defend an adequate operating space for civil society, from the Finnish side. Finland must raise the issue in country negotiations, for example, and support the work of UN human rights rapporteurs.

A strong civil society also includes independent academic research, think tanks, and education that is based on scientific information. It is important to ensure that Finland's support of research and the development of research capacity as well as higher education supports the realisation of human rights in a consistent manner.

Shared definitions and practices needed

The Development Policy Committee is of the opinion that the Ministry for Foreign Affairs and NGOs should find a definition of the human rights based approach to which all parties could commit to an adequate extent. Only then can more detailed objectives and related indicators be developed. In the opinion of the development Policy Committee, the definition of the human rights based approach should include such action that leads to empowerment and improved operating capacity of local NGOs and people. The objective

should be the possibility and ability of local operators to act independently and exert an influence on governments and authorities to assume more responsibility and to respect people's rights.

Active networking of Finnish NGOs with those of the partner countries is also an essential part of the human rights-based approach, as is participation in various government and donor development programmes. This offers an additional level of influence and also helps ensure that other operators in the same area and sector are not carrying out programmes or projects with opposite effects. Organisations should also familiarise themselves with country-specific reports and recommendations prepared on the basis of international human rights conventions, and utilise these in their work.

Recognising the roles of weak and strong operators is essential when applying the human rights-based approach. It is important to support the people and organisations in the weakest position. Similarly, it is important to support human rights activists (who are generally not in the weakest position in their society). In addition, the people and organisations that defend the rights of local people during conflicts over natural resources should also be considered to be defending human rights.

Recommendations:

- *Development cooperation by NGOs must support the networking and coordination of the organisations. The work must aim to strengthen not only the capacity of the partner organisation, but also civil society at large.*
- *NGO development cooperation must allow organisations and networks to be linked with the country's own plans, development policies and human rights instruments. Organisations can support these with their own operations and monitor their progress and aim to influence the policies and legislation.*
- *The Ministry for Foreign Affairs must ensure that the NGO unit of the Department of Development Policy has adequate HR resources for the management of the required tasks, including development and alignment of the development political relationships between the Ministry and the NGOs, as well as the support of the NGO's development cooperation.*

Responsible business operations create jobs and promote human rights

The human rights-based approach should be applied to the development of the private sector in developing countries, just as it is applied to other development cooperation. The private sector has a great influence on the realisation of human rights, particularly through the creation of decent jobs. The principle of development political consistency extends the approach to state administration on a larger scale and to Finland's efforts to promote responsible business operations.

At best, trade and business on the one hand and human rights on the other support each other. This creates a positive cycle in which responsible business operations, improved business environments, more efficient production methods and improved possibilities of earning a living promote human rights and equality. The creation of decent and sustainable jobs is of primary importance for the eradication of poverty, and jobs are created by companies. To secure decent jobs, labour rights must be improved.

In addition to the countries' own business operations, foreign investment may play a major role in improving the economy in developing countries. Finnish companies, for example, employ more than one hundred thousand people in their operations, mostly in Asia and Latin America. The local government's ability to strategically guide investment operations is of crucial importance.

Still, consistently responsible business operations may be difficult to sustain due to poor operating environments and varying local conditions. Trade and investments may also result in a negative impact on the environment and the rights of employees and local communities. Current issues related to these processes also include

capital drain and tax arrangements. Governments that are not able to receive adequate tax income from businesses have poor potential of meeting their obligations in the area of human rights.

Trade policies may improve human rights

Human rights should also be promoted through trade policy instruments. Currently, the emphasis of these mechanisms is on regional and bilateral trade agreements. The EU's trade agreements regularly include human rights clauses. Whether the clauses lead to actual measures does, however, depend on political considerations; in practice, this has only happened in extreme cases. Finland should support the practice of including the assessment of human rights implications in EU trade negotiation impact assessments in accordance with the UN principles (*Guiding principles on human rights impact assessments of trade and investment agreements*).

The Development Policy Committee is of the opinion that the primary objectives of the trade policy include strengthening the multilateral trade system through organisations such as the World Trade Organization (WTO). All countries should have equal opportunities to negotiate and benefit from international trade arrangements. Finnish trade policy must promote the realisation of human rights, sustainable use of natural resources, and corporate responsibility. It must take into account the special needs of the poorest countries and support the development of their



Photo: Tiina Kirkas

own production capacity and value chains, as well as the creation of decent jobs.

The Ministry for Foreign Affairs has prepared the Aid for Trade Action Plan (2012–2015) for supporting trade. The annual disbursements of the action plan cooperation have amounted to nearly EUR 120 million. The creation of decent jobs and opportunities for entrepreneurship has been set as the primary objective, which is in line with the human rights-based approach.

Private sector development efforts focused on poorest countries

Finnish development cooperation funding is channelled to businesses through the Finnish Fund for Industrial Cooperation and the Finnish Business Partnership Programme. The new Development Policy Programme includes new guidelines concerning these routes. In accordance with the Programme, concessional credits will be gradually discontinued by the year 2014. To replace these credits, other forms of cooperation will be developed together with the private sector to complement the selection of development political methods. The situation calls for stronger tools and tangible solutions developed as a joint effort of the business sector, various administrative branches (the Ministry for Foreign Affairs, the Ministry of

“ *The creation of decent and sustainable jobs is of primary importance for the eradication of poverty.* ”

Employment and the Economy) and NGOs for the promotion of responsible business operations in developing countries.

Finnish Fund for Industrial Cooperation.

The corporate governance memos of 2012–2013 of the Finnish Fund for Industrial Cooperation (Finnfund), take the policies laid out in the Development Policy Programme into account. The Finnish Fund for Industrial Cooperation’s operations aim to have a positive development effect and are linked to human rights. To promote a stronger human rights based approach, the emphasis will be moved to poorer countries and to projects that directly serve poor population groups. The recently adopted special risk funding is expected to help achieve these objectives. The Finnish Fund for Industrial Cooperation also emphasises the assessment of the human rights impacts when preparing projects.

Finnish Business Partnership Programme.

The Finnish Business Partnership Programme (Finnpartnership), has been renewed to require that businesses from upper middle-income countries receiving funding create direct development

results or transfer experience. Support can now also be provided for vocational training that takes place externally to the company. The Finnish Business Partnership Programme's operations are also influenced by the new interpretation of EU's government subsidy rules, allowing increased support only for projects that have an impact on the markets of developing countries. The Finnish Business Partnership Programme can fund pilot projects related to technologies and solutions that contribute to solving problems arising from poverty. Support is also granted for the assessment of environmental and social impacts.

According to the Development Policy Committee, the human rights based approach has been fairly well taken into account in the development of

private sector instruments. The criticism expressed by NGOs on the ethics and impact of the Finnish Fund for Industrial Cooperation's fund investments on human rights must, however, be noted. Many of the funds are also based in tax havens. Fund investments are, however, justified as a cost-effective way of achieving development results by investing in the development of small and medium-sized companies in low-income African countries.

When engaging in indirect funding, the basic purpose of the development funding provider can be obscured unless it carefully directs the selection of fund investments and the conditions set for the funds. The Finnish Fund for Industrial Cooperation requires committing the funds to the principles of environmental and social responsibility.

The Finnish Fund for Industrial Cooperation endeavours to assess the development impact of projects

In recent years, the Finnish Fund for Industrial Cooperation has developed the assessment of the environmental, social and development impact in a more systematic direction. The standards of the International Finance Corporation (IFC), a member of the World Bank Group, have been used as the basis of the work. The standards require that good international practices are applied even when local legislation is less stringent. The 2011 update of the IFC standards strengthened the human rights perspective.

In the Finnish Fund for Industrial Cooperation's project preparations, IFC standards are used for the assessment of the environmental and social impact. If essential flaws are found, an action plan is prepared and must be complied with before funding is granted. When monitoring investments, the Finnish Fund for Industrial Cooperation examines the impact of the project and agrees with the customer on correcting possible problems. Sanctions such as conditional disbursements are used at various stages when necessary. The trouble with sanctions is, however, that they may be too forceful and lead to the rejection of the entire project in cases where this is not the optimal decision. Suitable sanctions are being considered, together with incentives to reward good performance.

The assessment of the development impact of the projects supported by the Finnish Fund for Industrial Cooperation is complicated. Some impacts, such as jobs, tax income and export income, can be accurately measured, but development includes many other aspects as well. The Finnish Fund for Industrial Cooperation adopted a systematic development impact assessment system in 2012. Regarding human rights, particular attention should be paid to the impact that investments have on land use. This helps avoid violating the local people's right to the land. Also, the fields and opportunities that are neglected due to their challenging nature are an important aspect when considering the development impact. Such fields include the forest sector and waste management. The Finnish Fund for Industrial Cooperation does, however, place special emphasis on the forest sector, as it is considered to have great potential for the improvement of the position and rights of the poor.

ity and demand reporting on their environmental and development results. According to the 2013 corporate governance memo, the Finnish Fund for Industrial Cooperation must review its internal guidelines concerning the use of international financing centres and report its fund investments more thoroughly than before.

Corporate responsibility requires cooperation

In recent years, corporate responsibility has become an integral part of business operations. Operations are supported by internationally recognised corporate responsibility principles such as the UN's Global Compact and the OECD guidelines for multinational companies. Many companies are developing the assessment of the environmental and social impact of their operations and taking the initiative to resolve any problems. This work complements official human rights regulation. At the same time, it is important to develop the international standards of corporate responsibility and to clarify the roles of companies and states.

The definition of the relationship between human rights and business operations took a

major step forward with the United Nations Guiding Principles on Business and Human Rights, endorsed by the UN Human Rights Council in 2011. According to these principles, also called the Ruggie Framework, businesses must bear their share of the responsibility for respecting human rights. States, on the other hand, have the primary obligation of protecting people from human rights violations. States must also ensure that abusers of human rights are punished and victims helped.

One of the most difficult issues of responsible business operations are long value and subcontractor chains. According to the Ruggie Framework, companies must include these chains, and the operations of their subcontractors, in their activities. It is essential that companies uphold the good quality of operations throughout these chains, address any human rights problems and prevent human rights violations.

The Finnish Government issued a decision-in-principle on corporate responsibility in November 2012, the primary objective of which was to make Finnish companies and administration pioneers in corporate responsibility. Currently, the preparation of a plan to implement the Ruggie Framework with all the ministries involved is on its way. The extensive nature of the matter requires

Team Finland to promote corporate responsibility

In May 2012, the Government approved a cross-sectoral Action Plan on External Economic Relations. The implementation of the action plan aims to support the international business operations of small and medium-sized companies in particular. The core idea is a new network approach – Team Finland – to the promotion of export and international operations.

The action plan emphasises the creation of competitive prerequisites that are able to compete with those of other countries, and considers the support of responsible business to be an additional competitive advantage. The cross-sectoral nature of the Team Finland approach also makes it well suited for the promotion of policy coherence for development and corporate responsibility. A joint team of the Ministry for Foreign Affairs and the Ministry of Employment and the Economy has already been established to strengthen the cooperation of the operators in the Team Finland network, aiming for increased synergies between development cooperation and international business operations. The objectives of the work should also include making Finnish companies pioneers in social responsibility in accordance with the Government's decision-in-principle concerning corporate responsibility.

Recommendations:

- *The trade policy should aim to build a stronger multilateral trade system. Finland must endorse the assessment of human rights impacts as a part of the impact assessments of EU trade negotiations, including at the preparation stage of negotiations.*
- *Finland must make an effort to develop new infrastructure funding models to replace concessional credits.*
- *The Finnish Fund for Industrial Cooperation's environmental, social and development impact assessment model and experience can be extensively utilised in the promotion of innovations and business in developing countries.*
- *Finland must adopt an active role in the development of international corporate responsibility standards within the working group of the UN Human Rights Council*
- and organisations such as the ILO that deal with the standards of corporate operations, international investment and employment. The international cooperation of development financiers must be promoted.*
- *The corporate responsibility work carried out within the state administration and with major interest groups must be developed. The plan to implement the Ruggie Framework must contain practical measures and be an ambitious one, involving all the ministries. When preparing the plan, the need to develop legislation and the complaint process on a national and international scale, should also be assessed.*
- *Corporate responsibility must be an integral part of the management of external economic relations, including the promotion of exports, imports and investments. Corporate responsibility must also be actively endorsed within the Team Finland cooperation.*

comprehensive ministry-specific preparations and consulting processes. National and international needs to improve legislation must also be assessed. The creation of a justice mechanism for cases where companies are suspected of violating human rights in other countries is a vital issue.

Successful implementation of the Ruggie Framework requires adequate administrative resources and cooperation across sectors. At the moment, the Ministry of Employment and the Economy has only 1.5 employees working on coordinating corporate responsibility policies, implementing the decision-in-principle, and cooperation regarding

the OECD guidelines. Complaints about business operations based on the OECD guidelines are currently being processed by the Ministry of Employment and the Economy and its Committee on Corporate Social Responsibility. According to NGOs, the effectiveness of this complaint mechanism should be subject to external evaluation. The evaluation should focus on the Committee's work in processing complaint cases. So far, only a few cases have been reported, with two cases processed in 2006 and one this year.

Conclusions

The Development Policy Committee feels that the human rights-based approach has been well considered in the new policies and guidelines prepared after the publication of the Government's 2012 Development Policy Programme. However, the approach has not been adequately taken up in country programmes, for example, and the guidelines and instructions are not as concrete as they should be. Monitoring and reporting tools need to be developed to gain information about how successful Finnish development policy is in the promotion of human rights and cross-cutting objectives.

Finland must have adequate expertise and an independent view of the human rights situation in the partner country, the biggest obstacles in the way of improving the situation, and what effect Finland can have on them. Country programmes must be analysed using the human rights-based approach. Political dialogue with the partner country's government must be target-oriented and focus on the human rights issues selected on

the basis of the analysis. Finland must also keep human rights principles in the foreground in a consistent manner within EU cooperation and donor coordination mechanisms and when chairing them, and actively promote the principles together with other like-minded countries.

Finland should continue to advance and maintain discourse concerning the human rights based approach in multilateral organisations and development banks. The strategies prepared for working within these organisations are a good opportunity to define a clear Finnish vision, tangible objectives and proper means of promoting the human rights based approach in the administration of the organisations and at the country level. The human rights-based approach should be applied to the development of the private sector in developing countries just as it is applied to other development cooperation. The private sector has a great influence on the realisation of human rights, particularly through the creation of decent.

Members of the Development Policy Committee 2011–2015

[Deputies in brackets]

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- Liisa Laakso, Ph.D. Soc. Sc., Development Studies at the University of Helsinki (Elina Oinas)
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Ministry of Finance: Tuuli Juurikkala,

Special Advisor

Ministry of the Environment: Ismo Tiainen, Head of International Affairs

Bank of Finland: Olli-Pekka Lehmussaari, Head of Unit

Ministry for Foreign Affairs:

Anne Sipiläinen, Under-Secretary of State

Anu Laamanen, Deputy Director General
(Political Department)

Eija Rotinen, Deputy Director
General (Department for the Americas and Asia)

Kari Alanko, Deputy Director
General (Department for Africa
and the Middle East)

Liisa Talonpoika, Deputy Director General
(Department for Europe)

Aira Päivöke, Director for Development
Evaluation (Development Evaluation)

Seija Kinni-Huttunen, Director
(Department for Communications and Culture)

Olli Kantanen, Head of Unit (Department for
Russia, Eastern Europe and Central Asia)

Okko-Pekka Salmimies, Head of Unit
(Department for External Economic Relations)

Timo Olkkonen, Head of Unit
(Department for Development Policy)

SECRETARIES

- Miia Toikka, Secretary General
- Katja Kandolin, Assistant

The Development Policy Committee is an advisory body appointed by the Government to monitor and evaluate Finland's activities in the policy areas which concern developing countries.

The Committee also assesses the quality and effectiveness of development cooperation and monitors the level of public development cooperation appropriations. The Committee is representative in terms of parliamentary and social representation.



Photo: Liisa Heikkilä

