

## SECTOR-WIDE IMPACT ASSESSMENTS (SWIA)

### WHAT IS A SECTOR-WIDE IMPACT ASSESSMENT (SWIA)?

A Sector-Wide Impact Assessment (SWIA)<sup>1</sup> is a human rights impact assessment that looks at the actual and potential impacts of a business sector in a particular geographic context through several different levels of analysis, in order to build a complete picture of a sector's impacts on human rights. So rather than assessing the human rights impacts of a specific company's project or operations, a SWIA looks at the human rights impacts of an entire business sector.

A sectoral view seeks to help stakeholders see the 'bigger picture' of potential negative impacts of a sector's activities, as well as potential opportunities for positive human rights outcomes. It provides a specific evidence base for stakeholders, including business enterprises, industry associations, state actors, civil society organisations, and others, to undertake actions based on this broader perspective.

A SWIA differs from project-level human rights impact assessments in a number of ways.

- It addresses multiple levels of analysis: **project-level impacts** (it assesses human rights impacts connected to specific projects and identifies typical impacts as well as patterns in that specific industry), **cumulative impacts** (where several projects from the same industry and other socio-economic activities in a geographic area contribute to impacts) and **sectoral impacts** (impacts connected to the broader economic, social or policy framework)
- It **aims to shape law, policy, as well as project-level actions**, and not solely an individual company's mitigation plans.
- It looks at the **three pillars of the UN Guiding Principles on Business and Human Rights**, namely the state duty to protect, in particular by looking at the relevant policy and legal framework through a human rights lens, the business responsibility to respect and access to remedy.
- It can serve as an important resource for company's individual human rights due diligence requirements, including for future project-level environmental, social and/or human rights impact assessments, including at the stage of drafting terms of reference for such assessments.
- It involves more **extensive field research** including extensive engagement with rightsholders affected by business operations across the sector

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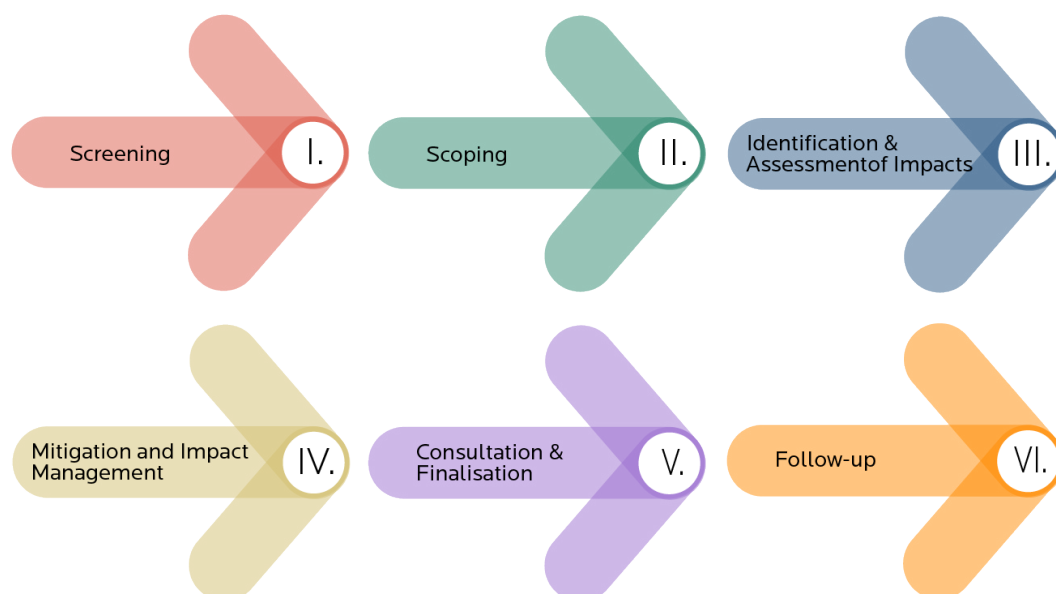
<sup>1</sup> This document on Sector-Wide Impact Assessments draws extensively on chapter 5: Sector-wide impact assessment: A big picture approach to addressing human rights impacts, by Margaret Wachenfeld, Elin Wrzoncki and Luis F. de Angulo in [Götzmann, Nora \(Ed\) \(2019\), Handbook on Human Rights Impact Assessment \(Edward Elgar\)](#)

- It serves as a **public resource**. Whereas many project-level impact assessment reports often remain internal and confidential, SWIA reports are made public
- It is **not commissioned or funded by a particular company**. To date, SWIAs have been funded by donors and have been initiated and conducted by independent organisations.
- The **target audiences of SWIA is much broader**. Besides business, the audience includes government, local communities, workers and trade unions, civil society organisations and the media, as well as development actors where relevant.

## SWIA METHODOLOGY AND PROCESS

A SWIA is carried out according to a set of widely accepted impact assessment steps and principles, drawing on different impact assessment methodologies including human rights impact assessment (HRIA), environmental impact assessment (EIA) and strategic environmental assessment (SEA). The process involves desk-based research and extensive field research.

The SWIA process consists of 6 steps, namely:



### i. Screening

In this phase, the question is to determine whether a SWIA would be the relevant approach to assess and address human rights impacts of a sector in a particular geography. Conducting a SWIA is a relatively large endeavour that requires involvement of a wide range of stakeholders and therefore it is important to consider its usefulness. Elements to consider may include the added value of the research given existing initiatives; the importance of the sector to the economy

and its prospects for growth and the related complexity and scale of human rights impacts involved in the sector; the human development potential; and the geographical areas (including accessibility and security for field research).

## ii. Scoping

In this phase, if not done before, the SWIA team is established, and builds up its capacity as needed. This includes for example enhancing knowledge on the specific industry, human rights research methodologies, or human rights standards and issues of particular salience in the country and/or the industry. For this purpose a set of [fact sheets on human rights risks](#) involved in particular business issues have been developed.

Legal, policy and economic desktop research is conducted. The researchers review existing laws and policies, as well as publicly available information on the sector and associated social and human rights issues. This may include reports by research institutions, NGOs and data and figures from statistical agencies etc. The value chain in the sector and stakeholders are mapped and analysed. The particular scope of the SWIA is determined including the aspects of the value chain that will be the focus of the SWIA and the specific projects and locations for field research.

Both informal and formal consultations are conducted with stakeholders. An advisory group, ideally multi-stakeholder, with national and international experts, can be set up to inform the research team throughout the assessment process.

## iii. Identification and assessment of impacts

The third step aims at identifying and assessing human rights impacts through collection of primary data through field research at different locations. Data is collected on impacts of business activities on different human rights related areas relevant for the given sector. These could for example be issues such as land rights and communities' livelihoods, labour, the environment and ecosystem services, as well as the impacts of on security and/or conflict situation, but equally important could be impacts related to privacy and freedom of expression when it comes to digital activities. Field research should seek to identify the differentiated impacts on women and girls. It also seeks to identify impacts on groups at risk, including for example ethnic and religious minorities, LGBTI+, people with disabilities and children.

Research methods may include surveys, semi-structured interviews of key informants (community members & workers, government representatives, businesses of different size and at different points of the value chain, civil society actors, trade unions, UN agencies, academics and independent experts), focus group discussions, site visits and mapping of projects and impacts.

Available secondary data – such as Environmental and Social Impact Assessment (ESIA) reports, reports from regulatory authorities (e.g., labour inspection and the relevant environmental agency), reports of companies to regulators, production-sharing agreements, investment agreements, labour contracts, court cases etc. – are also collected and analysed.

iv. Impact prevention, mitigation and management

This step consists of two elements: firstly, analysing the data collected through desktop and field research and secondly, identifying measures to help avoid, minimize, mitigate and remediate the impacts identified and formulate recommendations to each set of relevant stakeholders. Recommendations to government can include suggestions for legal and policy reform and strengthening of its regulatory functions, at central and local levels. Recommendations to businesses focus on drawing attention to specific human rights issues that are prevalent in the sector that they should be aware of and should address through their individual human rights due diligence and on opportunities for collective action to address cumulative and/or systemic issues. Recommendations to civil society and other stakeholders such as cooperation partners focus on supporting businesses and government to implement change towards more responsible business conduct.

v. Consultation and finalisation

During this step, consultations on the draft report are held by inviting interested stakeholders to comment on the main findings in the draft report and holding bilateral and/or multi-stakeholder consultation meetings with key actors within business, government and civil society to discuss and validate the content. Such dialogues also aim to identify shared solutions that can be captured in the recommendations.

vi. Follow-up

Once the SWIA report has been published and disseminated, follow up activities, including advocacy and engagement with stakeholders to prompt the implementation of the recommendations need to be carried out. This includes liaising with the different actors to whom the recommendations are addressed, such as government actors at various levels, business actors (including individual companies and industry associations, certification bodies, etc.) to explore how certain recommendations can be implemented. In this phase partnerships between different actors can also be established. Dialogue spaces emerging from the SWIA can be leveraged to ensure uptake of recommendations. An example can be organising annual multi-stakeholder meetings to discuss progress, challenges and opportunities.

## TIME AND RESOURCES

Different to a project-level human rights impact assessment of one company's activities, a SWIA is a longer process that can take on average between 12 and 24 months from start to end. The time and resources required for a SWIA depend on a number of factors including the number of companies and operations that will

be assessed, as well as the range of other stakeholders that will be interviewed, accessibility of the locations identified including potential security and conflict-related concerns, and the number of people/teams that are conducting the SWIA field research.

In terms of resources required for a SWIA, generally a SWIA team consists of a full time in-country SWIA-manager or coordinator who manages the SWIA process from start to end, as well as a team of field researchers who support the manager in collecting data in the field. Depending on the scope and availability of funds, the team can range from two to up to a dozen of field researchers.

While the past SWIAs have followed the above model, in developing future SWIAs, there is scope to explore alternative models. For example, there is an opportunity to develop and carry out SWIAs with a less extensive scope and budget. This could for example be a SWIA with a more limited geographical scope, focusing on one part of a value chain of a certain sector or focusing on specific rights issues rather than the full scope of human rights.

Past SWIAs have been funded by donor governments and carried out by independent organizations. As part of an alternative model SWIAs could be designed and carried out in collaboration with industry associations, a group of companies or with a ministry.

## PAST AND CURRENT SWIAs

The original methodology for SWIA was developed by the Danish Institute for Human Rights (DIHR) and the [Institute for Human Rights and Business](#) (IHRB), as part of the programme activities of the [Myanmar Centre for Responsible Business](#) (MCRB).

The three organizations have conducted four SWIAs in Myanmar, in the oil and gas, ICT, tourism and mining sectors respectively. The SWIA reports can be found [here](#).

[The Centro Regional de Empresas y Emprendimientos Responsables](#) (CREER), IHRB's regional hub in Latin America based in Colombia, together with IHRB, conducted a SWIA in Colombia of the mining sector. The report can be found [here](#).

Funded by the Swedish Development Cooperation Agency SIDA, DIHR has conducted two more SWIAs in the fisheries and aquaculture sectors, as part of its Sustainable Oceans project.

In Bangladesh, together with its local partners Manusher Jonno Foundation, Bangladesh Institute for Labour Studies (BILS) and COAST Trust, a SWIA was carried out focusing on the human rights impacts of small-scale artisanal fishing communities in two coastal areas. The SWIA report can be found [here](#) and a documentary titled: Life on Edge : A Tale of small-scale Fisher Groups in Coastal Bangladesh, highlighting the main SWIA findings can be found [here](#).

In Chile, DIHR collaborated with the Chilean National Human Rights Institute ([INDH Chile](#)) in conducting a SWIA focusing on the human rights impacts of the Chilean salmon farming sector. The SWIA report can be found [here](#).

## EXAMPLES OF OUTCOMES OF PAST SWIAS

Below a number of results of the different SWIAs that have been conducted to date are outlined.

### **Building knowledge and capacity**

The SWIAs have been an important tool to build capacity and share knowledge on human rights issues related to a sector. For example, the Myanmar ICT SWIA provided detailed analysis of the existing and forthcoming laws in the sector in Myanmar that CSOs have used as a basis to first build their own capacity to understand the key human rights issues in technical ICT legislation and then to build advocacy platforms for change.

In Colombia, CREER, who led the mining SWIA, built on the complex data that was gathered through the SWIA process, and created a '[WikiSWIA](#)', a web platform to maintain updated information on local developments originating in the mining sites provided by the communities, enterprises and local government bodies that participated in the SWIA work.

### **Influencing governance of the sector**

In Myanmar, several government ministries reported that the SWIAs helped to provide a basis for pushing for reform of sectoral governance in line with international standards and good practice. In Colombia, the independent agency in charge of planning the mining and energy sectors used the SWIA as a gap assessment exercise, and, with the technical support of CREER, conducted interagency discussions aimed at starting the process of improving existing mining policies and eventually regulation to address human rights issues in the sector.

In Chile, the findings from the SWIA demonstrated that the aquaculture sector is causing and contributing to adverse impacts and that this industry requires stronger governance. However, certain legal and policy instruments such the Chilean National Action Plan on Business and Human Rights (NAP) do not include the aquaculture sector. The SWIA partners raised this gap during the evaluation of the first NAP and the importance of including aquaculture as a sector in a second NAP was included in the evaluation report.

In Bangladesh, SWIA findings on the poverty of small-scale artisanal fishers and the profound effect of fishing bans on their economic situation have been noted by government officials at the highest level. The Government's 2020 Voluntary National

Review Report on achievements under the 2030 Agenda highlighted the need to compensate losses during fishing ban periods with social security allowances – and the Ministry of Livestock committed to seeking ways of addressing the suffering of small-scale fishers in Covid-19 related stimulus packages.

### **Affecting company practice**

In Myanmar, the SWIAs raised companies' awareness of human rights risks and impacts that helped their country entry and strategic planning. Several companies and EIA consultants noted that the reports influenced company project-level ESHIAs. The Oil & Gas SWIA in Myanmar served as a basis for a number of collective industry discussions with the government on the timing and procedures for EIA.

### **Increasing attention to access to remedy**

The Myanmar SWIAs have highlighted the lack of avenues for seeking remedy and the general dysfunction of institutions meant to provide remedy. This has put more of a focus on operational-level grievance mechanisms and, accordingly, this is where some of the follow-up work on the SWIAs has occurred but is currently halted due to the recent events since the February 2021 military coup in Myanmar.

In Bangladesh, continuous dialogues by the SWIA partners around the issues related to the poverty of fishers and their poor access to social services has contributed to the local authorities deciding to amend the official list of fishers. The list of fishers defines who receives the official Fisher ID Card, which gives access to social security allowances during fishing bans and in times of crisis.

### **Building dialogue**

SWIAs have been a basis for prompting further dialogue about how to achieve responsible business conduct in the different sectors assessed. Multi-stakeholder discussions on follow-ups on SWIA recommendations have provided the opportunity to address more specific topics. For example, the Myanmar Tourism SWIA supported the establishment of a dedicated organization, the [Myanmar Responsible Tourism Institute](#), and a follow-up study funded by UNICEF focusing in particular on child exploitation in tourism.

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