

A Social Aspects Management Handbook

Increasing Shared Value through better Business Practices

July 2022



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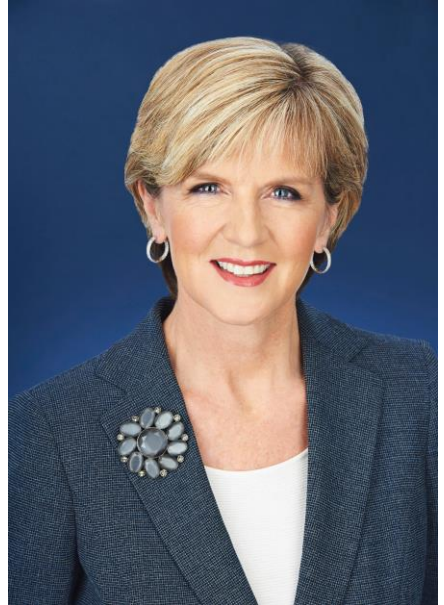
MINISTERIAL FOREWORD

The Australia-Africa Minerals and Energy Group (AAMEG) is at the forefront of supporting Africa-Australian partnerships in the extractives sector and offers valuable contributions to the establishment and maintenance of friendly and mutually beneficial economic ties with communities and governments on the African continent.

The Australian Government's economic diplomacy agenda directly supports greater prosperity by liberalising trade, boosting economic growth, encouraging investment and assisting business. AAMEG supports economic diplomacy by aiding economic development in African countries while promoting Australian interests in trade and investment.

Corporate Social Responsibility (CSR) through community engagement is of pivotal significance to the success of Australian resource investment activities in Africa. Africa has enormous promise and equally enormous challenges, requiring partnerships that can harness this potential in pursuit of sustainable growth, building on the lessons of experience. Increased trade and private investments are the main drivers of growth, and the Australian extractives sector is ideally positioned to work with local communities to promote regional growth and prosperity.

AAMEG has provided a useful service for Australian mining interests by producing this Social Aspects Management Handbook. The handbook provides information and guidance based on long experience of mining companies working in exploration and development in Africa. The wealth of experience in this handbook with regard to corporate social responsibility will benefit the membership of AAMEG and is a welcome supplement to the Australian Government's economic diplomacy agenda.



A handwritten signature in blue ink that reads "Julie Bishop". The signature is fluid and cursive, with a large loop at the end of the last name.

The Hon Julie Bishop MP

Minister for Foreign Affairs

PREFACE

ABOUT AAMEG

The Australia-Africa Minerals & Energy Group (AAMEG) is the peak body representing Australian companies engaged in the development of Africa's resource industry. We support members operating in Africa and facilitate collaboration between industry, governments and other stakeholders to ensure that resource development produces sustainable outcomes in Africa. AAMEG facilitates the sharing of knowledge and experience to create better outcomes on the ground. AAMEG partners with Australian and African governments to encourage productive engagement and AAMEG actively promotes the value of responsible corporate citizenship.

AAMEG's goal in supporting the development of this Handbook is to enhance the ability of member companies to manage social and environmental risks in a manner that aligns with international guidelines and good practices and also brings lasting benefits for those affected by their projects. It is a way of doing business that not only contributes to success abroad but also reflects Australian values and reinforces Australian leadership in responsible business practices.

ABOUT THE AUTHOR

Robin Budden has been a mining engineer for more than 30 years splitting his time between operations, projects and most recently community relations, moving into the social side of business when he took up an opportunity in Ghana ten years ago. Post graduate community relations management study at University of Queensland, a two-year stint in Madagascar and a series of short-term assignments in Brazil, Canada, Ghana (again), Indonesia, Papua New Guinea, Saudi Arabia and Uganda round out his community relations management portfolio. Robin is a member of AAMEG.

Robin was a novice when he went to Ghana and started to become involved in the social aspects of mine development. It wasn't a career path decision, it just happened. He actually went over to oversee some early on-site activities for the greenfields project he had managed through multiple scoping and feasibility studies. It didn't go according to plan (the project ran into some unexpected permitting barriers) and Robin found himself dealing with the many community issues that came up. The project did finally receive its approvals but not without a lot of angst and missteps.

ABOUT THE HANDBOOK

There are many good practice guides and toolkits available already, so why another one?

The goal when writing this handbook was to bring together what Robin has seen, done and learned from his time in Ghana and since and present it from an engineer's perspective with the aim of creating a resource that is equally useful as a how-to guide for a novice and as a memory jogger for a more experienced manager.

The handbook builds on the 2015 Natural Resources Canada¹ CSR Checklist, in this instance linking each aspect to a simple management framework and including some new content.

The handbook has unashamedly borrowed sensible ideas and advice from others with more experience and has cherry picked from other guides and handbooks. If you feel that something borrowed and unacknowledged needs acknowledgement, please drop a line to robin@slo-support.com and the correction will be made in the next revision.

Any other feedback and suggestions – positive or negative – will also be gratefully received.

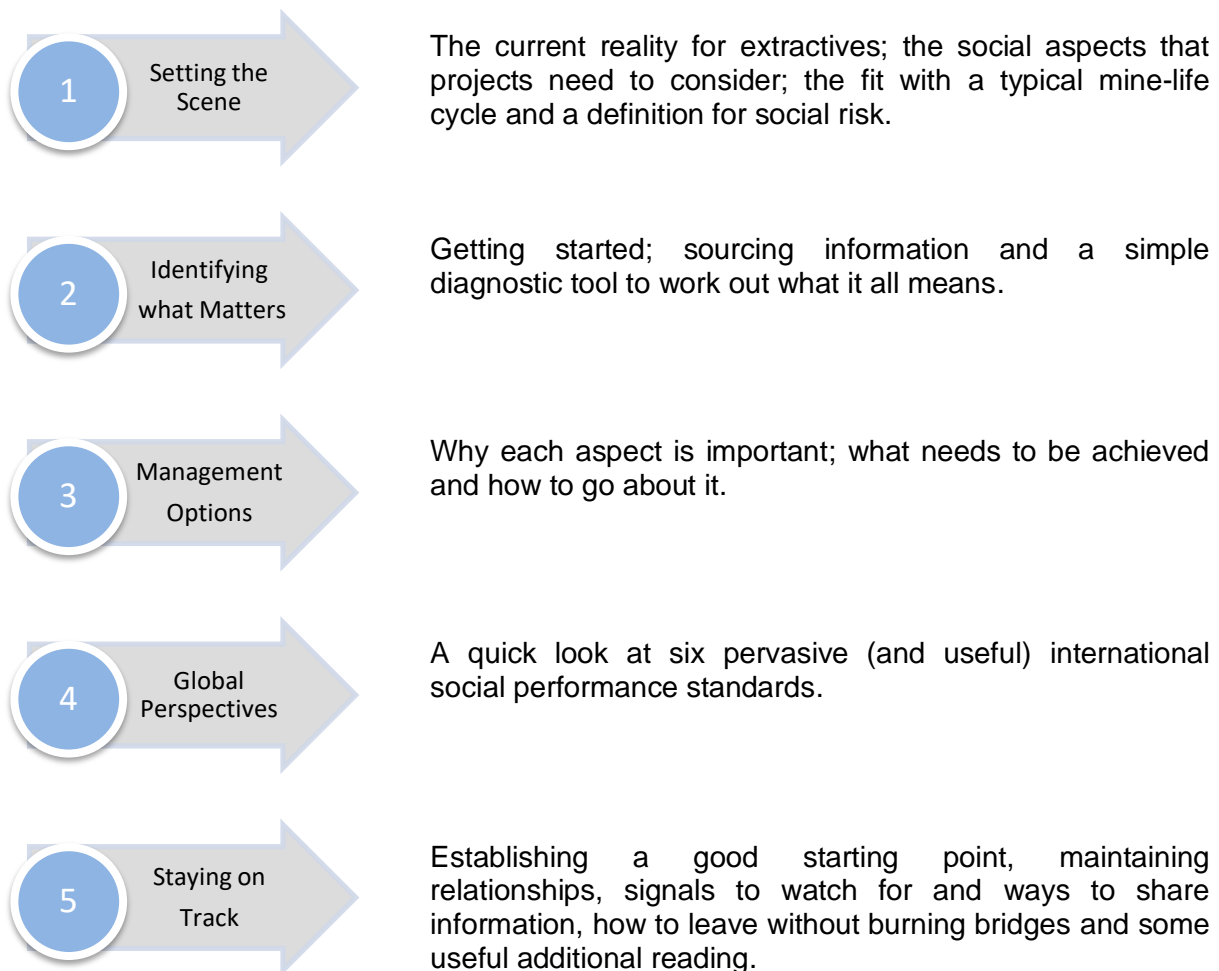
¹www.nrcan.gc.ca/csrchecklist

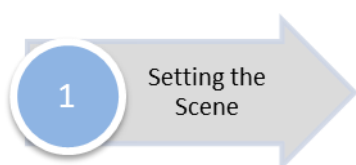
INTRODUCTION

Going into a new area to explore and ultimately build and operate a mine you start with high and positive expectations that you can work constructively with the local communities. Then it goes off the rails. Most often, with good intentions and a focus on an immediate issue, individuals in the company or community will take actions or make decisions (or fail to take actions or make decisions) that over time, cumulatively and progressively add up to major problems and consequences that are for the most part predictable – difficulties, costly delays and if it really goes badly, loss of the project.

The good news is that you have far more control over the situation than you might think.

The handbook doesn't set out to provide all the answers. Instead it takes you through a process for thinking through the various aspects, assessing the risks and looking at possibilities to set you up for managing the social aspects of your project with the same discipline as you apply to the technical and financial aspects. Each of the five sections focuses on one part of the process:





Our company future is dependent on its ability to develop, operate and close mines consistent with our commitment to sustainable development, protection of human life, health, the environment, and to adding value to the communities in which we operate.

A far-sighted CEO

Australian exploration and mining activities in developing countries has increased exponentially in recent years. It is estimated that there were 220 Australian resources companies active in Africa in 2014, with more than 1100 projects in 38 countries and discoveries valued at \$687 billion (at August 2014 prices) between 2008 and 2014². This significant expansion of mineral sector investment in Africa has coincided with a period of increasing international focus on Corporate Social Responsibility, particularly in the resources sector. In part, this has been a result of the highly visible nature of mining companies' activities and the well-documented associated local impacts. It has been intensified by the increasing interest of companies in establishing projects in conflict or former conflict zones.

At the same time, many governments are becoming more exacting in their approach to permitting mines and use of the associated revenue, as well as in their understanding of the social and environmental impacts of mining and mineral processing and their expectation that companies mitigate these impacts and invest in host communities³. One expression of this is the African Mining Vision (AMV)⁴, first articulated in 2008, which lays out a regional commitment to "transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development".

Local communities, too, are becoming more vocal in their demands to participate in the benefits of minerals projects in their neighbourhoods, increasing the importance of companies establishing and maintaining their social licence to operate – the broad-based positive sentiment of a host population towards the on-going presence of a particular business.

Likewise lenders and investors are demanding a more rigorous approach to avoiding and mitigating social risk, with the IFC Performance Standards and the Equator Principles becoming the *de facto* benchmarks.

Within this setting, AAMEG member companies represent a potential force for responsible resource development in the African host countries in which they operate; however positive impacts are not automatically realised. AAMEG supports and encourages member companies to operate responsibly in a conscious and consistent way to mitigate environmental and social risks, including those related to human rights. AAMEG's Charter and Principles of Conduct encourage good citizenship that recognises positive social change in host communities as a business imperative and expect that members undertake to implement high ethical, environmental and social standards. As members continue to seek more opportunities in remote areas, including those with weak governance, the social and environmental challenges they face become more complex, and the need to act responsibly more important.

AAMEG's approach to Corporate Social Responsibility is centred on the idea of creating Shared Value⁵ where the role of our members is to create value for their shareholders but in such a way that it also creates value for society, manifesting itself as a win-win proposition. For our members the win is most

² IM4DC. 2014. Australia's African mining and METS interests.

³ Department of Resources, Energy and Tourism. 2011. Social Responsibility in the Mining and Metals Sector in Developing Countries.

⁴ African Union. 2008. Africa Mining Vision.

⁵ Porter, M. and Kramer, M. 2011. Creating Shared Value. Harvard Business Review.

often expressed in terms of ensuring uninterrupted access to strategic business inputs – less risk, access to finance, community support and reputation as employer or developer or investment destination of choice.

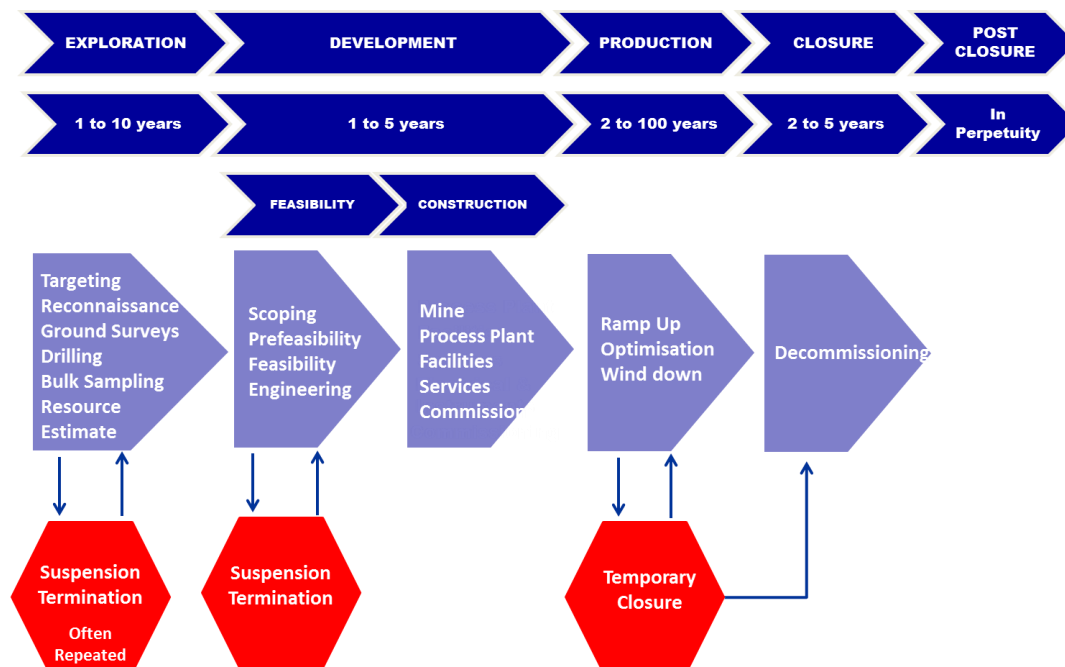
Equally important is the need for members to be very clear about their motives for delivering shared value. If the stated motive does not have company self-interest transparently at its core, it will simply not be credible.

So what responsible practices do members need to consider on their projects, how do the social elements fit into the life cycle of a mine and what is social risk?

THE SOCIAL ASPECTS OF DEVELOPMENT

The mine life cycle typically breaks down into a series of phases. The figure below indicates a linear process from the selection of a target to full-scale production through to closure. However, for each phase in the cycle the decision may be made to suspend or terminate the project.

MINE LIFE CYCLE



Modified from Gadsby and Hodge 2003

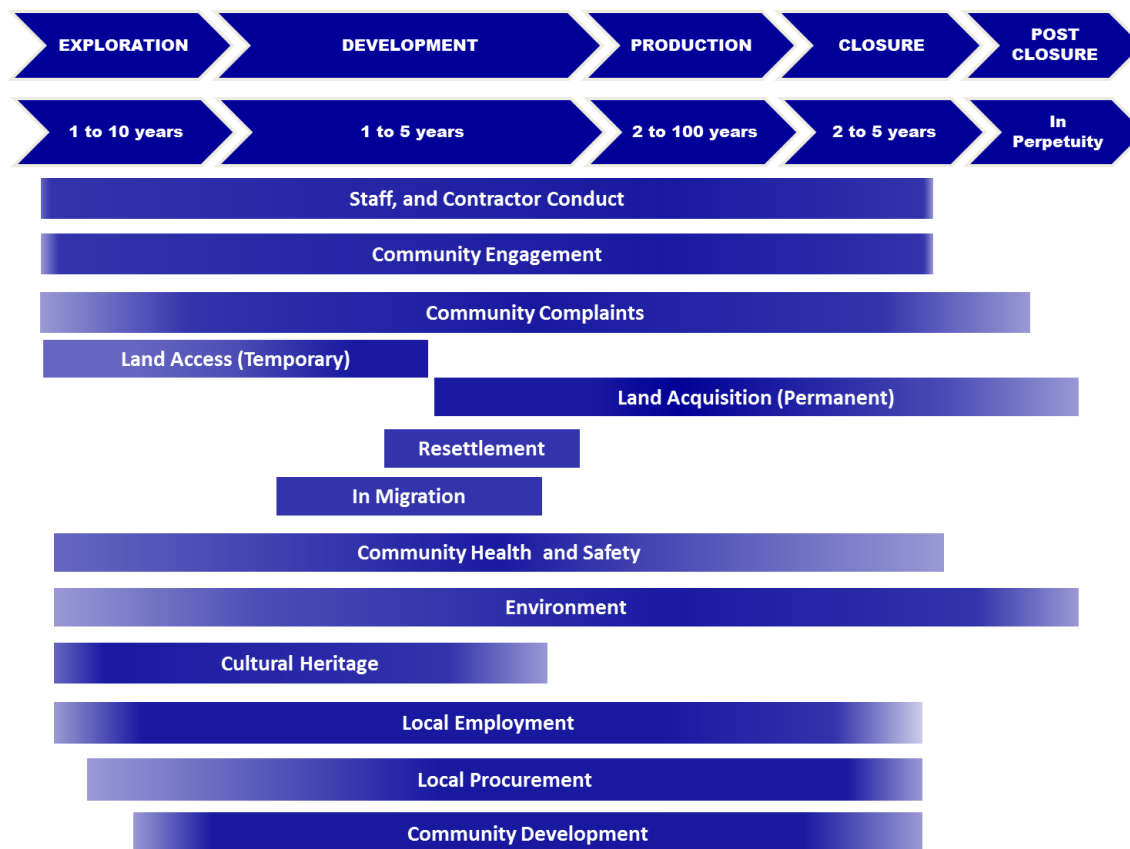
The figure above reinforces something we all know – that bringing a resource project into production takes a long time, assuming of course it gets past the exploration phase. Until production starts there is a constant flow of money going out. There is ongoing pressure from owners, investors, lenders and communities. Players change – projects are bought and sold many times and project team members come and go – and generational change also comes into play within the local community.

Another reality is that uncertainty and unpredictability are always in the mix. It doesn't matter if the task is defining the ore body or acquiring land, there is always the need for a balancing act between certainty, time and cost.

So, while the exploration and development teams are busy assessing the technical aspects – identifying targets, testing, defining resources and reserves, developing a process flowchart, selecting the mining method or defining operating and capital costs, homing in on the best option – it is equally important for the teams to give a similar level of attention to the various social aspects of the project.

There are a number of social aspects that companies inevitably will have to consider. The figure below highlights the emphasis of each aspect through the different project phases.

SOCIAL ASPECTS



Not every aspect will carry the same weight on every project. In much the same way as different projects exhibit different sensitivities to grade, recovery and cost, so each social aspect will carry more or less risk depending on the specific project characteristics and the stage of development.

INTEGRATING SOCIAL RISK MANAGEMENT

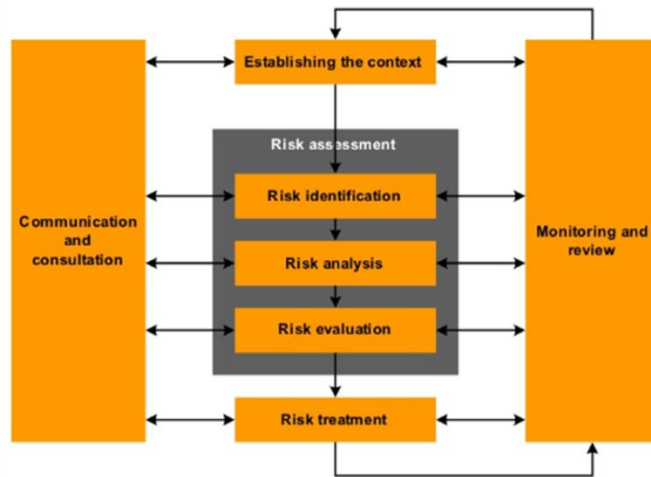
Companies tend to express their willingness to 'live with something' in terms of 'tolerating the risk' or 'managing the risk'. Managing risk is an established business practice. From these two points it follows that doing a risk assessment and updating the risk register is (or should be) a standard business practice when kicking off a new project or when moving from one project phase to the next, so bringing in a social viewpoint is not (or should not be) too much of a stretch. Ideally this should be done as part of the overall project risk assessment but it can also be a stand-alone social risk assessment.

There are many definitions of risk and risk management and many risk management systems. AS/NZS4360 (www.standards.org.au) has for many years been the starting point in Australia. ISO31000 (www.iso.org) is the more recent international approach while the PMI Project Management Book of Knowledge (www.pmi.org) is focused specifically on managing project execution risk.

***Risk** is the effect of uncertainty on the ability of an organisation to meet its objectives, where an effect is a positive or negative deviation from what is expected.*

***Risk Management** is the range of activities that an organisation intentionally undertakes to understand and reduce these effects.*

***Effective risk management** is executing these activities efficiently and in a way that actually and demonstrably improves the ability of the organization to meet its objectives in a repeatable fashion.*



Source: ISO31000

Irrespective of the tools chosen, the two key dimensions of project risk remain the same – likelihood and impact. The likelihood is the probability that a risk will be realised. The impact is a measure of the effect on the project should the risk occur.

The term **SOCIAL RISK** covers the range of threats and opportunities that may result from how the company interacts with and impacts on communities and other stakeholders.

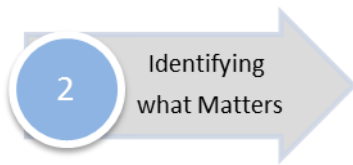
More specifically, on the one hand a **SOCIAL RISK** to the **COMMUNITY** occurs when action by the company has the potential to cause harm or injury to groups or individuals while on the other a **SOCIAL RISK** to the **COMPANY**⁶ occurs when an individual, group, community or organisation takes up a social issue and applies pressure to the company with the aim of bringing about change in company policies or practices.

Viewed in this way, the rationale for managing social risk becomes quite simple:

Social risk to the company arises when negative impacts on the community that are a result of company actions (or inaction) are not addressed. It is therefore in the company's self-interest to minimise negative community impacts and to manage them well when they are unavoidable. From this it would appear to be common sense for the company to adopt policies and practices that avoid, minimise and mitigate negative impacts and to create, maximise and enhance the socio-economic benefits that flow on from project development.

The next section provides a diagnostic tool to quickly assess potential exposure to sources of social risk and will help to identify the areas to focus attention.

⁶ Kytte, B and Ruggie, J.G. 2005. Corporate Social Responsibility as Risk Management: A Model for Multinationals. Corporate Social Responsibility Initiative Working Paper No. 10. Cambridge. MA: John F. Kennedy School of Government, Harvard University.



We make assumptions all the time. Sometimes they are reasonable, sometimes they are wrong. Risk is associated with the likelihood and impact of wrong assumptions.
The Project Management Book⁷

When do you do this? Whether you are a new CEO, a recently appointed project manager or the exploration manager taking on the job of getting the next round of studies up and running, you need to be aware of the social aspects that might need your attention. Ideally the first identification is done as part of the preparation ahead of the project kick-off but it is never too late to make a start. However, the later you leave it, the less opportunity you have to engineer solutions.

What have you got to work with? The reality is that even without having a dedicated team and without having a social background yourself, you have a lot of information at your fingertips. A few global socio-economic indicators, the local laws, your company aspirations, the nature of the ore deposit, some satellite imagery, the experiences of the exploration team in the field and a site visit (if you are a new starter) might not seem a lot, but you may be surprised at how much information you can extract from each of them, certainly enough to get a good feel for what you need to pay attention to.



Starting with the broader socio-economic setting, a quick web search will provide you with a sense of the law and order situation, presence of civil society groups and what legacy mining companies have, if any. Also, if the company has been working in the country for some time then someone somewhere in the organisation should have some level of understanding of the country's level of socio-economic development.



What are you legally required to do? What home country laws do you need to comply with? What are the host-country national laws and local customs related to land access and acquisition, community consultation (especially when it concerns Indigenous people), local content, cultural heritage and local, regional and national development? What agreements have you signed, with whom, and what commitments have you made? The site team should be a good place to start. A face-to-face meeting or some phone calls and emails should get you there. Any gaps will need to be closed as soon as possible.



Company aspirations will dictate how you go about your business. So what are you saying – the ubiquitous vision, values, mission statement – and how are you putting the words into practice? If you are promoting yourself as a leader in environmental and social performance you will need to walk the talk. Green-washing isn't so easy in an increasingly skeptical and connected world. Aspiring to being developer of choice is one thing but increasingly communities (and others) believe something when they see it, so it would be a good idea to understand what they think is important for them and deliver the results they need to see.

If you're expecting to borrow money or issue shares to build the project you should seriously think about adopting IFC Performance Standard No 5⁸ as your land acquisition guide because a large and increasing number of lenders and investors are using this as the *de facto* requirement. If you don't think about this up front you can find yourself having to do a lot of rework to fill the gaps which will take time and are likely to delay project financing and a construction start. If the land you need to access is home to Indigenous people, you'll need to pay particular attention to the quality of consultation and negotiation and to be able to demonstrate that you have free prior and informed consent (FPIC) for your project (Performance Standard No 7). You will also need to pay extra attention to cultural heritage (Performance Standard No 8).

⁷ Newton, R. 2013. The Project Management Book. FT Publishing. www.pearson.com.au

⁸ IFC. 2012. Environmental and Social Performance Standards and Guidance Notes. International Finance Corporation. www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes

Last but not least, if you might be a seller at some future date you can expect an increasing number of potential buyers to take an interest in the social legacy they will take on and that the offer price will reflect the risk.



Satellite imagery can give you a wide range of information. The distance between the deposit and the local communities will allow you judge how big a community health and safety issue dust, noise, vibration and visual impact are likely to be, the need for buffer zones or even relocation. If there are people living on or near the deposit the likelihood for resettlement will be high. The type of housing construction – corrugated iron for the roof and cement block walls or bush timber and palm fronds tells you something about the level of wealth. The type of agriculture can also give a feel for the level of poverty – people with small holdings of annual crops are more likely to be poorer than people with land under tree crops which are usually grown for cash – as well as the complexity of land ownership and user rights and the scale of compensation required. Forests are often community assets as sources of firewood, bush food and medicine and cultural significance. The presence or absence of nearby towns or cities will give you a feel for the potential of the area as a source of job-ready employees, the likely pull factor for opportunistic migrants and the presence or absence of government services. Likewise with the existing accessibility of the site by road or rail – any work the project does that improves the quality of transport infrastructure will increase population mobility. On the other side of the equation, improved access also has the positive of potentially opening up more-distant markets for local agricultural products.



The characteristics of the target orebody have a significant influence on the social impacts the project will have. Precious metals, particularly near surface and high grade, may attract artisanal miners. Base metals and bulk commodities such as bauxite, iron ore and coal will have large local and offsite footprints to accommodate the mine, concentrator, refinery and port. The scale of these projects may act as a magnet for job seekers and entrepreneurs, putting pressure on local government services – particularly health and education and spatial planning – and is likely to increase the local cost of living. Road and rail infrastructure are known vectors that add to the burden on local communities by opening up the area to in-migration. The flipside is that they provide connection to the wider world and make distant markets for locally produced goods more accessible. Near surface deposits are more likely to be open cut and will result in a (large) void which will remain open at closure and waste dumps that will require the current land users to be moved and will need to be returned to productive use at some future time. Tailings storage requires significant area, adding to the impact on land users and any seepage, leakage or discharge have the potential to impact ground water and surface water quality. Chemicals used in processing will create real and perceived health and safety hazards for the local communities. Cyanide is a particularly emotive issue related to gold. Nickel refining has ammonia as an input and hydrogen sulphide and sulphur dioxide as by-products. Other minerals will have their own mix.



If you are taking on an existing project or maybe you've acquired it through a purchase or takeover, the site team can tell you about current practices for accessing land – whether permission is always sought before entry, if compensation is paid, how the current compensation rate was determined, what they do to make sure the right people are paid and how they handle complaints. Likewise with employment and services – how many local people do they employ, what type of work, how do they choose people? Are their processes easy for you to understand and do they seem fair and reasonable? If they are making donations and sponsorships what are they supporting? Can you see the logic in what they are doing? If not the chances are the local people are also confused. Are they providing free services – water from the camp bore, power from the generator? These are easy ways to win support early on but will come back to bite later as people very quickly become used to these services and begin to see them as entitlements. The team's knowledge of local customs will give some insight as to how engaged they are with the local communities. What promises have been made, have they been delivered on and are they written down? Failure to deliver on promises is the number one trust breaker for communities. Have there been any notable incidents/disagreements – anything that has caused work to stop or made the team to feel less safe? Last but not least, what changes have they seen in the time they have been on-site? More houses, new shops, bars and restaurants, higher rents are all signs that in-migration is happening even at this early stage.

If the site team can't quickly put their hands on the information you need and you can't easily understand what, why and how they operate or if what you hear just sounds wrong – that you would feel unhappy if you were on the receiving end – then it probably means they are not paying as much attention to the relationship with the community as they should.



When you first go to site, in addition to cross-checking all the information from your desktop assessment, you could consider the following:

1. Visit your embassy. It is their job to help you on your way and they should be able to provide advice on what is happening in the country, who are the real players and what are the local sensitivities.
2. The Chamber of Mines and/or Chamber of Commerce can provide a look into the experiences of other companies, the legal framework for operating in the country and legislation related to exploration, land rights and land title.
3. Schedule introductory meetings with key government departments. Planning, health, education and police are a good place to start, as is the head of local government. Provide some information about the project – it doesn't need to be too specific, whatever you are comfortable with sharing – and ask how they feel about the company and what they think the project will do for them. The more levels you can engage with – national, regional and local – the better, but if time is short, focus at the local level for the first visit and expand the circle during subsequent visits.
4. Connect with NGOs working in country and particularly any that are working locally. They generally have a good idea of local community dynamics and can provide a triangulation point for what your site team is telling you. They could also be potential partners for social investment activities so it is worth starting early to understand where your interests may overlap.
5. Take a few hours to visit the local communities. Get out of the car and walk around and talk with a cross section of people such as elders, business owners, women and youth. Ask them how they are. Listen to them. Be relaxed and willing to sit down and talk. In your conversations, ask specifically, "What are the impacts on your life of the company being here? What are the pluses, the positive impacts for you? What are the downsides, the negative impacts that concern you? And, what do you suggest the company could do to make sure that we sustain the positives and begin to address some of these negatives?" Doing this sends the message that the company is not afraid and distrustful of local people, that you want to hear and learn from local ideas and that you respect the holders of those ideas and that you are willing to be held accountable for company impacts. Also, you will probably hear some very important concerns and some surprisingly positive ideas. Many local people do have ideas and many of these contain elements of solutions that may not be imagined from inside the company office.
6. Visit other operations to see how they address the various social aspects, what has worked for them, what hasn't.
7. Look and listen for signs that indicate the quality of the project's relationship with the local people. The indicators in the table below have been shown to be reliable across a wide range of circumstances.

Good Signs	Heading for Trouble	Off the Rails
<ol style="list-style-type: none"> 1. Low theft levels, destruction of company properties; 2. The absence, or a decreasing trend, of community incidents, or complaints (silence itself is not an indicator); 3. People associate improvements in their quality of life with the presence of the company; 4. Outsiders campaigning on an anti-corporate platform (journalists, NGOs, politicians) get no local support; 5. Community requests are benefiting the community rather than individuals; 6. Community requests focus on personal skills development instead of demand for material things; 7. No or low public outrage following accidents; 8. Communities identify trouble makers and inform company staff about (security) rumors in the community; 9. Communities say they have access to site management and say the company is responsive to their concerns; 10. People waving back when greeted. 	<ol style="list-style-type: none"> 1. Community leaders, elders state they do not feel respected; 2. The same problems arising over and over; 3. Staff feels unsafe visiting communities; 4. Cold reception in community during company visits; 5. Accusations of company association with a repressive government; 6. Disproportional negative reaction compared to the nature of an incident; 7. Community accusations that the company is 'arrogant', 'not caring'; 8. Multiple groups that each claim the company should deal with them; 9. Communities demand that company benefits need to be negotiated and commitments made in writing; 10. Groups of people hanging around at the company gates hoping to get work. 	<ol style="list-style-type: none"> 1. Rising trends in theft (no reporting and company is seen as target); 2. Work stoppages; 3. Increased demands and hostile tone of community; 4. No leniency when accidents happen; 5. Bad press; 6. Increasing crime in the area of operations; 7. Increased conflict between communities or within communities; 8. Sabotage; 9. Reliance on police/army for security; 10. Communities say the company is "stealing" their resources.

Adapted from Zandvliet and Anderson 2009⁹

What next? Now that you have an idea about the types of information you can easily get your hands on it is time to use the SCORECARD to pull the pieces together.

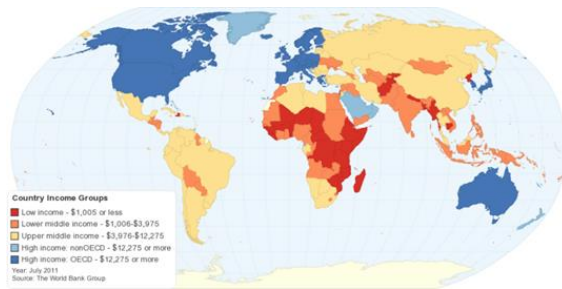
The SCORECARD is a quick diagnostic tool that asks five questions for each aspect and lists possible sources for the information that should help to answer the question. There are nine individual score cards – one for the Socio-Economic setting and one for each of eight Aspects.

For the Socio-Economic scorecard, mark on each of the four scales the position that corresponds to the situation in the country the project is in. For the eight Aspects answer YES (Y), NO (N) or DO NOT KNOW (D) against each question. The answers will indicate the areas that most deserve your attention.

⁹ Zandvliet, L. and Anderson, M.B. 2009. Getting it Right: Making Company – Community Relations Work. Greenleaf Publishing.
<https://www.routledge.com>

SCORECARD

1. SOCIO-ECONOMIC SETTING



SOURCE: www.chartsbin.com



One way to understand how far you might be from your comfort zone is to look at how far the per capita income of the country you are working in is from home. The bigger the gap the more likely you will find the rules applying to business are different and the higher national and local expectations for the project to contribute to national development, whether this is through revenues to government, local jobs, business development or social investment.

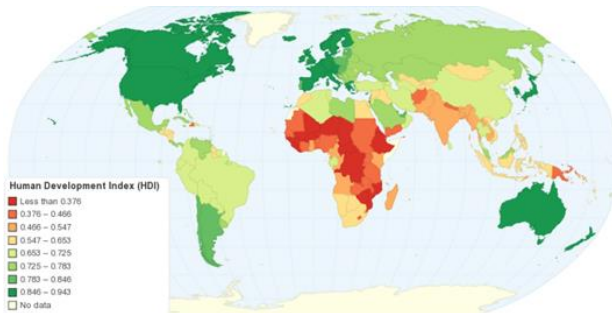


SOURCE: unctad.org/en/pages

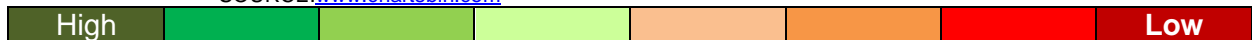


Within the low-income countries is a sub-group the UN has classified as the *Least Developed Countries* (LDCs). Not only do they have low incomes; in most cases health levels, education, and overall social indicators are very poor.

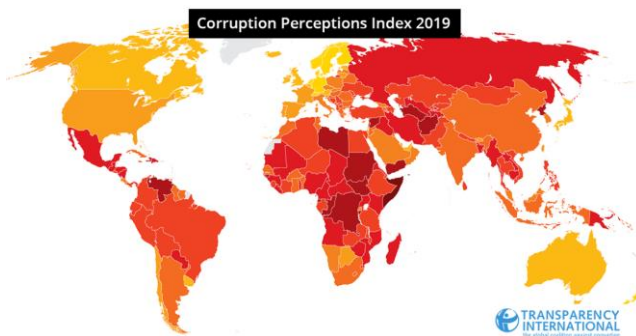
In addition many of the countries in the group are very vulnerable to droughts, to floods, to conflict, and to violence.



SOURCE: www.chartsbin.com
















































The UNDP Human Development Index considers health and education levels in addition to income. Chances are that your project is located somewhere with a low HDI relative to home. You might want to start thinking about what type of programs you could invest in to develop a pool of healthy, job-ready local employees for your project and where to focus of your community development activities to produce the biggest return on your investment.


















SOURCE [/www.transparency.org](http://www.transparency.org)



Working in highly corrupt places means that you need to actively promote your own business principles internally and to contractors, suppliers and partners – including state entities. You might also seek support from local and international NGOs working on anti-corruption initiatives and consider supporting the Extractive Industry Transparency Initiative (www.eiti.org) at national and international levels.

ASPECTS		
SOURCE	CHARACTERISTIC	Y N D
LAND ACCESS; ACQUISITION AND RESETTLEMENT		
	Is the land around the deposit mainly cultivated/used for agriculture land?	
	Are there any houses located within 1km of the centre of the deposit?	
		
	Are Indigenous people living in project area?	
		
	Are land ownership or usage rights communally held?	
		
	Are there national laws governing involuntary resettlement?	
IN-MIGRATION		
	Is it likely that there will be the need for a large construction workforce relative to existing local population?	
		
		
	Will the project require construction of new or upgraded transport routes and infrastructure?	
	Will the project be the major employer in the area?	
		
		
	Is the project remote from larger cities that could absorb an influx of people?	
		
		
	From a cultural perspective, are people naturally transient or mobile?	
		
COMMUNITY HEALTH AND SAFETY		
	During the exploration phase, have local people expressed health or safety concerns?	
	Is there a strong presence of health focused NGOs in the country?	
	Is the country in the lower end of the scale of the Human Development Index?	
	Is it reasonably likely that the main transportation routes for materials will pass through populated areas?	
		
		
	Is malaria and/or HIV/AIDS present in the project area?	
		
ENVIRONMENT		
	During the exploration phase, have local people expressed environmental concerns?	
	Is there a strong presence of environmental NGOs in the country?	
	Are there regulatory requirements related to environmental impact management?	
	Is it reasonably likely that community access to water resources will be affected by project development?	
		
		
	Does the area contain internationally or nationally recognised biodiversity value?	
		
		
CULTURAL HERITAGE		
	Does the country have legal requirements with regard to cultural heritage?	
	During exploration, have local people expressed a strong attachment to matters of cultural significance?	
	Do Indigenous people currently live in the area or have historical links to the area?	
		
	Does the area contain internationally or nationally recognised archeological or cultural value?	
		
		
	Is there a reasonable likelihood that the project will need to seek external funding?	

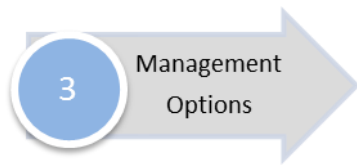
SOURCE	CHARACTERISTIC	Y N D
LOCAL EMPLOYMENT		
	Are there legal requirements – laws or investment agreements – governing preferential employment for local people?	
	Have demands for employment already come up during the exploration phase?	
	Does the current site workforce (company and contractors) consist mainly of outsiders?	
	Is the country in the lower end of the scale of the Human Development Index?	
	If the project is developed will it be the only major employer operating in the area?	
LOCAL PROCUREMENT		
	Are there legal requirements – laws or investment agreements – governing local content?	
	Have demands for contracts already come up during the exploration phase?	
	Are the capacity and or quality of local contractors and suppliers used to support exploration low?	
	Is there a reasonable likelihood that the project life will exceed 5 years?	
	If the project is developed will it be the only major industry operating in the area?	
COMMUNITY DEVELOPMENT		
	Are there legal requirements – laws or investment agreements – governing social investment?	
	During exploration has there been a tendency for local people to focus on obtaining short-term tangible benefits?	
	Are aid and development NGOs present in the area?	
	Have promises – explicit or implied – been made that the project will bring benefits?	
	Are basic government services – schools, clinics, refuse disposal, roads – lacking?	

INTERPRETING THE RESULTS:

1. If you are working in one of the 50 Least Developed Countries you will need to address all the aspects.
2. If you answered YES to the presence of Indigenous people in any one aspect you will need to address all the aspects.
3. If you answered YES to the possibility that the project will need to borrow money from banks it would be prudent for you to address all the aspects.
4. A YES / DON'T KNOW response to a question regarding legal requirements means that aspect needs to go onto your 'must do' list.
5. A score of 2 YES or 2 DON'T KNOW or 1 YES and 1 DON'T KNOW means that you need to give serious consideration to how you will manage the aspect.

You should have noticed that three aspects did not have scorecards. This is because the three – employee and contractor conduct, community engagement and community complaints – apply to all phases of any project being undertaken anywhere – making them default inclusions.

The next section looks at options that you might want to consider when managing each aspect.



*I'm an engineer, not a sociologist. But sometimes I spend as much as 80% of my time dealing with crisis management and community problems. If you can help me reduce the time I spend on social issues, be my guest.
A typical site manager*

You've used the diagnostic tool to work out what is important for your project so what solutions could be worth trying?

For each aspect this section looks at:

WHY this is important: Gives an explanation of why you should pay attention.

WHAT needs to be achieved: Identifies 3 key results that will reduce the risk or increase the benefit associated with each aspect.

HOW to go about it: Identifies a small number of specific actions you should take which will help achieve each result.

WHAT ELSE could you think about: Outlines additional context, possible next steps or ideas you might want to think about as ways to mitigate or control risk as you move through the assessment and design stages.

To start you thinking about the sources and the treatment of social risk in a more structured way the issues have been grouped into three broad categories:



Taken together the suggestions provide a solid basis for successfully managing the social side of most projects. Some are original ideas while others are cherry-picked from good practice guides. All have been put to the test in the field. As you will see, project design and project execution decisions make a significant contribution to delivering a good outcome.

Where you go to from here is up to you. Hopefully you choose to make social risk management an ongoing and active part of your project management. If you have a risk management system in place it should be a simple task to add a new category for social risk and start to manage it the same way as you do any technical or financial risk.

ASPECT 1. EMPLOYEE AND CONTRACTOR CONDUCT

WHY

Every employee and contractor is an ambassador of the company and every action reflects back onto the company. The reality is that all company activities and all employee and contractor actions can collectively have either positive or negative impacts on the community. It almost goes without saying that a positive impact is good for the business. This means that your company needs to apply the same focus to its behaviour as it does to every other part of the business – it is as important as health and safety, good design and cost control.

WHAT

HOW

Leadership commitment

1. Walking the talk might sound a bit clichéd but it is critical to building the right culture. If the leadership team does not show the way, all day, every day, it will be a struggle to establish your credibility;
2. Maintain regular and ongoing interaction with all levels of the workforce. Townhall meetings, toolbox talks and social events are all easy opportunities to share information and insights. Pay particular attention to engaging with local employees (see “what else” in the engagement piece for ideas);
3. Check regularly with community opinion leaders about the behaviour of your staff and contractors. Investigate any acts they consider to be offensive or inappropriate and take the necessary remedial action. Also, make sure you keep them informed of any outcomes.

Aim for high standards

1. Develop and communicate clear guidelines for what is and is not acceptable;
2. Ensure all staff and contractors are aware of, and understand, your expectations;
3. Aim to reward good behaviour rather than focusing on punishing bad behaviour, but also include meaningful penalties in employment and service contracts for serious or repeated breaches of the guidelines;
4. Put a good cross cultural training course in place, make it mandatory for all staff and contractors and use toolbox talks to keep behaviour on the radar.

Establish some structure

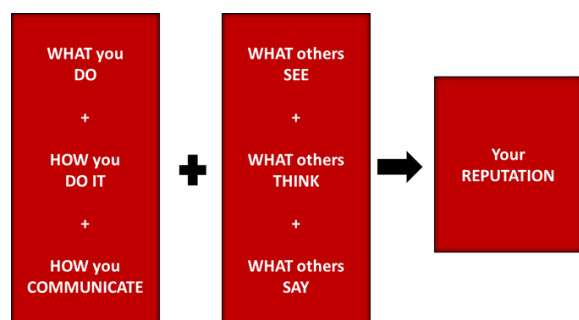


WHAT ELSE

Interacting with your local communities:

Communities in most places say that one aspect of establishing good relations with a newly arrived company has to do with seeing real people. When managers and other company staff are seen around town, walk comfortably through villages and along streets, sit in cafes and have a chat with local people or stop to talk and ask about how things are going, community members are impressed. These actions are translated as being neighbourly, respectful and trusting.

Remember:



We all see the world differently and it is very easy for intentions to be misunderstood.



A common cause, some say **the** most common cause, of breakdowns between companies and communities is the failure of one or the other or both to deliver on commitments that have been made or that are perceived to have been made.

Unfortunately, it is very easy for intentions to be misunderstood. Phrases like 'I will think about it', 'I will discuss that with my boss' or 'I'm sure you will benefit from us being here' can easily be taken out of context and considered to be a promise.

There are a few tried and tested actions you can take:

1. Think about the words you choose to use before you open your mouth;
2. Avoid putting yourself in situations that require impulsive answers;
3. Only give answers you are certain about;
4. Check you have been understood by the other person; and
5. Explain what your company defines a commitment to be.

Addressing bribery and corruption: It is important that standards and expectations are set from the outset and that staff and local stakeholders are educated as to why your company has zero tolerance for bribery and corruption. It is equally important that the company put in place systems that minimise the opportunity for illicit payments to be made. These range from policies, a code of conduct and guidance, rigid application of easily-understandable and widely-shared criteria for hiring, purchasing and donating, through to separation of duties – particularly in the areas of procurement and hiring, minimising cash payments as far as practically possible and routine audits.

In 2014, the Attorney-General's Department of the Australian Government led the development of an online learning module on foreign bribery. The module is for industry and government, and provides advice on Australia's anti-bribery policy, relevant laws and how they apply, and steps that business can take to help promote compliance. The [foreign bribery online learning module](#) is free to access and supports users with accessibility requirements.



Recognise and reward effort: On one project, a grass fire threatened the company base camp. Off-duty security guards took the initiative to grab shovels and fight the fire, putting it out and saving the local forest area and base camp from burning. Each guard was presented with a special recognition letter and cash payment from the project manager, was photographed with the project manager and given a signed print, and was given a small merit pin to wear on his uniform as a mark of distinction.

On another site, one of the local staff, concerned at the large number of local people complaining about company vehicles speeding through the local villages, took the initiative to start a speed checking program. Each month he would select a time and place to set up with a hand held radar and measure the speeds of 10 vehicles. Over time this led to a significant reduction in the number of community complaints. The employee was rewarded for his initiative with a top up to his salary when the annual performance bonuses were calculated.

WHAT ELSE

Companies often face the difficult challenge of how to safeguard company personnel and property in a way that respects human rights and the security of local communities. These ideas should help get you started:

Keep the level of security aligned with the level of threat:

1. Keep protection and symbols of protection to the minimum possible.
2. Where possible work with private security providers as you have much more control over their actions than if using government agencies.
3. Make sure that public service providers (police, military) are met with on an ongoing basis. Establishing a relationship makes it easier to call for restraint in crisis situations.

“The best security asset is a strong community relations program”

Follow the guidance of the Voluntary Principles on Security and Human Rights¹⁰ and assess risks posed by the security arrangements:

- Any arrangements should be guided by the principles of proportionality in relation to hiring, rules of conduct, training, equipping, and monitoring of such workers, and by applicable law.
- Make reasonable inquiries to ensure that those providing security are not implicated in past abuses; train them adequately in the use of force (and where applicable, firearms), and appropriate conduct toward workers and local communities; and require them to act within the applicable law.
- Ensure community people have access to an effective grievance mechanism to express concerns about the security arrangements and acts of security personnel. Make sure the mechanism is easily accessible to women and others most vulnerable to security force misbehaviour.
- Work with partners on the provision of human rights training to security providers. Explaining the need for such training by appealing to honour, or international standard, or other angles which may resonate with security providers.

“Deployment of public security forces to company facilities can have only three results, two of which are counterproductive. First, the public security forces take appropriate action to maintain law and order as expected – a good consequence. Second, the public security forces are ineffective and idle, taking up resources without making any useful contribution – not good for a number of obvious reasons. Or, third, the security forces act in an inappropriate way, causing unnecessary harm to the company and others – obviously very undesirable.”¹¹

¹⁰ Voluntary Principles on Security and Human Rights. 2000. www.voluntaryprinciples.org

¹¹ MIGA, JESCF, Anvil Mining. 2008. The VPSHR; An Implementation Toolkit. www.miga.org/documents/VPSHR_Toolkit_v3.pdf

ASPECT 2. COMMUNITY ENGAGEMENT

WHY

Financial performance underpins a company's ability to meet its commitments to its employees, suppliers and providers of capital. However, its approach to governance, the environment, health and safety, people, supply chain, local content and community relationships directly affect its ability to run the business successfully. Engagement is critical to every part of the business, helping to ensure it operates effectively and responsibly. This means that engagement is everyone's job and it needs to be done well. The way the company and your employees approach engagement matters because it is the only opportunity you have to empathise, to listen, learn and share, and it sets the tone for your relationship with local communities. If engagement is done well, you should be able to stay on top of issues and respond more effectively to changing circumstances and to use resources – people, time and money – more efficiently by doing what needs to be done when it needs to be done in the best way possible.



WHAT

HOW

Sharing information

1. Use language that people understand: A good rule of thumb is that if you can't explain your policies, processes and practices to your wife or son or daughter, they are too complicated;
2. Use your local staff (see "what else" for detail);
3. Always be prepared so you can make the most of opportunities if and when they arise;
4. Avoid the trap of only speaking with a narrow range of people –listen widely, triangulate what you are hearing and make well-informed decisions;
5. Time project updates for local stakeholders to immediately follow any disclosure to the market or regulators.

Aim for consistency

1. Ensure good internal information sharing and coordination between employees, consultants and contractors;
2. Provide clear guidance to staff and contractors – what can and cannot be said, and what can and cannot be promised – and explain your processes to the community;
3. Develop a fact sheet(s). Topics could include a description of the company and its activities in the country, uses of the mineral/metal you are hoping to produce, an outline of your company culture - vision and values and how you work, key points from your consultation activities with local people – who you have been speaking to, the issues raised and your responses, an explanation of recent activities (drilling, sampling, baseline studies) and how people can contact the project team. You can decide how often you update the information – monthly or quarterly are common practices but it is important the information is kept up to date.

Be responsive to community inquiries and questions

1. Provide easy to use contact points – drop boxes in town or at the office, a free call telephone number, and contact email address take very little effort;
2. Allocate someone to coordinate responses;
3. Keep track of promises and commitments and provide feedback.

WHAT ELSE

Good engagement has 3 parts:

Preparing: Preparation is equally valuable whether it is for an informal discussion, a single meeting, a serious negotiation, a campaign or to develop a broader strategy. It can be as simple as 3 people around a whiteboard or on a conference call for 10 minutes and as complex as an all-day retreat for a large group with an external facilitator. It all depends on the complexity of the issue, the level of risk or the size of the opportunity. Being prepared for engagement means knowing WHY, WHAT, HOW, WHO, WHERE and WHEN.



Doing: How the company and your employees engage is just as important as the issues. Maintaining a focus on interests; behaving in a respectful manner; dealing with people who are angry and upset, handling conflict; managing expectations and having the right people in the room all influence the outcome.

Following-up: How the company maintains the relationship in between physical meetings determines the success and effectiveness of the next time you touch base. Effective and timely follow up allows the company to be seen as reliable and interested in the relationship. It the last impression the company will leave.

It also ensures that the valuable knowledge gained is captured, shared and acted upon and the investment of time and effort is fully rewarded.



Use your local staff: The community does not start outside the gate. You engage with it every day through your local staff. You have a captive, easily accessible and influential stakeholder group. Many community members base their perceptions of the company on the stories of friends or relatives who work with the company, so make the most of the opportunity.

Use the fact sheets described above to ensure your staff know the what, why and how of the project. Think about how to use your staff to test out your messages and delivery before going out into the community.

Learn from their insights. Use the daily toolbox talks to discuss issues and kill off rumors. Chat over lunch.

Get to understand their connections – yours wouldn't be the first place where the most junior guy on site is a respected opinion leader in the community.

And don't forget to include your contractor's staff – drillers, caterers, drivers – you'll be surprised how many internal stakeholders you have and the depth and breadth of their interests and knowledge.

Community committees: Community consultation/advisory/development committees can provide a safe and easily accessible venue for community members to raise and resolve issues. The success of these committees depends heavily on how they are structured and whether their mandate is clearly defined and understood. Defining roles and responsibilities up front, using a third party/independent facilitator; ensuring the process used for selecting representatives is endorsed and enforced by the community(s), active sharing of information and ensuring members communicate with their constituencies all play an important part in successful committees. Holding committee meetings in the communities not only makes it easier for people to attend but also demonstrates that the company is willing to actively participate in community life.

Using a local NGO skilled in building local governance capacity and community mobilisation can be helpful when putting these structures in place.

Using the right tools: The very nature of good engagement means appealing to, and communicating with, a diverse audience, so there can be no one-size-fits-all solution. Picture books, fact-sheets in the local language, story-telling sessions, traditional street theatre, community radio and sharing of video-taped community committee meetings are all techniques that have been used successfully at different times in different places.

ASPECT 3. COMMUNITY COMPLAINTS

WHY

Complaints and grievances are inevitable for any business. Although a grievance, by its nature, deals with dissatisfaction, establishing a grievance procedure demonstrates to local communities that your company respects their right to hold you accountable for your behaviours and impacts. A grievance procedure provides one of the most effective tools for dealing with local concerns in a non-violent manner. A well-implemented procedure will contribute to better relationships by demonstrating a willingness to take community complaints seriously; promote early identification and resolution of complaints; reduce the potential for complaints to escalate into litigation, protests, security incidents, or regulatory challenges; achieve alignment with international standards and external expectations; and move your project away from reactive complaint management and toward proactive complaint prevention.

WHAT

HOW

Develop a fit-for-purpose complaints procedure

1. Identify regulatory and other requirements, understand how the local community works and what impacts the project has;
2. Define boundaries and eligibility criteria – what the company will and will not do;
3. Assign responsibilities for each step in the process;
4. Think about modelling the oversight committee on the structure you use for incident/accident investigations – the two processes are more similar than you might realise;
5. Ensure you have a system in place to receive, record, and track every case and to create an institutional memory and that there is a budget so costs associated with each complaint can be estimated, allocated and paid;
6. Test the system before going live and public to be sure all the pieces work, to confirm that response times and targets are realistic and to establish what is and isn't possible during the roll-out stage.

Educate

1. Ensure all staff are trained. Everyone should have a basic knowledge of what is in the procedure and how it works. Ideally they should also have a general awareness of complaint resolution concepts;
2. Develop a narrative and speaking points and use toolbox and other standing meetings to explain to employees, contractors and the security team;
3. When the procedure has been tested and it is ready to go, using a structured campaign integrated with other engagement activities to formally announce the procedure should ensure widespread sharing of information and build an understanding of how the process works and what to expect.

Review performance

- Establish a small number of indicators to confirm you are on track and improving over time:
1. Number of cases: new, resolved, closed, abandoned;
 2. Number of cases not acknowledged within the specified timeframe;
 3. Resolution time; maximum, minimum, target;
 4. Number of complaints grouped by type, location, department/contractor;
 5. Repeat grievances associated with the same department/contractor;
 6. Root causes.

WHAT ELSE

6 Steps to resolving Complaints =>

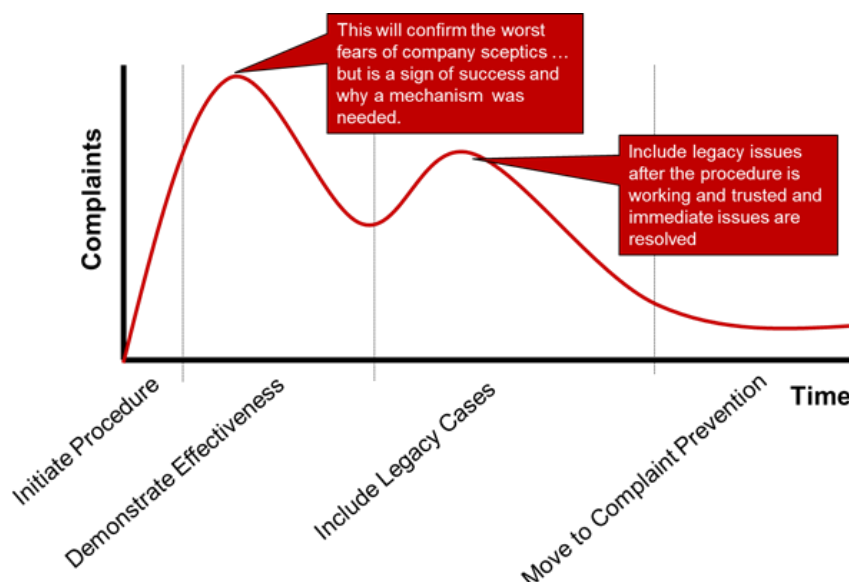
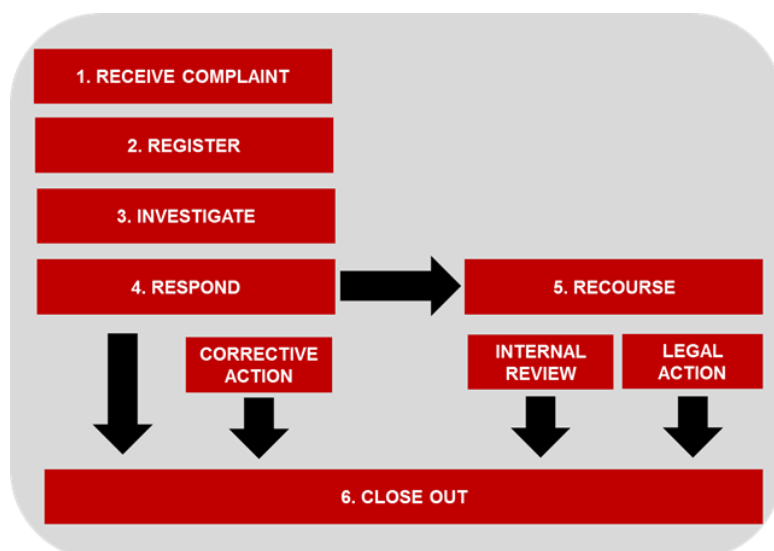
Building on what you have: Managing complaints and managing incidents have many similarities so if you have a good incident procedure you should think about whether you can modify it to handle grievances rather than starting from scratch.

Involve the complainant: Ensuring the complainant understands the process, participates in the investigation process and plays a part in determining the solution will increase the likelihood an agreement will be reached.

Recourse: If the company response is not accepted, the complainant must have the right to use other avenues to receive redress, including legal action. This must be made clear at the time that the complaint is registered and at the various decision points in the process. Good practice is for legal action to be used as a last resort, only to be considered when all other options have been exhausted, however the complainant is always free at any time to take legal action.

Roll Out and operation: The immediate period following the roll out will be busy, as communities test out the process and old concerns (if any) are addressed.

This initial period where the effectiveness of the mechanism is demonstrated is generally followed by a period of calm. At the point where the initial caseload of complaints has been addressed, legacy cases can be included, which will likely see a second, less-intense peak in complaint volume.



Complaint prevention: Land access, local employment and local procurement are usually major sources of complaints. Good policies, effectively executed will go a long way towards preventing complaints.

ASPECT 4. LAND ACCESS, ACQUISITION AND RESETTLEMENT

WHY

Competition for land is usually a key issue for companies and communities. Compensation for damage and the displacement and resettlement of communities is a challenging experience for all concerned and often leads to conflict over the right to land and its use. For communities, land acquisition and resettlement can be emotional and traumatic and for your company it can affect the success or failure of a project. Inadequate attention to the impacts of land access and acquisition can lead to disaffected communities and civil society groups lobbying governments and stymying approvals or taking direct action and delaying construction. On the other hand, if land acquisition and resettlement is well managed it can provide impacted people with better housing and additional livelihood opportunities.

WHAT

HOW

Understand the local context for land acquisition

Obtain information on:

1. Land tenure and ownership;
2. Land usage;
3. Any areas of conflict over land and resources;
4. Local land tenure dispute resolution procedures;
5. Impact of proposed project on availability of arable land to the community, linked to population and livelihoods;
6. The unit to which compensation should be paid (household, family, individual, clan, community); and
7. Who the legitimate landowner representatives are.

Establish rules for accessing land for temporary use that are to be used by everyone on site

It may be that the exploration team has been doing a good job and has established good practices in which case your job will be as simple as updating and broadening to cover the range of field-based project assessment related activities such as baseline environmental data collections, in-fill resource drilling or bulk sampling. On the other hand, you may be starting with a blank sheet in which case you need to establish rules around:

1. Notification: Ensure that land owners are aware of what you plan to do and give you **permission** to enter onto their land **before** you start work;
2. Compensation (see detail in “what else”);
3. Communication: Ensure that you communicate to the broader community what you are going to be doing in the area **before** you start work. Drilling activities, baseline sampling programs, household surveys are all open to interpretation and you need to avoid uninformed rumors from becoming the “truth”.

Develop an execution plan for permanent land acquisition

1. Link all land acquisition and resettlement activities to the construction schedule and ensure adequate resources are provided. Surveys, agreement-making, payments and moving all take time and have the potential to become critical path activities that hold up construction activities.

WHAT ELSE

A common mistake: Many companies persist in acquiring land in developing countries as though they were undertaking a similar transaction in their own country; that is by paying cash compensation to legally recognised landowners, users or affected third parties. Common assumptions include:

- If land is state land, or has been cleared of people by the government prior to handover to the company, the company has no resettlement obligations;
- Only people with legally recognised rights to land need to be compensated;
- Cash compensation is usually adequate to cover resettlement impacts;
- If problems occur, additional compensation payments will usually resolve them;
- Disclosure of information about how land and assets will be valued will lead to escalating demands from affected people;
- Provided the company complies with national laws, it has met international standards.

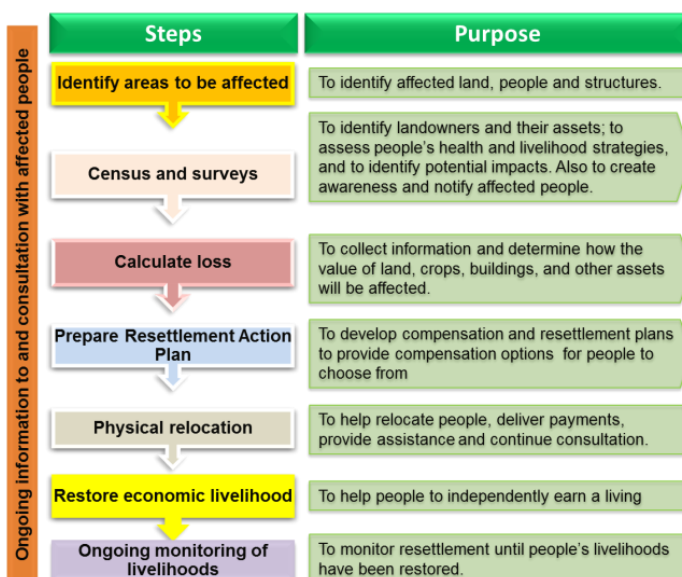
These assumptions are contrary to accepted international standards governing resettlement, and could leave the company open to human rights related claims and other costs.

Resettlement: If the initial review identified that it is likely that people will be economically and/or physically displaced then start the process of developing a Resettlement Action Plan sooner rather than later.

Clarity: It is crucial that everyone understands compensation payment procedures; how payments are calculated; who the recipients are; why these recipients were chosen; and where and when payments are made. The compensation **process** must be utterly transparent to all affected parties, but the **amount** of specific payments will often be confidential. The procedures must include meticulous record-keeping.

In the case of land compensation, the company should record the following (and where possible have the data linked into a GIS system):

- Name and address of landowner;
- Purpose and nature of land acquisition (temporary/permanent);
- Nature of land (cultivated/cash crops; subsistence gardens; forest; orchard; barren; government; waste land; river; streams; seasonal pond; grazing land; improved non-agricultural land);
- Type, age and condition of current crop;
- Type and condition of houses and other buildings and their contents;
- Photos taken prior to access and after access;
- Consent of the landowner (granted willingly/after some negotiation/needed community leader's intervention, background notes on negotiation);
- Compensation paid;
- Proof of payment (signatures of the landowner, the witness and the government representative responsible for land administration); photo of landowner receiving payment; and copy of payment receipt to landowner); and
- Landowner satisfaction with the process.



WHAT ELSE

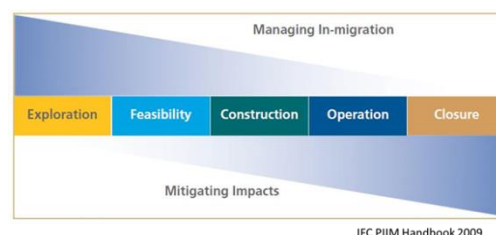
Buffer zones: You might consider including buffer zones in the design footprint, providing some spatial separation between the project and local populations. These buffer zones could take the form of exclusion zones into which entry is forbidden or as zones with designated (and restricted) occupation and land use rights. Use of buffer zones may pre-empt the development of fence-line settlements on the project's doorstep and may encourage new migrants to settle in nearby, established villages and towns.

Access control: To protect the company from speculative land acquisition, you could choose to secure all required land up-front, even if the land acquisition could be scheduled over several years. During the intervening period, you could choose to allow ongoing use of the land through the development of annual land-use agreements. The long-term benefits are likely to outweigh the short-term costs.

ASPECT 5. IN-MIGRATION

WHY

In-migration (also referred to as Influx) is the movement of people into an area in anticipation of, or in response to, opportunities associated with the development and/or operation of a new project. It is an inevitable consequence of project development and although in-migration may benefit trade, employment, infrastructure, and services in the project area, the overwhelming experience for the mining sector is that in-migration negatively affects the host communities, specifically with regard to environmental, social, and health issues and leads to increased project costs and increased operational and reputational risk if not well managed. Whether project development serves to induce in-migration or is a catalyst for the broader economic development of the region and leads to in-migration, every project has the ability to contribute to a reduction of in-migration and to prevent and/or mitigate its impacts. Think of it as enlightened self-interest for the project to address project-induced in-migration. In-migration peaks during the construction and early operations phase of projects and potential impacts need to be identified and plans put in place before the first migrants arrive. Management of in-migration is best done pro-actively and early while the project has the greatest opportunity to influence the result, rather than reactively where resources have to be directed towards mitigating the impacts for the life of the operation.



WHAT

HOW

Understand the project specific drivers of in-migration	<ol style="list-style-type: none"> 1. Incorporate an in-migration assessment into the screening phase of your Environmental and Social Impact Assessment, with a specific requirement to include a prediction of in-migration pathways and hotspots and a prediction of the rate and magnitude of in-migration.
Consider in-migration consequences when planning for construction and operations	<p>In addition to the in-migration related actions in the 'what else' sections in the other social aspects there a number of other actions that should be taken:</p> <ol style="list-style-type: none"> 1. Evaluate how planned transport routes might facilitate access and concentrate in-migrant populations both along the route and within the broader project area of influence; 2. Decisions whether to operate one or multiple offices, and whether to locate and operate a logistical base on the project site, in the nearest town with adequate infrastructure, or in the nearest centre that can function as a service centre for the project, should be made considering their influence (pull-factor) on in-migration; 3. Analyse the interventions that may be needed and identify where involvement of local and regional government in design, construction, and/or management of the interventions is needed to make these sustainable; 4. Make someone accountable for ensuring in-migration issues are fully integrated into the project.
Limit the number of jobseekers coming to the project area as much as possible	<p>An approach that has proven to be effective in encouraging non-skilled jobseekers to stay home is a combination of:</p> <ol style="list-style-type: none"> 1. Defining who are local and who are outsiders; 2. Publicly committing to hiring 100% local people for non-skilled labor positions; 3. Radio announcements in main population centers. Along the lines of "if you are not local and you do not have specific skills, stay home"; 4. Enforcement of local hiring rules with contractors and subcontractors through use of specific local content clauses with incentives/penalties; 5. Strict enforcement of a no-hiring-at-the-gate rule.

WHAT ELSE

The voice of experience:

“In-migration sneaks up on you. You start with 5 houses, then 20, then 50 and all of a sudden you have a community on your doorstep”

“Relatively speaking, planning is not expensive and laying out plans in advance of influx is one of the more effective strategies that can be adopted”

“As long as people see the mine as a way to a better future, they will keep coming”

Adding to the ESIA: Effective monitoring of the project's physical, social, and health footprint requires reliable information on in-migration, including a baseline and periodic updates. It is very important to implement a population census of the project area to establish a verifiable “pre-project” baseline. The baseline information can be further supplemented through the use of remote sensing. Aerial imagery can be particularly useful during pre-feasibility and feasibility stages, when it is not possible or practical to do in-depth ground-based studies. Regularly updated imagery can easily establish the geographical extent of any influx and land use changes that may be occurring in and around the project area.



SOURCE: www.satimagingcorp.com

Design, construction, and management requirements: Companies often expect governments to take responsibility for dealing with influx and do not get influx management onto the radar until it is too late and the company is compelled to take action. Government may lack the capacity (or will) to pro-actively plan for in-migration unless they are encouraged to do so. This is why collaborative planning with the government needs to be done early, before significant influx happens.

Where government capacity and resources are limited, your company may want to consider partnering with NGOs to provide technical assistance and capacity building to local and regional governments in areas such as governance and revenue management, infrastructure planning and delivery, and improved delivery of health and education services.

You could also consider including influx related provisions (such as an increased presence of government services) as part of negotiations around the investment agreement.

Worker housing: Decisions regarding the provision of worker housing have the potential to affect: (i) the local demand for housing; (ii) the pressure placed on existing infrastructure, services, and utilities; (iii) the development of local economies to support the workforce; and (iv) the development of local level jealousies regarding standards of housing, utilities, and services, as well as post-project disposal of housing.



SOURCE: www.icmm.com

Spatial planning: To avoid spontaneous and unplanned urban growth you could work with local government to develop and implement master urban/spatial plans for existing and new settlements within the project area of influence. Something else to think about is that any offsite project infrastructure and the increased availability of services and utilities may lead to social pressure being placed on the project to either share resources or meet the cost of providing resources to the public.



SOURCE: www.citythinkspace.com

ASPECT 6. COMMUNITY HEALTH AND SAFETY

WHY

While public authorities have a role in promoting the health and safety of the public, the company has a responsibility to avoid or minimise the risks and negative impacts to community health and safety that may arise from project related-activities. Physical structures and project-related activities will directly, indirectly and cumulatively change community exposures to environment-based health risks, communicable diseases, equipment accidents, and exposure to hazardous materials or conditions. Also, communities often lack an understanding of the controls the company plans to put in place leading to concerns which, if not addressed, can damage relationships with communities or government organisations and result in additional costs.

WHAT

HOW

Minimise the add-on to the existing burden on the population

1. Identify and evaluate the project related risks and impacts to the health and safety of the local community;
2. Use the design phase to avoid causing negative health and safety impacts on the community wherever practical and establish mitigation measures that are appropriate for their nature and scale where it is not possible to avoid them;
3. Modify, substitute, or eliminate the use of hazardous materials wherever possible;
4. If you don't have the expertise in-house, use specialised support or an independent review process to identify gaps or other issues the project team might otherwise overlook;
5. If the construction execution plan includes use of third-country national workers the careful pre-employment screening for communicable diseases needs to be mandatory;
6. To assure sustainability the company should implement mitigation measures through collaboration with existing local governments, NGOs, and local relevant agencies;
7. If local government agencies do not have the capacity to respond effectively, the company has a responsibility to play an active role in preparing for and responding to health impacts associated with the project.

Dispel the myths

1. It is never too early to start. For as long as there is an information vacuum, misinformation and myth will rule;
2. Share information about potential impacts and your plans for managing the associated risks with local and national health agencies. If they understand the situation, they are less likely to be a critic, more likely to be neutral or possibly a valuable advocate;
3. Within the local community the company can play an active role to prevent the transmission of communicable diseases through communication and educational programs designed to raise awareness;
4. A workforce health promotion and education effort can significantly impact behaviors and practices in local communities by turning the workforce into "peer educators" to local communities.

Build on what exists

1. To assure sustainability, the company should implement any mitigation measures through collaboration with existing local governments, NGOs, and relevant local agencies;
2. If local government agencies do not have the capacity to respond effectively, the company has a responsibility to play an active role in preparing for and responding to health impacts associated with the project.

WHAT ELSE

Addressing health and well-being impacts: The hierarchies shown below could be used as a management framework and also used to inform the social investment plan.

Mitigation Hierarchy

AVOID	Design the project so that a feature that may cause a potential negative health impact is designed out.
REDUCE	<p>At Project Site (Source): This involves adding something to the basic design to abate the impact. Pollution controls fall into this category, often called 'end of pipe'.</p> <p>In Community (Receptor): Some impacts cannot be avoided or reduced at the project site. In this case, measures can be implemented in the community.</p>
REMEDY	Some impacts involve unavoidable damage to a resource which needs repair or requires remedial treatment.
COMPENSATE	Where other mitigation approaches are not possible or fully effective, then compensation for loss, damage and general intrusion might be appropriate.

4/21/2015

Benefits / Opportunities Hierarchy

BUILD IN BENEFITS FOR ALL	Design the project so that features of the physical, social and economic environment that enhance or lead to a positive health impact for affected communities are included from the start.
AFFIRMATIVE ACTION FOR EQUITY	Put in place measures to ensure that disadvantaged groups reap the benefits of the project.
MAKE HEALTHY CHOICES EASY CHOICES	This involves adding something to the basic design or operational policies to encourage and reward health-promoting behaviour.
PROACTIVE EDUCATION AND INFORMATION	Utilize opportunities to provide information and education to enable people to make informed health choices.

SOURCE: Adapted from ICMM GPG for Health Impact Assessment 2009 www.icmm.com/health_and_safety



Going beyond the workforce:

Since activities undertaken outside company walls often account for a significant percentage of employee infections, many businesses find it useful and necessary to extend their education and awareness efforts beyond the

Businesses will feel the impact of HIV/AIDS most clearly through the workforce, with direct consequences for the bottom line.

The rate of infection for the workforce can be assumed to be similar to the rate for the local population.

workplace. This includes working with their suppliers and contractors as well as the local communities in their areas of operations.

Particularly vulnerable groups, such as women and youth can be targeted

through local schools, employees' wives and local women's organisations whereas high-risk groups such as temporary construction workers, migrant labourers, truck drivers and sex workers may require specifically adapted awareness messages.

Peer education is one of the most widely used strategies for raising awareness on HIV/AIDS.

Take steps to reduce sexual exploitation of children:

- Zero-tolerance policy:** Implement a zero-tolerance Code of Conduct for all workers, with specific reference to child exploitation. Adherence to the code needs to be mandatory for all national and expatriate staff and any misconduct should result in immediate sanctions. Set up a taskforce to monitor the implementation of the policy, which should include specific reporting and whistle-blowing mechanisms.
- Awareness campaigns:** Establish awareness programs aimed at employees and sub-contractors. Require all new employees to go through the details of the Code of Conduct during their induction session. Widely distribute leaflets and posters to employees and sub-contractors.
- Partnering with communities:** Child sexual exploitation is a complicated phenomenon that must be tackled through the involvement of a range of stakeholders across all levels. Work with existing local child protection networks and well-known organizations to promote wider awareness of and respect for children's rights. Life-skills training for youth peer educators enables them to hold information sessions with adolescents on the ways to say "NO!"

ASPECT 7. ENVIRONMENTAL IMPACTS

WHY

Direct impacts on the natural environment may result in adverse risks and impacts to local communities. For example, land use changes or the loss of natural buffer areas such as wetlands, mangroves, and upland forests that mitigate the effects of hazards such as flooding, landslides, and fire, may result in increased vulnerability and community safety-related risks and impacts. Reduction or degradation of natural resources, such as adverse impacts on the quality, quantity, and availability of freshwater may result in health-related risks and impacts. When it is not feasible to avoid impacts it is necessary to incorporate engineering and management controls to reduce or minimise the possibility and magnitude of undesired consequences.

WHAT

HOW

Identify environmental risks and impacts

1. The risk and impact-identification process should be based on recent environmental and social baseline data at the appropriate level of detail;
2. If the project will create potentially significant adverse impacts or where technically complex issues are involved, you may need to involve external experts to assist in the risk and impact-identification process;
3. Baseline studies should comprise some combination of literature review, stakeholder engagement, and consultation and in-field surveys. If your project has the potential for significant impacts, the baseline should include in-field surveys over multiple seasons and be conducted by competent professionals and external experts. In-field surveys/assessments should be recent and data should be acquired for the actual site of the project's facilities, including related and associated facilities, as well as the project's area of influence.

Educate

1. It is never too early to start;
2. Share information about potential impacts and your plans for managing the associated risks with local communities and national agencies. School-based programs targeting the physical environment – weather, water, noise and dust can be effective and are relatively easy to get up and running;
3. Remember – environmental management is more than a technical issue. It also requires a good understanding of the social and cultural processes through which communities experience, perceive, and respond to risks and impacts. Community perceptions are often conditioned less by technical or quantitative assessments, and more by the ways in which community members experience change.

Community involvement in monitoring impacts

1. See “what else” for ideas for involving community members in baseline data collection and ongoing monitoring.

WHAT ELSE

Water management: Groundwater and surface water are often essential sources of drinking and irrigation water in developing countries, particularly in rural areas where piped water supply may be limited or unavailable and there is little or no treatment before consumption.

Project activities involving wastewater discharges, water extraction, diversion or impoundment should aim to prevent adverse impacts to the quality and availability of groundwater and surface water resources and where this is not possible, alternative sources must be provided.



Other ways projects impact water resources include:

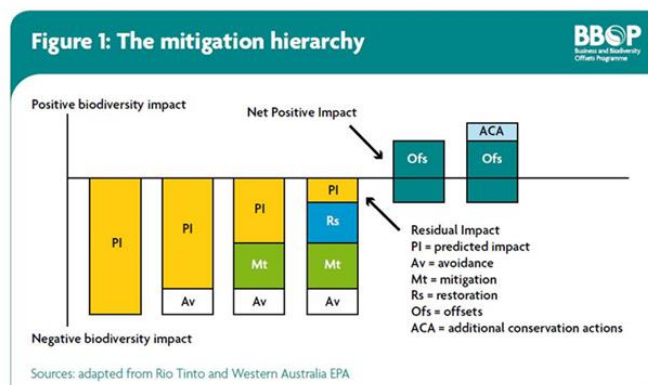
- Exposure of soil surfaces to rain and wind during site clearing, earth moving, and excavation activities and the resultant mobilisation and transport of soil particles may, in turn, result in sedimentation of surface drainage networks, impacting the quality of natural water systems and ultimately the user of these waters;
- New water bodies, such as surface-water environmental-control dams or new reservoirs, may become magnets for local community members and increase the risks of injury, including accidental drowning;
- In addition, water storage facilities require careful environmental engineering (for example, shoreline slopes and vegetation control) to prevent development of vector-breeding sites;
- During construction and operations phases, tyres, drums, and other containers may become significant breeding sites for mosquitoes, with subsequent increased risk of malaria and dengue fever outbreaks;
- Resettlement and relocation communities may be closer to water bodies, which will significantly increase the vector-borne disease risk.



Addressing biodiversity: Protecting and conserving biodiversity and sustainably managing living natural resources is very much on the radar of NGO, lenders and local communities alike.

An increasingly common approach to managing biodiversity impact is through application of Biodiversity Offsets using a mitigation hierarchy similar to those used for other project risks – from avoid, through mitigate to restore to benefit, in this case the Offset.

SOURCE: [bbop key concepts - mitigation-hierarchy](#)



How big an issue biodiversity management will be for your project should become apparent early in your Environmental and Social Impact Assessment studies.

Often local people have a better understanding about their own environment than Western 'experts', so involve local communities in biodiversity efforts and build on local knowledge whenever you can.

WHAT ELSE

Participatory monitoring: One way to help satisfy concerns and create a common understanding is to involve local people in monitoring the implementation of mitigation measures or other environmental and social programs. Participation, and the flow of information generated through the process, can also encourage local people to take a greater degree of responsibility for their environment and welfare in relation to the project, to feel ownership, and being empowered to do something practical to address issues that affect their lives. Participatory monitoring also tends to strengthen relationships between the project and its local communities.

If local capacity is lacking, your company may wish to consider capacity-building and training programs to enable individuals or local organisations to acquire the technical skills necessary to participate in effective monitoring. Companies which have done so say it is in their own best interests to ensure that any groups monitoring their project have a sound technical understanding of the process, as it leads to more accurate and credible monitoring results and enables informed dialogue.



Participatory monitoring goes beyond the company consulting with local people on environmental monitoring data. It requires the physical presence of affected individuals at the time that monitoring takes place, and involves methods and indicators meaningful to those concerned. In some countries, the participation of local people in monitoring environmental and social impacts and mitigation can be a regulatory requirement. Irrespective of any regulatory requirement it is simply good practice. As with any type of community engagement, care should be taken in the choice of representatives and the selection process should be transparent.

Participatory monitoring might include, for example:

- Involvement in scientific sampling methods and analysis – some local groups will be quite able to understand such techniques without professional training whereas others may need some capacity building;
- Observations by affected parties;
- Group discussions on the success of mitigation or benefit measures and/or on how to manage new issues that have arisen;
- The adaptation of widely used participatory techniques to the purpose of assessing changes in the physical and socio-economic environment over time.

While you may be sceptical about the technical ability of local people to assist in monitoring, many companies who have tried this approach have found the learning curve to be much more rapid than they had expected.

ASPECT 8. CULTURAL HERITAGE

WHY

Cultural heritage is fundamental to the identity of many host communities. We know from the past history of mining that ineffective management of cultural heritage can lead to conflict and that the destruction of cultural heritage sites can cause strong feelings in the affected community and can lead to social, political and legal opposition.

Effective cultural heritage management is critical for land access and is integral to the strength of the company relationship with local communities. The way companies engage with communities to protect and manage their heritage greatly affects the quality of relationships, the effectiveness of broader community engagement and the sustainability and legacy of operations. When it is all said and done, if the company is seen to value what local people value, the community is more likely to be supportive of the company.

WHAT

HOW

Understand the legal and other requirements related to cultural heritage

The following groups are good places to start:

1. Ministries of archaeology, culture, or similar national or heritage institutions;
2. National and local museums, cultural institutes and universities;
3. Local communities and religious groups for whom the cultural heritage is traditionally sacred;
4. Historical or traditional users and owners of cultural heritage.

Inside the company the person responsible for maintaining the exploration licences should be able to provide a list of permit conditions (if any).

Identify culturally significant places inside the project footprint so they can be protected, moved or compensated for

1. Since cultural heritage is not always documented, consultation with local people is essential for identifying it, understanding its significance, assessing potential impacts, and exploring mitigation options;
2. Local staff are usually an easily available source of information;
3. Reduce the likelihood of inadvertently damaging something important by including locations on all project plans and ensuring information is shared with all consultants and contractors. Add another level of protection by barricading and signposting if possible;
4. Have a procedure for handling Chance Finds **before** starting ground disturbing work required during the assessment phase.

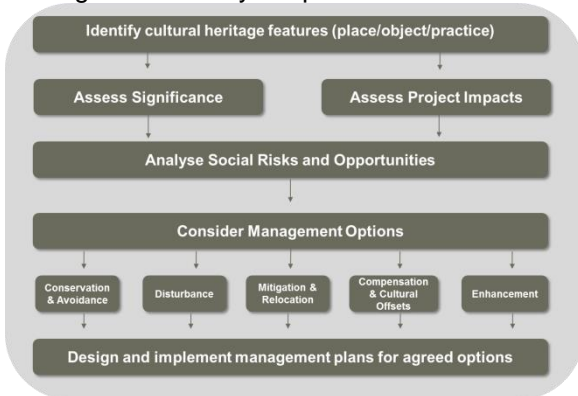
Allow ongoing community connection to and use of culturally significant places that are protected within the project footprint

1. Offer continued access to local communities, subject to legitimate health, safety and security concerns;
2. Where health, safety, or security is a consideration, alternatives to open access need to be identified through community consultation. Possibilities could include alternative access routes, specifying dates and times when access will be provided, providing health and safety equipment and training for specified users of the site, or other measures that balance access with health, safety or security measures;
3. Document the access agreements so that people coming onto the project later know what the rules are.

WHAT ELSE

Developing a Cultural Heritage Management Plan:

The content of your plan will depend on the existence of heritage values in the area. It may be 2 or 200 pages long, depending on the level of cultural heritage complexity. In some areas and jurisdictions, legislated or formal guidelines may shape the content.



SOURCE: Adapted from Rio Tinto; Why Cultural Heritage Matters

https://www.csr.uq.edu.au/media/docs/168/Why_Cultural_Heritage_Matters.pdf

Including the cultural heritage assessment in the ESIA scope will reduce contract administration and should avoid duplication, while using a local expert for the heritage work demonstrates respect for local knowledge.

Case study: “We had to construct a road through an area full of sacred objects. With the help of local leaders we identified and mapped trees, rocks and other objects important to the community. We designed the road to avoid damaging these sacred places. Then we had this big tree. There was no way to design the road without cutting down that tree. So we went to the village to discuss the issue. When we presented our map they were amazed to see we had identified all sacred objects. Then we politely asked the community if there was any way to move the spirit living in that one tree to another tree. Noticing our genuine concerns to minimise our impact on local culture, the community asked us to give them a few days. The next week they performed a ritual to move the spirit and came back to us to tell us we could cut down the tree. From then on, project implementation went smoothly.”

SOURCE: Zandvliet and Anderson 2009 Getting it Right. Making Company – Community Relations Work www.routledge.com

Chance finds procedure: This should set out what needs to be done when cultural heritage objects are unexpectedly uncovered during field-based activities. In particular, the procedure should specify steps to be taken if human remains are found as these may be of high cultural sensitivity and need to be treated with particular care. Steps should include:

1. Immediately stopping work in the vicinity of the find;
2. Notification of the accountable site manager;
3. Notification of the police if human remains have been found;
4. Notification of cultural heritage authorities if required;
5. Use of local community members and heritage experts to assess the significance, and report it if required by law;
6. Determining the right way to manage the find in consultation with community groups and interested parties; and
7. Resumption of work if permitted and agreed.



ASPECT 9. LOCAL EMPLOYMENT

WHY

Company-generated employment provides an important opportunity for local people to benefit from the project. Gainful employment builds a sense of involvement, ownership and empowerment as well as providing access to cash. Jobs are one of the biggest contributions a project makes to the local economy and should solidify company/community relationships. However issues surrounding jobs often become a major source of tension, particularly when local people see outsiders being hired for jobs they think they can do or feel they are entitled to.

WHAT

HOW

Build trust in the employment process



Geography and Impact are commonly used criteria, often as a combination.

1. Define the company drivers and short and long-term objective for local employment in a way that everyone on the project can understand and that you can explain to the local community;
2. Define the rules for employment at all levels – unskilled, skilled and professional; casual, fixed-term and permanent; company and contract; local, national, third-country national and expatriate – in a way that everyone on the project can understand and that you can explain to the local community;
3. Define local using whatever criteria make sense for the site (see What else? for some ideas);
4. Ensure all the players on site – owner, EPC and other contractors – consistently apply the rules.

Maximise the employment of local people

1. Create a shared register of all potential opportunities to employ local people with the owner's team and with contractors and track actual performance against the potential;
2. If possible, conduct a local skills and qualifications survey;
3. Demand that all unskilled labor is hired from the local communities and report performance as a project KPI;
4. Include bonus/penalties for local employment performance in contract terms and conditions.

Educate

1. Talk about your performance – on your website and in locally used forums. Radio, TV, social media and the tried and tested community noticeboard are all possibilities;
2. Explain to your local staff how and why you do employment the way you do. As with health, peer education is one of the best ways to get results;
3. Prepare a frequently-asked-questions sheet for everyone to use. Keep it simple, focus on the top 10 and aim for a single page;
4. Use the opportunity of your site visits to share employment related information with staff and community alike. One-on-one meetings, small groups and larger gatherings can all work;
5. Listen to the 'youth'. Don't ignore them because you are worried that they won't like what they hear. It is quite possible they won't, at least not at first, but it is equally likely that they will come to understand and accept the reality if they understand the process and see that it is fair. They are also likely to have some ideas of their own which won't necessarily cost a fortune to make happen.

WHAT ELSE

Improve coordination by:

Nominating an internal champion: one designated person, provided he or she has sufficient seniority and expertise, and can be a key driver for local employment programs. The champion's role is to provide high-level endorsement and to motivate others to help promote and implement the program.

Integration into business systems: modifying business processes, for example using selection criteria that favour local people over equally qualified outsiders, can improve local employment outcomes.

Performance incentives: personnel sometimes see attempts to modify existing procedures as interference. To counter this, many companies include local-employment criteria in staff performance objectives.

Information flows: staff need to understand the capabilities of local jobseekers and how to reach them; local jobseekers need to understand when and where opportunities will become available.

Defining Local: The more local involvement in defining local the better. As a minimum, you should include the views of national and local members of the exploration team. If you already have well-established relationships with the community, you should canvas views from as wide a range of people as possible. Gaining the support from the local traditional leaders is an important part of the process but should be done in such a way that other interested and affected parties are not excluded.

Be prepared to review and revise the criteria as you gain more insight into the community. There is nothing inherently wrong with changing criteria but you do need to be clear about why, what and how and to be able to explain the process.

Tracking performance: Getting started can be as easy as doing a few extra calculations on data you already collect:

- Value of local payroll;
- Number of applications from local people in your employment database;
- Number of local people hired by job category;
- Number of local people as a % of total workforce.

Case study: One company has taken the concept of recruitment transparency very literally, using a public lottery to select candidates for non-skilled labour to ensure fairness and avoid accusations of corruption.



To gain entry into the lottery, applicants are required to attend a public session, held once a week in the village square, where 3 elected community members vet them as local people. The application papers are then immediately placed in a locked, Perspex (literally transparent) ballot box. At the end of the vetting session the box is returned to the company offices by the company's observer. Every time non-skilled labor is required, a public 'draw' is conducted by the company in the same village square, with the 'winners' names being read aloud.

While it took a bit of work – and some out of the box thinking (literally) to set it up, the very open nature proved to be a major winner for all.

Worker transport: The provision of a daily bussing service for a project workforce living within a 50-100km radius of the project may reduce the need for migration toward the project site, reduce the demand for local housing, reduce the pressure on local infrastructure, services, and utilities and pre-empt the development of larger population centres close to the site.



Recruitment and management policies and practices can significantly affect migrant settlement patterns. Key workforce policy and management issues, including workforce targets, a local-first recruitment policy, the location of recruitment centers, use of worker transport, hiring policy and practice for day/casual labourers, medium-to-long-term localisation plans and construction phase mobilisation and demobilisation strategies, provide processes for effectively managing expectations and should be defined at an early stage.

ASPECT 10. LOCAL PROCUREMENT

WHY

There are three main reasons to purchase goods and services from local businesses: a) in response to government regulations or investment agreements stipulating local content levels; b) to provide benefits to the local community by creating business opportunities with local enterprises and; c) ultimately to create a more robust supply chain to promote a more-engaged and supportive local community. In time it can also result in reduced operating costs as locally provided goods and services can be less expensive. In emerging markets, local suppliers are typically small and medium enterprises (SMEs) and to compete for bidding and contracting opportunities they often need help to bring them up to the required operational, safety, environmental and technical standards. This is typically achieved using a combination of training, mentoring, and other support (usually externally sourced) and through internal efforts to identify opportunities, communicate the business reasons and the use of performance-linked reward structures.

WHAT

HOW

Build trust in the procurement process

1. Define the company drivers and short and long-term objective for local procurement in a way that everyone on the project can understand and that you can explain to the local community;
2. Define the rules for procurement at all levels in a way that everyone on the project can understand and that you can explain to the local community;
3. Define local using whatever criteria make sense for the site;
4. Ensure all the players on site – owner, EPC and other contractors – consistently apply the rules;
5. Pay on time – there is nothing worse than being late paying your local suppliers;
6. Avoid creating barriers to participation (e-procurement and web-based registration are common problem areas);
7. Don't apply complex terms and conditions for low risk goods and services.

Maximise the use of local businesses

1. Create a centralised register of all potential opportunities to source locally;
2. Demand that all low -risk contracts use local businesses and report performance as a project KPI;
3. Include bonus/penalties for local procurement performance in contract terms and conditions.

Educate

1. Talk about your performance – on your website and in locally used forums. Radio, TV, social media and the tried and tested community noticeboard are all possibilities;
2. Explain to your local staff how and why you do procurement the way you do. As with health, peer education is one of the best ways to get results;
3. Prepare a frequently-asked-questions sheet for everyone to use. Keep it simple, focus on the top 10 and aim for a single page;
4. Use the opportunity of your site visits to share procurement related information with staff and community alike. One-on-one meetings, small groups and larger gatherings can all work;
5. Hold roadshows/town halls/open houses during site visits to periodically update potential suppliers of goods and services on business requirements and upcoming opportunities.

WHAT ELSE

e-procurement: e-procurement systems offer a number of benefits. They enable transparency and fairness by providing all suppliers with access to the same bid information and evaluation system; they are a secure system through which to submit the bids and skills development can be an outcome of adoption of the technology.

However, these systems may exclude small businesses from the tendering process, particularly those situated in remote locations with limited access to technology.

Providing alternatives to access and submit tenders will ensure that these businesses are not disadvantaged. These might include:

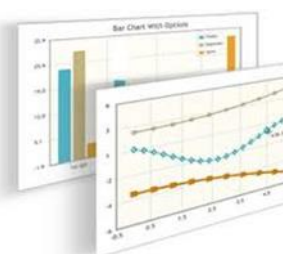
- Making a paper-based Expression of Interest form and the tender documentation available for collection from the company office reception;
- Providing a consistent point of contact in the procurement team for each tender;
- Allowing for lodgement of tenders by email, post or hand delivery; and
- Providing local businesses with a longer notification period of upcoming opportunities to enable them to have more time to prepare.

The multiplier effect: For every direct job, supply or services contract created by the project, many more jobs and business opportunities are created as a result of increased economic activity in the area (hotels, restaurants, taxis and convenience stores for example).

Establishing a business development centre, setting up a microcredit program, or serving as guarantors with local banks to help local entrepreneurs get access to cash are potential initiatives that help businesses and individuals benefit from the economic opportunities that arise from the project's presence, extending the positive influence of the project on the local economy.

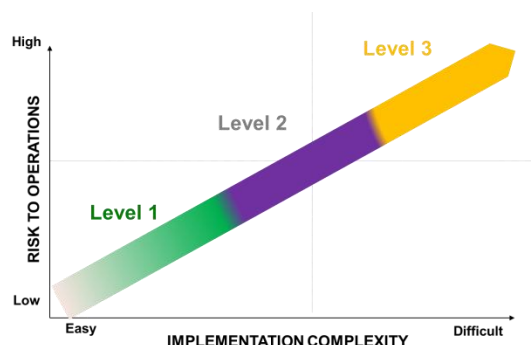
Tracking performance: Getting started can be as easy as doing a few extra calculations on data you already collect:

- Value of local services and contracts
- Number of local businesses in your database
- Number of local companies with contracts by type and value
- Number of local contracts as a % of total by type and value.



Supplier development 1: Getting suppliers up to speed takes time so it is important to stay ahead of the demand. If you know when you need something, start planning to make it happen one or two project phases earlier.

Supplier development 2: Think Big and Small'



Case study: One company operating in east Africa actively supported the creation of bulk purchasing centres for agricultural produce. The centres buy fruits, vegetables and dried goods from local farmers and resell to large customers, like the company. The selling price to the company is capped at a small margin above the prevailing market price to prevent diversion and inflation. An estimated 8,000 farmers (most of whom are women) supply about 125 tonnes of fruit and vegetables per month.

ASPECT 11. COMMUNITY DEVELOPMENT

WHY

The reality is that for most projects, the benefits that come from job and business opportunities fall to a relatively small proportion of the population, usually those with better education and better connections. For the majority of community members, community development is the one tangible, broadly distributed benefit they might see from a project. At the same time companies usually feel they have a responsibility to ensure their presence generates tangible benefits to local communities and they are often under community pressure to deliver from the time the company establishes a presence on the ground, resulting in a temptation to 'do something'. However, companies need to move away from 'giving stuff' and providing hand-outs which tend to create dependency, and move more towards building capacity and developing a sense of ownership and empowerment within local communities. Companies also need to be careful not to fall into the trap of raising expectations by over-promising and under-delivering and turning what should be a positive for the project into a negative.

WHY

HOW

Implement a good donations program

Donations are discretionary funding driven by requests from the community. While often being short term and *ad hoc*, they allow the company to be responsive to local needs. **Example: support for local festivals or sport; donation of supplies**

Required actions:

1. Consider the bigger picture;
2. Define areas of support;
3. Define selection, assessment and approval criteria;
4. Communicate processes and the results widely;
5. Act consistently.

Successful early projects (pre-project approval/FID)

Quick Impact Projects are high-visibility projects and are sometimes referred to as 'ribbon cutting' projects. They can be done quickly in the early stages to generate good will and demonstrate tangible benefit. The benefits of quick-impact projects need to be weighed up against the risks of creating dependency and unsustainable expectations. **Example: Infrastructure projects**

Required actions:

1. Consider the bigger picture;
2. Define areas of support;
3. Define selection, assessment and approval criteria;
4. Communicate processes and the results widely;
5. Act consistently;
6. Consult broadly during project identification, design and assessment;
7. Build training and skills transfer into program where possible;
8. Involve beneficiaries in tracking programs and quality and results.

Develop a long-term investment plan

Long-term Investments are productive investments that build local capacity over time. These support longer term business objectives such as risk management, reputation, productivity and sustainability. **Example: skills building and livelihood support**

Required actions:

- 1 to 5 as above plus;
1. Choose the option that builds local ownership and capacity;
2. Move away from doing it yourself to making sure it gets done.

WHAT ELSE

Money can't buy you love: A multi-year study of over 60 international companies operating on five continents concluded that there is no correlation between the amount of money a company spends on community projects and the quality of their relationship with the community.

Resist the temptation to impose your own preconceived ideas: For communities, shared decision making is about respect and ownership. No matter how well intended, if a company decides the priorities **for** communities instead of **with** communities, people might willingly accept – but feel no responsibility toward – what the company offers. The result is a bit like when someone gives you a well-intentioned but inappropriate gift- at best you don't appreciate it, at worst you resent it.

Help people recognise the importance of making choices: Unlimited requests from communities for support tend to occur when the company has not set any parameters or managed expectations effectively. Open dialogue with communities on issues such as budget, criteria, and cost-sharing can help facilitate discussion on priorities and how to make the best use of available resources. Additionally, evidence suggests that when communities trust that a company is willing to support them over a longer timeframe, they are more likely to prioritise skills training and capacity building.

SOURCE: IFC Strategic Community Investment Handbook 2010

www.ifc.org/hb-communityinvestment



Sponsorships: Supporting sport is often seen as an easy win – kit, prizes and travel money don't require a lot of effort by the company – and is often seen as a unifying activity because 'everyone plays sport', but equally the sport field can become a *de facto* battleground where longstanding and deep seated rivalries come out.

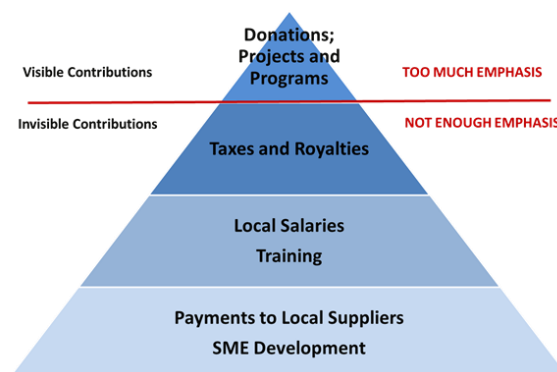
Sponsoring a local sporting team or event shares all the characteristics that need to be considered in every other community based investment:

*Who is in, who is out and who decides?
How to say 'no'?
How to exit?*

If you find it difficult to get it right with a simple sport sponsorship what chance a more complex community project?

The message here is be careful, think before you act and give yourself the best chance to build connections instead of creating divisions.

Is that all? Companies are often told they don't do enough and are often their own worst enemies because they put too much emphasis on their community development activities and overlook the bigger picture of their contributions through the taxes they pay to government, the wages they pay and the training and skills development they invest in their local employees, and payments to suppliers and SME development, which is a bit short-sighted, particularly when every bit of data is at their finger-tips!



So next time someone asks, make sure you're in a position to give a full answer.

It is also a good idea to document right from the exploration phase, all assistance given to the community, however small, including photographic evidence. That way, later on, if there is a change in local chiefs, or when civil societies or NGOs try to say you haven't done anything for the community, you can show what you have actually done. It is very easy for the small things to get lost as time goes on and the rigour of documenting things from the start can stand you in good stead. As we know, people change both in the local communities and at the company level over time – which can be a long period from exploration to production.



Home-country and host-country governments and local communities expect companies to respect all applicable laws, to operate openly and in consultation with them and to implement best practices. While there are many (too many maybe) good practice guidelines, there are nine widely-recognised, international social performance guidelines that provide a solid platform for any project.



OECD Guidelines for Multinational Enterprises (2011)¹²: The *Guidelines* are a set of recommendations on responsible business conduct addressed by governments to multi-national enterprises operating in or from member countries. These include the US, Canada, Australia, Great Britain, Japan, Korea, Chile and most of Europe. The *Guidelines* aim to ensure that the operations of these enterprises are in harmony with government policies, to strengthen the basis of mutual confidence between enterprises and the societies in which they operate, to help improve the foreign investment climate and to enhance the contribution to sustainable development made by multinational enterprises. They provide non-binding principles and standards for responsible business conduct in a global context consistent with applicable laws and internationally recognised standards. Key principles include:

Adverse impacts: Enterprises should avoid causing or contributing to adverse impacts on matters covered by the *Guidelines*, through their own activities, and address such impacts when they occur.

Due diligence: Enterprises should carry out risk-based due diligence to identify, prevent and mitigate actual and potential adverse impacts, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.

Stakeholder engagement: Enterprises should engage with relevant stakeholders in order to provide meaningful opportunities for their views to be taken into account in relation to planning and decision making for projects or other activities that may significantly impact local communities.

Fostering confidence and trust: Enterprises should foster a relationship of confidence and mutual trust with the societies in which they operate. This includes respecting the internationally recognised human rights of those affected by their activities, encouraging business partners to apply responsible business conduct principles, and abstaining from improper involvement in local political activities.

Human capital formation and capacity-building: Human capital formation and local capacity building by enterprises are encouraged. Enterprises should co-operate closely with the local community, create employment opportunities, and facilitate training opportunities for employees.

Corporate governance: Good corporate governance should be implemented by the enterprise – this includes supporting and upholding good corporate governance principles and developing and applying good practices.

The guidelines are particularly relevant for all companies operating in or from OECD countries as impacted communities (or civil society groups acting on their behalf) can lodge a complaint with the National Contact Point (NCP) in an adhering country against a specific company for non-observance of the guidelines.



OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (2013)¹³: This *Guidance* was developed in response to the problems posed by conflict minerals, whereby minerals and metals are illegally mined and their illicit proceeds used to finance armed conflict. The core guidance document and

¹²<http://mneguidelines.oecd.org/guidelines/>

¹³www.oecd.org/corporate/mne/GuidanceEdition2.pdf

two mineral-specific supplements explain how multinational companies sourcing gold, tin, tantalum, and tungsten can avoid fuelling conflict and responsibly source and trade minerals in high-risk regions. While the *Guidance* is voluntary in nature, it has strong industry support, and has contributed to peace-building and stabilisation efforts in mineral-rich fragile states, particularly in the Great Lakes Region of Africa.

While specific due diligence requirements and processes will differ depending on the mineral and the position of the company in the supply chain, companies should review their choice of suppliers and sourcing decisions and integrate into their management systems the following five-step framework for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas:

1. Establish strong company management systems.
2. Identify and assess risk in the supply chain.
3. Design and implement a strategy to respond to identified risks.
4. Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.
5. Report on supply chain due diligence.



International Finance Corporation Performance Standards on Social and Environmental Sustainability (2012)¹⁴: IFC applies the *Performance Standards* to manage social and environmental risks and

impacts and to enhance development opportunities in its private sector financing. The *Performance Standards* also form the basis of the Equator Principles which are applied by a large and growing number of financial institutions (EPFI).

Together, the eight *Performance Standards* establish standards of good international industry practice, which the IFC defines as ‘the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally.’

The standards are systematic, pragmatic, and flexible with a focus on outcomes. They promote risk management that is commensurate with the level of risks, incorporating time-based action plans to address actual and potential impacts.



PS1: Assessment and Management of E&S Risks and Impacts



PS2: Labor and Working Conditions



PS3: Resource Efficiency and Pollution Prevention



PS4: Community Health, Safety and Security



PS5: Land Acquisition and Involuntary Resettlement



PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources



PS7: Indigenous Peoples



PS8: Cultural Heritage

When used appropriately the *Performance Standards* can build reputation; reduce reputational risks; be a business driver for customers and investors; save operating costs through better resource efficiency; mitigate the potential costs associated with environmental mishaps and mitigate potential conflicts with communities. As the Standards are increasingly becoming the *de facto* benchmark for the industry, following the *Performance Standards* not only increases the rigor in company approach but also instils investor confidence in the company.



The Equator Principles (EPs)¹⁵: Used by financial institutions as a risk management framework for determining, assessing and managing environmental and social risk in projects, the *Equator Principles* are primarily intended to provide a minimum standard for due diligence to support responsible risk decision-making. Currently 105

Equator Principles Financial Institutions (EPFIs) in 38 countries have adopted the *Equator Principles*, covering the majority of international project finance debt in emerging markets. EPFIs commit to implementing the EP in their internal environmental and social policies, procedures and standards for

¹⁴ www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/sustainability+framework

¹⁵ www.equator-principles.com

financing projects and will not provide project finance or project-related corporate loans to projects where the client will not, or is unable to, comply with the *Equator Principles*.

The *Equator Principles* have a direct connection to the IFC *Performance Standards* and the IFC Environmental, Health and Safety Standard by way of referencing the two as 'the then applicable standards' under Principle 3.



United Nations Convention against Corruption (2005)¹⁶: The *Convention* is built on four pillars – prevention, criminalisation, international cooperation and asset-recovery. Asset-recovery is stated explicitly as a fundamental principle of the *Convention* and is a particularly important issue for many developing countries where high-level corruption has plundered national wealth. The *Convention* also goes beyond previous instruments of this kind, criminalising not only basic forms of corruption such as bribery and the embezzlement of public funds, but also trading in influence and the concealment and laundering of the proceeds of corruption.



The Extractive Industries Transparency Initiative (2002)¹⁷: *EITI* is a global standard to promote open and accountable management of natural resources. It seeks to strengthen government and company systems, inform public debate, and enhance trust. Countries implement the *EITI* Standard to ensure full disclosure of taxes and other payments made by oil, gas and mining companies to governments. These payments are disclosed in an annual *EITI* Report which enables citizens to see for themselves how much their government is receiving from their country's natural resources. There are currently 58 implementing countries which include 20 in Africa.



Global Reporting Initiative (1999)¹⁸: The *GRI* provides a comprehensive Sustainability Reporting Framework that is widely used around the world. As a result of the credibility, consistency and comparability it offers, *GRI*'s framework has become a *de facto* standard in sustainability reporting and is increasingly used by the extractive sector for CSR reporting as a way to enhance transparency and encourage market-based rewards for good CSR performance.

A structured approach to CSR reporting based on the *GRI* framework can help companies to measure, understand and communicate their economic, environmental, social and governance performance. A CSR report can be the key platform for communicating social performance and impacts - positive or negative.



Voluntary Principles on Security and Human Rights for projects involving private or public security forces (2000)¹⁹: The *Voluntary Principles* are a set of principles designed to guide companies in maintaining the safety and security of their operations within an operating framework that encourages respect for human rights.

The *Voluntary Principles* are the only human rights guidelines designed specifically for extractive sector companies. Participants in the Voluntary Principles Initiative – including governments, companies, and NGOs – agree to proactively implement or assist in the implementation of the *Voluntary Principles*.

In practice the *Voluntary Principles* provide guidance on:

- I. Conducting effective risk assessment related to security, conflict and human rights;
- II. Interactions between companies and public security providers; and
- III. Interactions between companies and private security providers.

The *Voluntary Principles* provide companies with the ability to align their policies and procedures with internationally recognized human rights principles in the provision of security for their operations.

¹⁶ www.unodc.org/unodc/en/treaties/CAC/

¹⁷ www.eiti.org

¹⁸ www.globalreporting.org

¹⁹ www.voluntaryprinciples.org

United Nations (UN) Guiding Principles on Business and Human Rights (GPs)²⁰:

The *Guiding Principles* operationalise the Protect, Respect and Remedy Framework first presented to the UN Human Rights Council in 2008 by the Special Representative on Business and Human Rights, Dr. John Ruggie. The *Guiding Principles* identify distinct but complementary responsibilities of companies and governments regarding human rights, resting on three pillars: 1) the state duty to protect against human rights abuses by third parties, including business; 2) the corporate responsibility to respect human rights through due diligence; and 3) ensuring greater access to effective remedies for victims. The *Guiding Principles* were unanimously endorsed by the Human Rights Council in June 2011, and have since been referenced in a number of international standards, including the OECD Guidelines for Multinational Enterprises.

The *Guiding Principles* require a company to do the following:

1. To demonstrate senior level commitment to Human Rights, by formulating a Human Rights policy;
2. To have a system in place that allows the company to assess its human rights impacts on an ongoing basis through a due diligence process that:
 - a) Assesses the actual or possible human impact that a company can have through its action or its relationships;
 - b) Integrates the assessment findings into the operations through corrective action plans;
 - c) Tracks performance of the mitigation measures; and
 - d) Communicates performance to external stakeholder.
3. To provide access to remedy to stakeholders impacted by company operations. In practice this means having a community grievance procedure in place.

²⁰ www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

PRACTICAL STEPS TO ADDRESS HUMAN RIGHTS CONCERNS

Business and human rights is a topic that is attracting more attention. Respecting human rights means that you cannot take away rights that existed before. For example, if your activities mean that children have less access to education because the local school had to be removed so your project could be built, then you need to remedy the impact and provide a replacement school or an alternative that provides equal or better access to education to the affected children. However, if a person or group claims that you should build a school “to respect people’s right to have access to education” when your project did not affect access in the first place, then they have missed the point. If you found yourself in this situation you could choose to support education as part of your community development program, but it would be over and above what is expected by the *Guiding Principles*.

The point to keep in mind is that when all the social aspects – livelihood restoration and fair compensation for land, in-migration management, addressing community health and safety impacts, respect for cultural heritage, contributing to socio-economic development and meaningful consultation and informed decision making in matters of importance – are implemented in a manner that has local approval, your exposure to human-rights-related risk is less than would otherwise be the case. Of all of these, the key is ongoing dialogue and consultation with local communities. Experience has shown us that if local stakeholders have access to company management and feel free to discuss issues of concern, the company can act at an early stage to address issues that could otherwise become human rights complaints.

Notwithstanding the importance of local context, there are some easy to identify areas that expose your company to human rights risk and some pointers that can get you on the right track:

1. Land Related: find out if landowners or users have been evicted from the project area to make the area more ‘business friendly’.
2. Security: ensure that your company has a formal agreement with public and private security providers and that any human rights violation while providing security is not acceptable and will be followed up whether a complaint is received or not.
3. Labour conditions: verify through spot checks that (sub) contractors’ staff do not use child labour, bonded labour (e.g. by taking someone’s passports away) or is forcing staff to work extreme hours or under unsafe conditions.
4. Selection criteria for employment: if intermediaries are used to hire people, verify that all applicants have equal access to employment and that no groups are discriminated against.



No matter how far you have walked in the wrong direction certainly you have to turn back and take the right direction.

African proverb

TIPS FOR ESTABLISHING A SOLID BASELINE

1. If you are serious about managing social risk, then establishing a quality social baseline is an absolute necessity. After all, if you don't know the starting point, you can't measure the change.
2. Social Baseline Studies aim to ensure that enough of the right data is collected and analysed to enable the company to make informed decisions at each stage of project assessment, development and operation and should have a framework for measuring effectiveness of future interventions and programs.
3. Studies cost money and you need to get the biggest bang for your buck. One way is to get them done early enough to influence project design because avoiding a problem is always cheaper than fixing it.
4. Front-end loading by kicking off the scoping phase and the desktop work during exploration gives the best opportunity to get in front. If you've missed that opportunity it isn't the end of the world but it means you need to move quickly. The later you start the further you are from the pre-project state and the harder it becomes to claim credit for improvements or defend against accusations of causing harm.
5. Starting as early as possible also helps to overcome the common challenge that the timeline to complete the social studies is often longer than the timeline for completing the technical studies. In the past this meant that the social studies suffered by being cut short or having their scope reduced but increasingly governments refuse to grant permits and lenders won't sign on until the environmental and social studies are complete.
6. It is worth remembering that not every social aspect requires the same level of study on every project. So while the list of issues – environment, demographics, socio-economics, in-migration, health, human rights, conflict – might seem overwhelming, it may well be that some are not required for your project. The issues identification process outlined in Section 2 should help to put you on the right track.
7. All social studies have a core of common demographic and social information that ideally should be collected once and used everywhere. Unfortunately what tends to happen is that the various studies are run in parallel using different specialists who all want their own data, so you end up collecting the same information many times, which not only costs you money but annoys the community people you repeatedly survey. So thinking a little bit about how you structure the scope of work for each study and doing what you can to streamline the process can save you money and get a better result.
8. It is also worth knowing that every type of social baseline study is staged, with a scoping phase followed by a rapid assessment and then more in-depth studies. As with the technical studies, the scoping phase is when you need the 'grey hairs' – people who are experts in their field and have been around the block and can quickly get to the issues that matter and get you focused on looking at fit for purpose solutions.
9. Last but not least when designing and implementing social baseline surveys, it is critical that the end points – restored livelihoods, impact mitigation and a measurable net benefit to the community, are firmly kept in focus. The old adage 'garbage in – garbage out' is particularly applicable. So ask your consultant how the study he is proposing to carry out is going to answer those three questions. If

your selected expert can't explain what he (or she) is doing for you in a way that you are able to understand, then you owe it to yourself to find someone who can.

MAINTAINING RELATIONSHIPS²¹

Going into a new area to explore and ultimately build and operate a mine, you start with high and positive expectations that you can work constructively with the local communities. Then it goes off the rails. Seldom is there one thing that sours a good relationship. Most often, with good intentions and a focus on an immediate issue, individuals in companies and communities take actions or make decisions (or fail to take actions or make decisions) that over time, cumulatively and progressively add up to major problems. For this reason, there is no single solution to the relationship challenge. Rather, building strong cordial relations, or reversing a downward relational spiral is a day-by-day, multi-step process.

Managing the various project related impacts – land access, cultural heritage, community health and safety, environment, in-migration, local employment, local procurement and social investment and behaving in the manner suggested in previous sections will make a large contribution to the solution. The 10 steps outlined below should also help.

1. Ask, discuss and listen: One simple but under-used way to determine how the company and company staff should behave in a new culture is by asking local people what matters to them. A discussion about appropriate behaviour sends the signal that you are making an effort to respect local mores, rules and systems. When your people are observed to honour local customs on a regular basis, the signal of respect is reinforced.

2. Train staff and monitor behaviour: Many companies train their international and national staff (who often come from different parts of the country where customs are different) in local context awareness, including cross-cultural communication, as part of their orientation. Some companies hire local elders to provide such training. When word gets around that you are taking a serious interest in learning, people feel that this shows respect.

3. Engage openly with communities in decisions that affect their lives: When you maintain open, regular and ongoing communication with communities, it signals respect for people's ideas, trust that communities will be able to constructively engage with you in problem solving and concern for how outcomes affect local people's lives. People say that it does not matter whether a company agrees with the ideas that communities put forward, rather, they feel more respect from a counterpart who openly and vigorously disagrees with them in honest exchange than they do from a person who always appears to agree, but does not follow through.

4. Present a human face to communities and interact with them: Communities say that one piece of establishing neighbourly feelings with a newly arrived company has to do with seeing real people. When managers and other company staff are seen around town, walk comfortably through villages and along streets, stop to talk and ask about how things are going, sit in cafes and have easy exchange with local people, community members are impressed. Your behaviour is translated as being neighbourly. The single simplest and most important thing a manager can do to establish initial positive community relations is to take the time to go into your local communities and to sit with people and talk. Communities value this because they see the company as made up of real people and they feel as if you care about them as real people too.

5. Use language that people understand: When your representatives avoid overly technical or legalistic language, but instead sit and talk as if to friends, they communicate interest and respect. When they take the time to explain technical issues in non-technical ways, they show their appreciation for the intelligence of local people.

²¹ Adapted from Zandvliet, L. and Anderson, M.B. 2009. Getting it Right: Making Company – Community Relations Work. Greenleaf Publishing. www.routledge.com

6. Ensure that information is easily accessible to all types and groups of people: This rule has two components; that information should be easy to obtain and that everyone should be able to obtain it. Communities indicate that any of the techniques for establishing transparency such as public announcements, community offices, newsletters and the like are useless unless they are frequent, regular and reliable. A one-time meeting or occasional announcements are viewed with suspicion and are seen to be focused only on getting community approval for some company action rather than as part of an ongoing relationship whereas regular and ongoing use of multiple methods signals a readiness to openly communicate and seek a level of consensus and shared value.

7. Respond to community inquiries, questions and letters: Companies who ensure that every question is answered, promptly and politely, either in meetings or in letters are seen by communities as respectful and interested. Structured systems, such as community consultative and/or development committees of elected community representatives and regular visits by senior company representatives, through which communities have easy and safe access to ask questions and receive responses, also signal good intent and show that you believe that your company and your communities can engage around difficult issues in a non-confrontational manner.

8. Follow through on commitments: One of the biggest trust-breakers in the relationship between companies and communities is failure to keep promises made to communities. To ensure this does not happen some companies establish a promise or commitment register to document each commitment they make. Some make this register public and available to community members. Others document and report all occasions where the company keeps its promises to help communities maintain a balanced perspective.

9. Accept accountability as a right of local communities: Complaints and grievances are inevitable for any type of business. Establishing a grievance procedure demonstrates to local communities that your company respects their right to hold you accountable for your behaviours and your impacts. A grievance procedure provides one of the most effective tools for dealing with local concerns in a non-violent manner. The outcome of any complaint will be accepted or rejected based on the transparency of the company's process. Even the best processes can fail when they are hidden behind the veil of confidentiality.

10. Act, and be seen to act, on requests that go beyond narrow company interest: Communities appreciate a company that assists them in ways that go beyond the direct self-interest of the company. Such gestures can be relatively minor, such as providing some training to community representatives in how to conduct a meeting or how to write a funding request, or more significant, such as speaking with the government on the community's behalf or providing a venue where government and community representatives can meet. When people say, "the company did not have to do this but chose to," you are well on the way to having a strong social licence.

FEELING THE PULSE

We said up front that the level of social risk associated with a project is linked to the quality of relationships with local people. So how can you know where you stand?

There are two relatively easy ways to do this. The first is to pay attention to changes in the tone of meetings with government agencies, partners and community members. If they are becoming less friendly, more demanding and accusations start flying, it isn't hard to work out things are heading in the wrong direction. On the other hand, a friendly welcome and a sense of shared purpose say that you must be doing well.

The second is to build on the observations checklist used for the first site visit and note any changes the next time you are on site:

GOOD SIGNS	BAS E ✓	V2 ✓	V3 ✓	V4 ✓
<ol style="list-style-type: none"> 1. Notices from the company remain on the bulletin boards without being defaced; 2. Low theft levels, destruction of company properties; 3. Absence of or decreasing trend of community incidents, or complaints; 4. More people associate improvements in their quality of life with the presence of the company; 5. Outsiders campaigning on an anti-corporate platform (journalists, NGOs, politicians) get no local support; 6. Community requests that benefit the community rather than individuals; 7. Community requests that focus on personal skills development instead of demand for material things and handouts; 8. Little or no public outrage following accidents; 9. Community members identify trouble makers and informs company staff about (security) rumours in the community; 10. People say they have access to site management and say the company is responsive to their concerns; 11. People waving back when greeted; 12. Government officials publicly acknowledge that the company keeps them informed and has enabled them to be more effective; 13. The government maintains its social services presence in the local area; 14. Government officials are present and are responsive to company and community requests; 15. Civil servants say they feel respected in the community due to the company presence; 16. The government includes the company in discussions around policy and regulation; 17. Journalists highlight the benefits of the company presence; 18. Credible NGOs wish to be associated with the company; 19. Advocacy NGOs are not active in the local communities; 20. Outside groups regard the company's practices to be among the best. 				

SHARING INFORMATION

Reporting up, out or back is often seen as a nuisance whereas if you take a systematic approach and clearly identify what information you want to share and for what reason, it can be a useful tool to keep everyone informed. As with any other business activity, the aim should be to do it as effectively and efficiently as possible. So:

1. Set up a reporting cycle – a program of data collection, communication, and responses means that your performance can be easily monitored on an ongoing basis. Data can be provided regularly to senior decision makers to shape the company's strategy and policies, and improve performance.
2. Reuse the same information as much as possible. The number of local jobs and contracts, dollars spent, community concerns raised and addressed, quantity and quality of engagement are what most people are interested in seeing. It just needs to be presented differently for each audience.
3. For local communities, this could be done through a monthly company newsletter or an insert in a regular newsletter, a radio broadcast or simply posted on the community noticeboard in the local language. It is worth remembering that written reports are only one way of providing feedback to communities and should only ever be a supplement to face-to-face exchanges, never a replacement.
4. The national environmental regulator often carries the responsibility for ensuring companies deliver on the social aspects of their operating licences and need to respond to community concerns that are brought to their attention. So while there may only be a requirement for an annual compliance report, it is worthwhile considering less-formal ways of keeping them informed. It could be as simple as adding them to the mailing list for your newsletter.
5. Public sustainability reporting using the GRI Framework is increasingly being used by the extractive sector as a way to enhance transparency and encourage market-based rewards for good social performance. By investing a little bit of time determining which information is material to your project, you can ensure that you collect the right data and achieve a large overlap with what is needed by your community and regulator.
6. Lenders needs are much the same – information that demonstrates your effectiveness at mitigating negative impacts and your contribution to socio-economic development – which at its simplest is about local employment, capacity building, business development and social investment.
7. Once you know what you need to report, make sure that everything is aligned with your KPIs, your database system and any forms or trackers you use. This will ensure that all essential information is collected, tracked, analysed and reported and the process is as painless as possible.

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graph TD; A[Management Information provided in reports] --> B[Determines the KPIs that need to be tracked]; B --> C[Which in turn determines the fields that need to be populated in databases]; C --> D[Which determines the fields on the various forms or templates];
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8. Last but not least, the company website should be periodically updated to ensure that interested people have easy access to up-to-date information.

LEAVING EARLY²²

Living with uncertainty is part and parcel of exploration and development but this doesn't mean that you can't plan. The reality is that the uncertainty is with the outcome of each phase, not with the project management process, where one well-defined step follows another. For the most part, when decisions are made, they follow a pattern – a round of drilling is completed, results are assessed and are used to inform a go/no-go decision for the next step. Likewise, there is a conscious decision to start a scoping study, to progress to a feasibility study or to put a project on the shelf.

If you have done a good job with your community engagement you will have explained the unpredictable nature of your project and the industry and kept a lid on expectations. Even so, your departure from the site – whether it is for the season, until the market recovers or for good – will be a shock for the community. Leaving on good terms will be critical for the future of the project and can seriously affect your company reputation as well as that of the industry.

So, as you prepare to leave, you could do worse than give some thought to the following:

- | | |
|---------------------------|--|
| Local communities: | <ol style="list-style-type: none">1. Take the time to explain (again) why you are leaving;2. Consider ending on a festive note rather than just disappearing – something like a community event;3. Make sure any outstanding commitments are met. If it isn't possible to keep your promises then make the effort to explain why and ask the community for permission to break them;4. Close out all complaints and grievances;5. Ensure the site doesn't pose any ongoing environmental or health and safety issues;6. Be clear whether you will continue to provide project updates. This is particularly relevant when suspension is due to market or technical issues; and7. Decide whether you want to provide the community with an easy way to contact the company. |
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| Local employees: | <ol style="list-style-type: none">1. Ensure all outstanding wages have been paid and that accounts with local contractors and service providers have been settled;2. Consider providing a reference letter or statement of service employees can use to help them secure a new job;3. Consider providing a level of outplacement support - something as simple as helping them draft a resume can be very valuable and doesn't take a lot of effort;4. If it is a temporary slowdown, consider opportunities for job sharing rather than redundancies; and5. If ongoing services are required – like security, site rehabilitation or environmental monitoring – try to use as many local people as possible. |
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| Institutional memory: | <p>The institutional memory is a valuable resource so:</p> <ol style="list-style-type: none">1. Ensure your records are filed and as complete as possible;2. Consider writing handover notes for the next person – personal insights, anecdotes, useful stuff that gives the local flavour. |
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²² Adapted from PDAC First Engagement Field Guide for Explorers www.pdac.ca/programs/e3-plus/community-engagement-guide

USEFUL ADDITIONAL READING

As mentioned in the Preamble there are many good practice guides and toolkits. What this list aims to do is point you towards the sources of information used and referenced in this handbook, supplemented by best-in-class guides and tools for each aspect.

ASPECT	RECOMMENDED READING	LINK
Community Engagement	Stakeholder Engagement; A Good Practice Handbook for Companies Doing Business in Emerging Markets. IFC. 2007.	https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_stakeholderengagement_wci_1319577185063
	Strategic Approach to Early Stakeholder Engagement. IFC. 2014.	https://commdev.org/publications/a-strategic-approach-to-early-stakeholder-engagement/
	First Engagement Field Guide for Explorers, Prospectors and Developers Association of Canada. 2015.	www.pdac.ca/programs/e3-plus/community-engagement-guide
Grievance Management	Addressing Grievances from Project-Affected Communities; Guidance for Projects and Companies on Designing Grievance Mechanisms; Good Practice Note. IFC. 2009.	www.ifc.org/gpn-grievance
Land Access, Acquisition and Resettlement	Handbook for Preparing a Resettlement Action Plan. IFC. 2002.	sustainability-at-ifc/publications/publications_handbook_rap
In-Migration	Projects and People; A Handbook for Addressing Project-Induced In-Migration. IFC. 2009.	www.ifc.org/hb-inmigration
Community Health and Safety	Good Practice Guide Health Impact Assessment. ICMM. 2010.	https://www.icmm.com/en-gb/guidance/health-safety/2010/guidance-hia
Environmental Impacts	Performance Standards 3 and 6 plus guidance notes. IFC. 2012.	sustainability-at-ifc/policies-standards/performance-standards/ps3
		sustainability-at-ifc/policies-standards/performance-standards/ps6
Cultural Heritage	Why cultural heritage matters; A resource guide for integrating cultural heritage management into Communities work at Rio Tinto. 2011.	https://www.csr.uq.edu.au/media/docs/168/Why_Cultural_Heritage_Matters.pdf
Local	Local Contracting and Procurement	https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_local_contracting_and_procurement_wci_1319577185063

Procurement	Diagnostic. IFC. 2010.	nnect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/publications/publications_handbook_guidetogettingstartedinlocalprocurement_wci_1319579447675
Community Development	Strategic Community Investment Quick Guide. IFC. 2010.	www.ifc.org/hb-communityinvestment
Community Development	Community Development Toolkit. ICMM. 2012.	https://www.icmm.com/en-gb/guidance/social-performance/2012/community-development-toolkit
Managing Relationships	Getting it Right: Making Company – Community Relations Work. Zandvliet, L. and Anderson, M.B. 2009.	www.routledge.com
Australian Perspectives	Social Responsibility in the Mining and Metals Sector in Developing Countries. Department of Resources, Energy and Tourism. 2011.	https://www.im4dc.org/wp-content/uploads/2014/01/Social-responsibility-in-the-mining-and-metals-sector-in-developing-countries.pdf
	Foreign Bribery On-line Learning Module. Attorney General's Department.	https://foreignbriberymodule.ag.gov.au/
African Perspectives	African Mining Vision. African Union/African Development Bank/UN Commission on Africa. 2009.	https://au.int/en/ti/amv/about#:~:text=The%20Africa%20Mining%20Vision%20was,by%20side%20with%20pervasive%20poverty.
	African Mining Vision Action Plan. African Union/African Development Bank/UN Commission on Africa. 2011.	https://au.int/en/documents/20141211/africa-mining-vision-action-plan
Global Perspectives	OECD Guidelines for Multinational Enterprises. 2011.	http://mneguidelines.oecd.org/guidelines/
	OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. 2013.	www.oecd.org/corporate/mne/GuidanceEdition2.pdf
	Environmental and Social Performance Standards and Guidance Notes. International Finance Corporation. IFC. 2012.	www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes
	The Equator Principles. 2003.	www.equator-principles.com

	Extractive Industries Transparency Initiative. 2002.	www.eiti.org
	United Nations Convention against Corruption. 2005.	www.unodc.org/unodc/en/treaties/CAC/
	Global Reporting Initiative. 1999.	www.globalreporting.org/Pages/default.aspx
	Voluntary Principles on Security and Human Rights for projects involving private or public security forces. 2000.	www.voluntaryprinciples.org
	United Nations (UN) Guiding Principles on Business and Human Rights. 2011.	www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf
	The VPSHR; An Implementation Toolkit. MIGA, JESCF, Anvil Mining. 2008.	www.miga.org/documents/VPSHR_Toolkit_v3.pdf
Risk Management	Corporate Social Responsibility as Risk Management: A Model for Multinationals. CSRI. 2005.	Corporate Social Responsibility as Risk Management pdf
	Risk management – Principles and guidelines. ISO 31000. 2018.	https://www.iso.org/files/live/sites/isoorg/files/store/en/PUB100426.pdf
	OECD Risk Awareness Tool for Multinational Enterprises in Weak Governance Zones. OECD. 2005.	www.oecd.org/daf/inv/corporate-responsibility/36885821.pdf
	CSR Checklist for Canadian Mining Companies Working Abroad. Natural Resources Canada. 2015.	www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/mineralsmetals/pdf/Corporate%20Social%20Responsibility%20Checklist_e.pdf
Project Management	The Project Management Book. Newton, R. FT Publishing. 2013.	www.pearson.com.au
Shared Value	Creating Shared Value. Porter, M. and Kramer, M. Harvard Business Review. 2011.	https://hbr.org/2011/01/the-big-idea-creating-shared-value
	The link between CSR and Competitive Advantage. Porter, M. and Kramer, M. Harvard Business Review. 2006.	https://hbr.org/2006/12/strategy-and-society-the-link-between-competitive-advantage-and-corporate-social-responsibility