

PREVENTING CONFLICT IN EXPLORATION

A Toolkit for Explorers and Developers

PDAC

CDA COLLABORATIVE LEARNING PROJECTS

World Vision

Government of Canada
Trade Commissioner Service

Gouvernement du Canada
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About the Toolkit

This Toolkit has been developed collaboratively by the Prospectors and Developers Association of Canada (PDAC), World Vision Canada, and The Corporate Engagement Program - CDA Collaborative Learning Projects, and supported by the Department of Foreign Affairs and International Trade – Canada.

The Toolkit is intended as a simple and practical guide, providing key steps for preventing conflict through constructive community engagement in exploration. The Toolkit draws from the tools of the collaborating partners, including the Corporate Engagement Program Framework, PDAC's e3Plus, and World Vision's Making Sense of Turbulent Contexts. The Toolkit also draws its content from a series of field tests with exploration companies as well as the input of many contributors and collaborators. Their contributions are acknowledged therein.

Users wanting more guidance on stakeholder engagement, conflict prevention, and risk/impact assessment should refer to the Resource Pack contained in this Toolkit.

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FOREWORD

Many multi-national mining exploration and development companies operate in areas suffering from violent conflict and chronic instability. Control and access to the resources that they seek to extract are often key drivers of conflict and instability. Not surprisingly then, tensions sometimes escalate when extractive operations commence. However, this is not inevitable, and companies themselves can do much to mitigate the emergence of these tensions, even during the early exploration phases.

In the last decade, the extractive industry has undergone significant changes in the way it interacts with its stakeholders, shareholders, and the physical, social, and political environment. Extensive international guidelines have emerged in response to the growing demand for good governance, transparency and accountability on the part of corporations: the International Finance Corporation's Performance Standards, the Equator Principles, and the Extractive Industries Transparency Initiative to name a few. The industry's movement in this direction is evident in the commitments and pledges of exploration and mining companies to these important international structures and processes.

The private sector is also increasingly recognized as a development actor with a legitimate interest and a key role to play in achieving global commitments to sustainable development, such as the UN Millennium Development Goals (MDGs). Many companies are already implementing successful strategies to bring mutual and sustainable benefits to local stakeholders while simultaneously achieving stable corporate operations. Communities expect the former; shareholders demand the latter. Building capacity for responsible community engagement and conflict-sensitive mining is, therefore, a strategic interest for all parties.

Where the gap remains is in realization of these global commitments at the community level – where exploration and mining projects have the most tangible impact and yet, where companies often lack expertise in effective community engagement. Despite notable progress in implementing constructive and conflict sensitive engagement strategies with local communities, the gaps between good intentions and implementing good practices has remained wide. Local communities continue to bear the brunt of this failure. Publication of Preventing Conflict in Exploration is therefore timely. It aims to fill one of these gaps by providing a simple but robust conflict-sensitivity tool for use by prospectors and other exploration staff who often represent the first point of contact between the company and the community.

Preventing Conflict in Exploration is itself the product of an innovative collaboration between the Prospectors and Developers Association of Canada (PDAC) and two non-profit organizations, CDA Collaborative Learning Projects and World Vision Canada, with funding support from the Government of Canada - Department of Foreign Affairs and International Trade (DFAIT). It represents an important convergence of mutual interests, shared responsibility and joint learning. Hopefully, it will encourage similarly respectful and beneficial collaborations in locations where it matters even more – prospective and actual mining sites around the globe.

CONTENTS

Pull-Out Section: Preventing Conflict in Exploration Tool

INTRODUCTION

Preventing Conflict in Exploration: A Toolkit for Explorers and Developers (PCE) presents a simple and practical analysis Tool that helps mining exploration and development companies approach their routine business activities in a manner that furthers positive relations with local communities, even where tensions or conflict exist in the local operating environment.

Conflict sensitivity in exploration activities is achieved through engagement that is early, ongoing, broad and inclusive, beginning in exploration and continuing throughout the project lifecycle. The PCE Tool guides explorers and developers in scanning the social, political and economic environment in order to effectively identify key stakeholders, conflict risks and opportunities for intervention for the purpose of building conflict sensitive engagement strategies.

Tip

PCE is presented as a Toolkit of resources, including a pull-out Tool that you can take into the field with you.

A project **Stakeholder** is anyone who can affect or may be affected by the project. Stakeholders can include communities, civil society organizations, regional and national organizations, and government offices and agencies, among others.

This Tool will focus on **Local Communities** that are impacted, directly or indirectly, by exploration activities. **Community Engagement** is the consultation and communication practices employed by the company for the purpose of building relationships with local communities.

Developers and exploration teams are the first face of any exploration project. Their actions establish expectations within communities that can have long-term implications for future relations. However, many explorers express that they lack the skills to address social issues and would welcome exploration-specific guidance. Engagement is often approached on an ad hoc basis, relying on the limited information collected by geologists who lack time and resources, or on small community relations teams with limited tools and capacity.

Though numerous conflict assessment frameworks and tools for the extractive industry already exist, most are either oriented to companies already operating mines, or complex enough to require external expertise to implement. This Tool is designed to be useful in exploration without external support. Nevertheless, in complex situations of conflict explorers may need to seek expert advice.

The PCE Tool is designed to:

- Provide straightforward steps for community engagement, beginning the first day of exploration
- Aid analysis of complex issues, particularly those that arise in settings of open conflict
- Suggest options for addressing known or potential risks before tensions or conflict escalate
- Provide options for engaging external groups, such as locally-operating Non-Governmental Organizations (NGOs)
- Be applicable in developed and developing countries, and in contexts of conflict or where there exists a legacy of social conflict regarding natural resources exploration and extraction

Making the Business Case for Community Engagement

Extractive companies around the world understand community engagement to be an integral part of their business operations. Particularly for mining exploration, constructive working relationships with local communities can be the difference between a successful, stable project – reducing management and staff time spent on addressing social issues - and one that experiences instability and strife.

Tip

The process by which a company engages local stakeholders and communities, and the spirit in which this is done, are as important to the success of exploration as drilling itself.

Done well, community engagement establishes mutually beneficial relationships between a company and its local stakeholders, helps to ensure that company operations meet the expectations of local communities, creates an environment conducive to investment, and demonstrates value protection to companies interested in investment or acquisition. Nevertheless, while the presence of private sector investment can be a driver of economic development – through employment, contracts, its supply chain, and payment of taxes – poor relationships with stakeholders can be a driver of conflict that can jeopardize both the investments themselves and local economic and social gains.

Note on Mining and Conflict

When explorers enter into a new community, they become part of that context. Even low-profile exploration crews that go to the field with hammers and tents as their main gear need to be aware that their impacts on local communities are never neutral. Social impacts based on who gets jobs as laborers or security guards, who gets crop compensation, or who lives alongside the dusty road where drilling rigs pass means that some people gain, and others do not. Especially when the context is characterized by an existing conflict, the actions of the company – and in some cases its mere presence – affect the course and nature of the conflict, for better or for worse.

"But…we don't work in conflict areas"

Many exploration teams do not think they work in contexts of conflict. Conflict, however, comes in many forms. There are two types of conflict that exploration companies should be aware of:

Environments with Pre-Existing Conflict: in such situations, conflict is related to the wider socio-political context. It may be unrelated to corporate presence or to the country's mineral wealth. The causes of existing macro and micro-level conflicts can include basic and long-standing issues such as poverty, social and political marginalization, injustice, opportunism, greed, and power struggles.

"Conflict" in these situations may be defined as a) significant social or political instability, including factors that make the future outbreak of violence more likely; b) civil wars, armed insurrections, inter-state wars and other types of organized violence; and c) transitions from violent conflict to peace, in which there is a risk of renewed conflict. It is important to distinguish conflicts that are confined to the local or regional level from macro-level conflicts that can exist between states, between groups of people and the state, or between national-level social groups. Different types of conflicts imply the need for different risk mitigation strategies. There are no quick fixes for these conflicts, and a company neither can, nor should, try to address them on its own.

Company – Community Conflict: here, conflict is related to the relationship between the company and community (both directly affected communities and other local stakeholders). The company's actions either create tensions or conflicts, or enflame existing ones. Even when a company is not directly involved in pre-existing conflicts between local groups, its presence and day-to-day business operations are important to, and have an impact on, their struggles. This type of conflict may reach the company in the form of complaints, demands, threats or obstructive activities. It is often caused by company activities that exacerbate intergroup tension, or cause the company to become a proxy target for grievances unrelated to it. This type of conflict is often present in contexts that have histories of extraction, including small scale mining.

Conflict of either kind can pose serious risks to exploration projects. It is important to use this Tool even if operating in a context that is not conventionally considered one of conflict. Even where conflict may not be about issues that are related to exploration activities, the way in which the exploration company responds to conflict can have profound effects on its relationship with local communities and its ability to maintain stable exploration activities. Particularly in situations of pre-existing conflict, explorers need to develop an awareness of ways to avoid becoming drawn into the conflict or inadvertently fueling it. It is thus necessary to maintain an understanding of the interplay between the presence of exploration and the operating context in order to assess the potential for conflict or tension and to mitigate conflict risks.

OVERVIEW OF THE TOOLKIT

The Tool consists of 5 sequential steps that will lead field staff and management through a set of interrelated guidance questions. These questions form a flexible, recurring process that helps staff analyze and manage the relationship between the context and the explorers' operations.

STEP 1 ANALYZE THE CONTEXT

Analyze and understand the context in which you are operating

Map key stakeholders in context and understand causes and drivers of conflict situations

Steps

- Gather and record information on local context and local stakeholders through analysis and dialogue
- Create stakeholder map and context profile
- Develop indicators for tracking changes in operating environment

STEP 2 ANALYZE THE EXPLORATION PROJECT

Understand aspects of the exploration project that effect local communities

- Clearly define company objectives, resources, and exploration project time frame and phase
- Identify key activities that impact the community both positively and negatively

Steps

- Review company objectives and activities by phase
- Create map of company activities in relation to local context and key stakeholders

STEP 3 IDENTIFY SOURCES OF RISK

Understand how interaction between the context and company activities creates sources of risk and opportunity

- Assess and evaluate the impact of company activities on the context
- Identify sources of risk to be addressed and opportunities to be developed

Steps

- Identify sources of risk in the existing context
- Identify sources of risk based on actual or potential impacts of company actions on the context

STEP 4 ANALYZE RISKS

Assess and prioritize risks and opportunities for company operations

- Assess and evaluate the likelihood and consequence of risk scenarios that pose the greatest harm to exploration and the local community

Steps

- Assess and prioritize risks and determine causes of risk based on the link between company impacts and local context
- Identify areas of priority action

STEP 5 PLAN AND IMPLEMENT MITIGATION OPTIONS

Develop options and approaches for mitigating risks and optimizing constructive engagement opportunities

- Develop potential risk mitigation strategies for preventing company-community conflict

Steps

- Develop and validate risk mitigation plan
- Implement action plans and monitor for indicators of impacts
- Engage company staff and key local stakeholders to corroboratively track effectiveness of risk mitigation strategy

Also in the Toolkit

In addition to the Tool itself, this document contains:

- Tips for how to take a constructive approach to community engagement
- An introductory-level guide to risk management
- A note on collaborating with external organizations
- An introduction to developing indicators to monitor the local context and company-community relationship
- A list of additional resources for stakeholder engagement and conflict-sensitive business practice

Note to Managers

Given the complex nature of conflict, the Tool emphasizes that risk conditions are dynamic and ever-changing. It is intended for use from project initiation through all phases of exploration, and can be utilized in all contexts and by various staff members of exploration teams. It does not replace full impact or risk assessments that may be implemented as the project proves viable, but the analytical process presented here can be used from exploration through construction and into operations.

It is a field Tool, and thus will require some on-the-spot decision making. Field staff will have principal responsibility for engaging local stakeholders and performing the analytical steps. The process of developing and implementing mitigation strategies, however, may at times require both the involvement and responsiveness of various levels of management and the participation of multiple departments, depending on the scale of activities. The effectiveness of the Tool is enhanced when managers clearly signal a commitment to it and allocate time for staff to conduct context and conflict analysis.

The Tool is presented as a cycle. There are two reasons for this.

1. Relationships between exploration companies and communities are dynamic, rather than static. They change continuously, so they need to be assessed frequently. The cyclical nature of the Tool should remind users that the process does not have an end point. After Step 5, start again at Step 1.
2. The last step of the process involves the development of options for changing the way in which the company interacts with the context. When the company changes the practices through which it affects the context, it changes the context itself. The context therefore needs to be analyzed again in light of those changes.

GETTING STARTED WITH THE TOOL

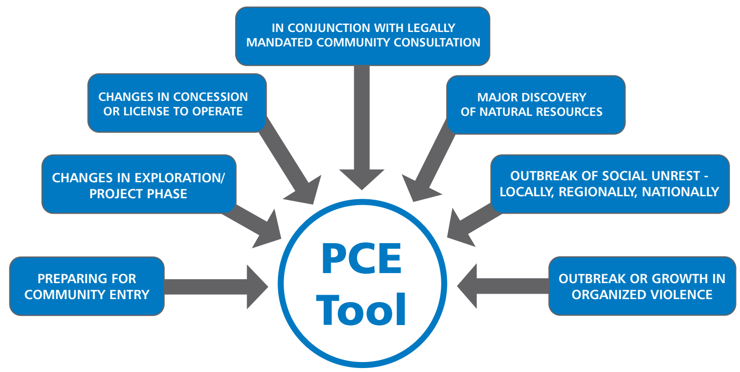
The Toolkit was designed to be as simple as possible, but if you're not familiar with concepts like Community Engagement, Risk Management or Collaborating with Non Governmental Organizations, then read about these key concepts first. Introductory resources can be found within this Toolkit.

Who should use the Tool:

Anyone from the exploration team can take the lead and implement this Tool. This process is useful for all staff, from field geologists and site managers to senior management, as a way to get to know the context of an operation, the people they need to relate with and to, and existing and emergent community issues.

When to use the Tool:

The Tool presents a process of analysis that should be conducted on a regular basis, starting early in exploration. Because every company is different and every exploration site is unique, there is no strict standard for when or how long it takes to implement the process. However, a variety of key events might indicate that the operating context has changed and, as a result, a cycle of the Tool should be implemented.



Build Capacity:

To get better value from the Tool, it can be helpful to prepare your staff. You might want to:

- Develop the skills of one staff person who can facilitate the process within a company that has multiple exploration sites.
- Develop a "Do's and Don'ts" guidance note for community engagement and community entry (See Constructive Approaches for Community Engagement).
- Hold "tool box talks" for geologists.
- Hold routine "risk and opportunities" analysis meetings between project managers, geologists, and security personnel.
- Give direction through reporting requirements - include one or two key questions for field staff to answer on their daily or weekly field reports. For example, whom did they speak with, what was said, what is the mood among community members?

case study

Adapting the Tool in the Andes

Community Relations staff of an exploration company working in the Andes used the Impact Analysis Matrix (presented in Step 3 of the Tool) as a training needs assessment tool. They gauged the level of awareness of conflict issues among the company's staff, including management, junior and senior geology staff, and the Community Relations team itself. The CR team then developed a series of trainings and mini-workshops for their colleagues tailored to their existing level of understanding. Based on the training, the CR team developed a community relations strategy suited to the capabilities of the geologists.

Tip

What this Tool does not do

The Tool does not provide ready-made answers. Rather, it provides questions for which staff and local partners need to work out answers relative to their situations.

The questions are guidance for analyzing the context and local communities, but it is up to staff to think creatively and adapt to the context. If a question does not immediately seem to relate to the operations or the specific context, it should prompt more consideration; apparent lack of relevance may highlight a gap in understanding.

PCE should not be an exercise in ticking off boxes. Neither is it a way to completely avoid risk. Rather, it should be viewed as a process of ongoing engagement to achieve positive outcomes, both for explorers and local communities.

Tips for Getting Started

Follow the Steps	Pay attention to preliminary context and project analysis; they are fundamental for subsequent risk mitigation strategies.
Start Early	Stakeholder analysis and engagement starts the first day that company staff sets foot on the ground.
Repeat	Use the Tool regularly throughout all phases of exploration and development.
Engage Externally	Engage local stakeholders and community members; you will need their perspectives and opinions for analysis.
Communicate the Process	Secure internal support for the process by communicating the operational value of implementing the Tool.
Get Help	Depending on the severity of conflict in the operating environment, you may need to bring in an external expert to help guide the analysis and strategy development process.

CONSTRUCTIVE APPROACHES FOR COMMUNITY ENGAGEMENT

Community Engagement is the foundation for establishing positive, constructive relationships and for analyzing the context in which you operate. Use it as your principal means to prevent conflict. Engaging and communicating with the local community will be your primary way to understand the setting in which you are working, as well as the relationship between the company and the community. While engagement and communication aids context analysis, it also helps to build long lasting relationships.

Successful engagement is based on some simple, practical principles that represent a blend of ethical considerations and common sense.

- **Respect:** Be respectful in your contact and communication; how you dress, speak, and act will determine the quality of the relationship you have with community members.
- **Honesty:** Ensure full, true and plain disclosure of information and your purpose, so as not to raise expectations.
- **Inclusion:** Be inclusive in the process, so that all parties feel they have an opportunity to share their perspectives. Otherwise, the community will perceive that the company only speaks to those who support the project or are easy to talk to.
- **Transparency:** Establish and maintain complete transparency in all aspects of the process, so that people trust the process that you are undertaking.
- **Communication:** Genuinely and actively listen to community members, rather than trying to sell them on the benefits of the project.

case study

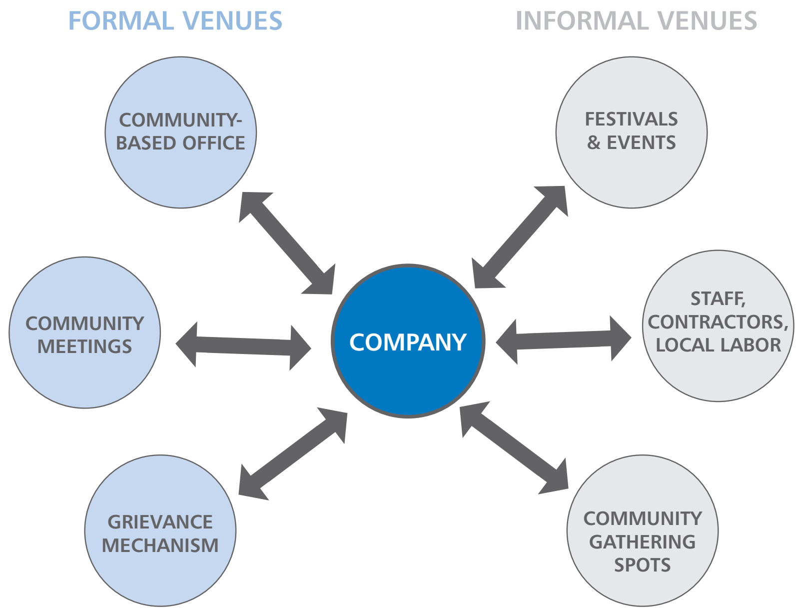
Managing Legacy Issues in Mexico

An exploration company purchased a gold concession in Mexico from another exploration company. The new company quickly recognized that the communities in the footprint area had encountered negative experiences with the previous company. The previous company had gone ahead with social investment projects without consulting with the community or gaining their acceptance of the projects. The result was social investment projects that diverged significantly from community expectations. The situation escalated to a level of confrontation and lead to roadblocks by community members. The company took legal action against the community leaders who had organized the protests. This sequence of events created an attitude within the communities of extreme skepticism of promises and commitments.

The new exploration company recognized that the absence of proper engagement and consultation processes was what had created a negative perception within the community. The community relations team recognized the need to approach the communities differently. They decided to maintain a commitment register tracking follow-through on all promises made to the communities. They also concluded that their standing with the community would improve if they were always truthful, even when the community did not like what they had to say. In their dealings with the communities, they made a point of being transparent about what the company could and could not offer.

Understand that communities are not uniform structures. They are heterogeneous, diverse, and change with time, and frequently their members have difficulty expressing their deeper concerns. Everyone is different and you will often have to engage and work with many individuals. Doing so successfully means asking questions of local community members you interact with, as well as listening to and understanding their answers.

Whom to Talk to



- Consult with a range of national, regional, and local representatives (e.g. politicians, NGOs and civil society groups, media, religious leaders, academics, business owners, community leaders). They are valuable sources, helping to provide information and identify additional stakeholders who are relevant to the information gathering process.
- Reach out to locally-operating NGOs who have a deeper understanding of the context and local communities – explain that you genuinely want to understand the local communities and you would like to learn from their perspective and experiences.
- Talk to the community – first approaching community leaders as a way to "gain access" to the community. In the community, reach out to both men and women, youth and elders, and families of varying economic status.
- Talk to the people you hire as laborers during exploration. They can also help you understand the contextual issues and often share what they know about the company with their families and neighbors.
- The people you speak with over drinks in the local canteen can also help you understand community perspectives.
- Use a broad range of venues, both formal and informal, to reach out to local community members.

How to Ask Questions and Listen to Responses

How you ask questions is just as important as *what* questions you ask.

The questions in the Tool are provided as guidance, as opposed to a rigid questionnaire. The process of engagement can be casual (and respectful) rather than feeling like a checklist process. Review questions in both formal and informal settings, including social occasions with staff and local community members. Encourage frank, honest discussions. The meaningfulness and usefulness of the Tool depends on how you engage in discussions, and so the process of discussing the questions can be as important as the answers.

Practice **genuine listening skills** in order to understand local community perspectives. A few simple steps to follow when asking questions and listening to responses:

- **Test your assumptions**. If you have been in the community for any period of time, you have likely started to form your own opinions and assumptions about the local context. Make sure to test these assumptions with questions to other staff and, especially, local stakeholders.
- **Make the implicit explicit**. Ask people about the obvious things happening that no one talks about.
- **Incorporate questions into your daily work functions.** This Tool is meant to be an on-going analysis that should be integrated into your regular work activities.
- Use questions as a guide but **allow the conversation to flow naturally.**
- **Use open-ended questions,** that is, questions that do not invite a "yes" or "no" answer but rather encourage people to speak their minds and elaborate.
  Open question: "What do you think about mining exploration taking place in this community?"
  Closed question: "Do you agree with mining exploration taking place in this community?"

- Ask **different questions around the same subject,** as a way to press for more information and further analysis of potential conflict. Listen carefully to how people speak and the words they use to describe the situation. Also be aware about what people are NOT talking about.
- When speaking to local communities, take care not to bring up words, like "conflict" or "human rights abuses", that have potential negative connotations or insinuate negative situations. **Try to build off of the words and phrases that the people use.**
- Consider both **official and unofficial** perspectives and **formal and informal** relationships.
- As you work through the Tool, you will find that **questions are interrelated**. You may find that the conclusion to one question contradicts that of another, so you will need to revisit previous discussions.
- Demonstrate you are listening by **summarizing** a point or by asking "If I understand you, you are saying that….. Is this correct?"
- When seeking information from local communities, sometimes you will receive more information than you need. **Let people tell you things from their perspective,** as it will help to paint a broader picture of the context and build positive relationships.

If you, staff, or local partners cannot answer a question, it may show a gap in the understanding of the context, relationships, or perceptions regarding the presence of exploration. **Beware of avoiding difficult questions** or difficult discussions, because they are probably the most vital!

In socially complex situations, neutral and objective information is in short supply. **Triangulate information** to help you analyze and understand the meaning of the information you receive.

- **Diversify information sources** as much as possible. When considering apparently contradictory points of view, it is possible to create a more accurate 'on the ground' scenario by triangulating data from different sources.
- Reach out to as **many different stakeholders** as possible for a broad range of perspectives. The more perspectives you consider, the clearer the picture you can build about the local context in which you are working. Gender balance should also be taken into account.
- Consider that not all cultures are open to **talking about conflict issues**, especially tensions within the community, with outsiders. In a politically sensitive area, especially where state intelligence is active, it can be very risky to talk openly about conflict. Certain contexts might necessitate help from a conflict expert or someone practiced in "listening" and community consultation.

When Entering a Community

Your community entry is your only chance to make a good first impression. Think about what you need to know and understand about the community before entering.

- **Develop a Presentation Card.** When entering a new region or community, it is always a good idea to have an official letter from the company to present to stakeholders in the field stating the company's name, names of the employees, and some basic details of the work you will be conducting over the next days.
- **Review appropriate company conduct and key processes.** It is a good idea to review appropriate conduct as a team before any staff has contact with community members. This should include how to present yourself and your work to the community and the company's code of conduct in the field. Once you enter the community you will also receive questions about what the company has to offer to the community. It is best to be prepared. Review with your managers the process and procedures for hiring local workers, local purchasing, and making "payments" for land access.

    Code of conduct in the field should include direction on:
    - Understanding and respecting cultural norms and customs
    - Driving speeds
    - Taking photos

- Fraternizing with local community members
- How to explain exploration activities

- **Determine what you need to know about the community** and region before setting foot into the community for the first visit. You may need to talk with colleagues who have worked in the area or use secondary sources such as development reports.
  - How does the community function and who makes decisions?
  - Are there issues that are going to affect your land access, i.e. land owners versus landless or the size of the community?
  - Are there any safety or security risks in the area to be aware of?
  - Are there any significant social or political issues in the area to be aware of?
  - What potential issues could affect your ability to achieve a community permit for exploration?
  - What are the issues that might arise that will affect your ability to continue drilling, even after you achieve a community permit for exploration?
- **Talk with the respected/traditional leader and the elected/political leaders.** When you arrive in a community, introduce yourself, offer the letter of presentation and explain what you intend to accomplish. In many rural communities, local land owners will not be willing to talk with you until they know you have first presented yourself to the community leader.
- **Be transparent and upfront about what you are going to do.** When approaching local community members for the first time, tell them what you intend to do in language that they will understand. Try not to diminish what you are going to do by simply saying "I am only going to walk around a few hours". If you are going to take samples, say that you are going to take samples.
- **Build an understanding of the local community starting from the first visit.** When you encounter people, ask them simple questions to show interest in the community and to learn how the community "works".
  - How does the community organize itself and make decisions?
  - What is the position of the authorities regarding mining and exploration?
  - Are there members of the community who are not represented in decision-making processes?
  - How do those people get their voice heard and have decisions made?
  - What is the community's way of negotiating social permits?
  - What are the existing income sources for the community?
  - From where does the community get their information?

With these questions you will be ready to start at the first step of the Tool, performing a context and stakeholder analysis.

Good Practice for Community Engagement:

1. STRATEGIC

- Evolves with the business phase and broadens reach throughout the project cycle.
- Uses an analytical process to define key activities, founded on key steps of context analysis, project analysis, risk/opportunities analysis, and mitigation options.
- Responds to and builds on assessment of identified risks and opportunities.
- Addresses both short and long-term objectives of project operations.
- Looks beyond financial resources and considers how to make the best use of company expertise to benefit local communities and the company-community relationship.

2. ALIGNED

- Aligns the strategy of exploration with priorities of local communities, civil society, and government to ensure "shared value"/mutual benefit.
- Integrates community engagement activities into all phases and aspects of company's business activities, including impact management, local hiring and procurement, and community projects.
- Promotes cross-functional coordination and responsibility for practicing constructive engagement among all business units that interact with local communities.
- Engages other development actors in the operating area to learn from their experiences, understand the local context, and align with local operational and development expectations.

3. INCLUSIVE AND PROACTIVE

- Provides for consultation and engagement in the very early stages of exploration, proactively providing information about the exploration project.
- Builds a relationship of trust and builds social "capital" in the project.
- Develops a more predictable and stable working environment through ongoing engagement.
- Brings together parties who may have common needs and reduces competition for resources or benefits through broad and inclusive engagement across social groups and individuals.

4. ACCOUNTABLE

- Demonstrates respect for local communities through willingness to listen to local people and a genuine concern for community well-being.
- Positions the company as a predictable partner that follows through with stated commitments and provides updates regarding commitments that may be delayed.
- Demonstrates sensitivity to existing tensions or conflicts in the local context, utilizing context analysis tools, and engages in a way that reduces the likelihood of competition or tension.
- Reinforces, rather than replaces, indigenous institutions and processes.
- Implements formal and transparent communication procedures that demonstrate accountability, including publication of meeting minutes and a registry for commitments made by the company.

5. MEASURABLE

- Uses indicators to measure the quantity and quality of change in the relationship.
- Tracks changes in community perceptions to gain real-time feedback on company performance.
- Uses participatory methods of monitoring the relationship to build local trust and ensure understanding of local perspectives.

RISK MANAGEMENT 101

Risk management is the identification, assessment, and prioritization of risks, followed by the development of an action plan to minimize, monitor, and control the likelihood and consequence of negative events. The Risk Management process consists of two primary elements:

Risk Assessment

An analysis process to determine the likelihood and consequence of any event that may pose threats to exploration activities and surrounding communities if it were to take place.

Risk Assessment is made up of five steps:

1. Identification
2. Likelihood
3. Consequence
4. Risk rating
5. Prioritization

Risk Mitigation

A process of developing plans that detail how best to proceed with exploration activities in a way that reduces risks.

Risk Mitigation plans are developed by:

1. Determining risk response and treatment
2. Engaging key staff and stakeholders in brainstorming mitigation options
3. Developing appropriate action plans to mitigate risk scenarios

Risk Assessment

For a project, any condition, situation or event that could occur and jeopardize the project objectives or the wellbeing of local communities constitutes a risk. The following steps illustrate a simple analysis that explorers can use to estimate risk and determine the action that should be taken.

1. Risk Identification: Risk identification is a crucial phase; if a risk is not identified, it cannot be evaluated and managed. The purpose of risk identification is to:

- Identify all significant sources of risk or uncertainty associated with the project;
- Articulate risk scenarios based on each source of risk;
- Ascertain the causes of each risk scenario; and
- Assess how risk scenarios are related to each other for analysis as a group.

2. Risk Likelihood: Rate the likelihood that the risk scenario will occur.

Likelihood is the chance that any given event will occur within a given time period. A likelihood of 10%, for example, means that there is a 10% chance of the event occurring within the time period. Another way to frame it would be to say that, in every 10 time periods, the event can be expected to occur once.

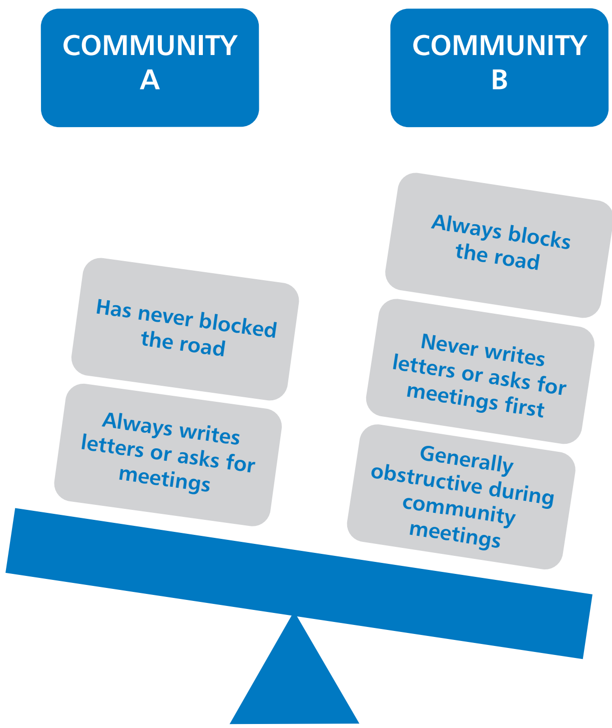
Table 1: Risk Likelihood Table

Likelihood Rating		Definition
A.	Less than 10%	Rare – May occur only under exceptional circumstances
B.	10% - 20%	Unlikely – Will not occur under most circumstances
C.	20% - 55%	Possible – Event may occur under some circumstances.
D.	55% - 90%	Likely – Could happen in most circumstances
E.	90% - 100%	Almost Certain – Expected to happen in most or all circumstances

How likely is it that each of the things that can go wrong will go wrong? Answering this question may involve some degree of subjectivity, but it should be based as much as possible on your knowledge of the context and communities. This is one of the reasons why an analysis of the context is so important.

Assessing Likelihood

There are two communities in the exploration area. Community B has been quick to set up roadblocks and stop operations each time it has an issue that it wants the company to address. Community A has never blocked the road and typically presents its issues to the company during meetings or by writing letters. The likelihood that the Community B will block the road in the future should be considered significantly higher than the likelihood that Community A will block the road, if the issues that provoke the communities to act are comparable.



3. Risk Consequence: Consequence is a measure of the severity of a risk if it occurs. A broken arm, for instance, is more severe than a stubbed toe. A $1,000,000 operational loss is more severe than a $100,000 loss.

A first step in assessing consequence is to characterize the nature of the risk. Is it a socio-economic, reputational, environmental, security, safety, health, social, or financial risk? Each risk scenario can have more than one potential consequence. For instance, one scenario can have consequences for reputation, the natural environment, health and safety, and finances. In cases where there are multiple consequences of a risk scenario, use the most severe consequence to estimate the risk.

Tip

Communities sometimes remain silent even when upset, especially in settings where they may not feel comfortable to speak up. Understanding the social consequence of a risk may require engaging across a broad range of stakeholders to understand how they truly feel.

Table 2: Risk Consequence Table

Consequence	External Reputation	Natural Environment	Safety & Health	Social / Livelihoods	Financial
1. Insignificant	Minor or no inconvenience to the community. No public attention.	Limited damage to a minimal area of low significance. Easy to repair.	First Aid case.	No response from community. No livelihoods or socio-economic change.	No financial consequence.
2 Minor	Public disturbance in the affected community. No public attention.	Minor effects on environment. Damage is localized and reversible.	Medical treatment case.	Limited verbal or written grievances logged. Minor change in livelihoods or socio-economic status.	Minimal financial consequence.
3 Moderate	Limited local media attention and/or public disturbance in the affected community.	Moderate, short-term environmental effects. Damage is reversible.	Lost time injury.	Multiple written or verbal grievances, marked change in community behavior. Limited change in livelihoods or socio-economic status.	Project viability threatened but recoverable.
4 Major	National headlines, serious community relations impact. Significant levels of NGO attention.	Serious medium term environmental effects. Extensive reversible damage.	Single fatality or permanent disability.	Community-wide outrage. Significant change in livelihoods or socio-economic status.	Project and company viability severely threatened.
5 Catastrophic	International headlines, disastrous community relations. High levels of NGO attention.	Serious, long-term environmental impairment of ecosystem function. Damage is extensive and irreversible.	Multiple fatalities or long-term disabilities where company is found to be responsible and/or negligent.	Community protest and outrage leading to forced shutdown. Massive change in livelihoods or socio-economic status.	Project shutdown.

4. Risk Rating: The next step is to determine the rating as a combination of the likelihood and severity of harm arising from a risk scenario.

Risk = Likelihood * Consequence

Chart the likelihood versus the consequence on a heat map and assign an overall rating to the risk. A risk with a likelihood rating of "B – Unlikely" and a consequence rating of "4 – Major" has a risk rating of "High".

Table 3: Risk Rating Matrix

Likelihood	Consequence				
	1. Insignificant	2. Minor	3. Moderate	4. Major	5. Catastrophic
E. Certain	H	H	E	E	E
D. Likely	M	H	H	E	E
C. Possible	L	M	H	E	E
B. Unlikely	L	L	M	H	E
A. Rare	L	L	M	M	H
L = LOW M = MEDIUM H = HIGH E = EXTREME					

5. Prioritize Risk

Prioritize significant risks based on two considerations:

a. The risk rating – the higher the rating, the higher the priority
b. The involvement of key stakeholders

Tip

Also prioritize risks that may trigger other risks, or risks that can be mitigated inexpensively and quickly.

As the level of risk increases, so too does the priority to respond – more highly rated risks are typically given more attention than lower rated ones.

Tracking Risks

No.	Risk Statement	Likelihood	Consequence	Risk Rating	Affected stakeholders	Actors causing risk	Priority
1	"There is a risk of conflictive action by Coastal people against Highlanders leading to injury and/or death, interruption of the project, and reputational damage to the company."	Likely	Major Injury or death Interruption of the project Reputational damage to the company	Extreme	Coastal people and Highlanders	Coastal people	

Risk Mitigation

Risk mitigation is the process of identifying and implementing measures to reduce the likelihood or consequences associated with a risk scenario.

You should develop action plans to reduce the risks that have been identified as unacceptable (moderate to high). The mitigation plan will depend on the risk being considered, the context in which the risk occurs, the key stakeholders involved, the nature and scale of the proposed exploration activity, and the resources available to explorers.

Develop procedures and practices to reduce risks for the local community and exploration activities, understanding that explorers may not be able to make a significant impact on existing or chronic conflict. Develop action plans with three targets in mind:

I. Responding to the needs of the local population,

II. Ensuring negative exploration impacts are minimized, and

III. Addressing, to the extent possible, some of the conflict or potential conflict issues highlighted during the analysis.

Risk Response

What should you do about the risk?

The risk priority often determines the response that should be used. Based on the risk priority, determine the response by choosing one of the four response options common to most risk management protocols

Accept	Transfer	Mitigate	Cease
Accept the risk as it is	Shift the risk, or part of the risk, to another party, typically buying insurance (this is not possible for many social risks.)	Take action to reduce the likelihood, severity, or both	The risk is too severe to continue the project or activity that incurs the risk

If the risk needs to be mitigated, use the risk rating to determine the approach that is required. The risk rating can also indicate who should be involved in deciding how to address the risks that require response or action.

Table 4: Risk Protocols Table

Risk Rating	Suggested Risk Response Protocols	Who's Decision?
Trivial	No action required and no documents need to be kept	
Low	No additional risk controls required unless: • There is a legal requirement; or • A further reduction in risk is possible at no additional cost. • Monitor to ensure risks remain low and response is appropriate • Document actions taken in daily/weekly report	Make an on-the-spot decision in the field
Moderate	• Establish controls to reduce the risk; costs of controls should be carefully assessed and the most cost-effective solution identified • Where the moderate risk is associated with extremely harmful consequences to people or the environment, take action to prevent harm, even if the cost of controls are high • Risk reduction methods should be implemented within a defined time period • Monitoring is required to ensure risk controls are effective • Document actions taken, in daily/weekly report and issues management system	Discuss with management
High	• Project or activity should not be started until the risk has been reduced • Considerable resources may have to be allocated to reduce the risk; this may affect the viability of the project • Where the decision involves continuation of a project, action may need to be taken to mitigate the impacts and risks associated with previous activity, even if the decision is not to continue with the project • Monitoring is required to ensure risk controls are effective • Document actions take	Discuss with management and consider engaging outside expertise
Extreme	• Project or activity should not be started or continued until the risk has been reduced • If it is not possible to reduce the risk, the project should not be undertaken • Monitoring is required to ensure risk controls are effective • Document actions taken	Engage outside expertise

Action Plan Design

For those risks determined to require a response, an action plan needs to be developed, concentrating on actions and activities that will lessen the risk. Remember, each community is unique, as is each exploration project. The actions taken to reduce the likelihood and consequence of the risk should be based on everything you know about the local context and exploration. The complexity of risk mitigation plans is typically proportional to the complexity of the company's operations. Planning should also include the participation of key stakeholders and community members that are affected by the risk or by the new action plan.

Designing an action plan to reduce a risk typically calls for changing company practices and standard operating procedures. Such changes often impact more than one operational unit. Gaining buy-in for the proposed changes, and assessing their feasibility with those who will be implementing them are both important. For these reasons, it is advisable to involve all relevant operational units in planning mitigation options.

Some companies may have their own in-house software for tracking the risk mitigation plan. For exploration teams, tracking the development, implementation, and monitoring of the plan can be done just as easily with an Excel spreadsheet, and aids in communicating actions to managers. An Action Plan template is provided here to assist in this process.

Table 5: Risk Mitigation Action Plan - Template

Risk ID #	Enter the unique identification number assigned to the risk.
Risk Description	Enter the description of the risk as stated in the risk scenario.
Sources of Risk	Enter the sources of the risk.
Risk Priority	Enter the priority of the risk. You can also include the risk rating here.
Risk Response	Enter the response strategy being used for the risk (Accept, Transfer, Mitigate, Cease).
Risk Status	Indicate the current status of the risk mitigation plan; open, closed, cancelled or on-hold.
Last Updated	Enter the date when the risk mitigation plan was last updated.

Risk Owner	Enter the name of the individual who has primary responsibility for managing the risk.
Consequence if Risk Occurs	Enter a description of the impact/consequence of the risk including scope, costs, and impacted communities.
Areas where Likelihood may be Reduced	Indicate those areas to concentrate on in order to lessen the likelihood of the risk occurring.
Areas where Consequence may be Reduced	List those areas to concentrate on in order to lessen the consequence if the risk does occur.
Action Items (with date)	Within this section list all of the specific actions that will be taken to manage this risk, including how the actions will be performed and, if appropriate, when. Also note specific community members or local stakeholders that should be included in addressing this risk.
Indicators	List the key indicators that will be tracked and analyzed to measure the outcomes of mitigation plans.

Example Case Implementing the Tool: Hiring for Camp Construction in Madagascar

Step 1 - At your exploration site in Madagascar, you have noted that people from the highlands have historically enjoyed better education and access to opportunities than have people who live on the coast. Much of the country's wealth, political power, and infrastructural and capital investments are concentrated in the highlands.

Your exploration site is on the coast. Locals at your site routinely express subtle resentment of Highlanders, who are stereotyped as being "arrogant." Most of them say that, during elections, they will vote against any Presidential candidate who originates from the highlands.

Step 2 - To build your base camp, you hire a large number of people. Locals are given preference, but very few have the competencies to fill supervisory and skilled positions. You recognize that nearly all of your better-paying positions are staffed by Highlanders. Coastal people fill unskilled positions.

Step 3 - You realize that your hiring policy may be creating competition and tensions between Coastal people and Highlanders at the project site. You identify two sources of conflict risk: 1) "increasing tensions and division between community groups over competition for resources or benefits" – in this case, the competing groups are Coastal people and Highlanders – and 2) "increasing resentment, frustration or anger among stakeholders towards the company" – in this case, the stakeholders are Coastal people.

Step 4 - You articulate risk scenarios as follows:

1. "There is a risk of violence by Coastal people against Highlanders leading to injury and/or death, interruption of the project, and reputational damage to the company."
2. "There is a risk of conflictive action by Coastal people against the company, leading to theft or vandalism of company property, roadblocks, and sabotage against the company."

Analyze Risks

In analyzing risks, you return to the context analysis conducted in Step 1. You realize that, in the build-up to the most recent elections, there were sporadic incidents of violence between the two groups in communities not far from the project site, and that, at the national level, there are ongoing tensions between politicians belonging to the two groups. You estimate the **likelihood** of Risk Scenario 1 (violence between the groups) as **Likely**. In considering the **likelihood** of Risk Scenario 2 (conflictive action against the company), you realize that you have had relatively positive relations with local people since exploration began. You estimate the **likelihood** of action against the company as **Possible.**

The **consequences** for each risk scenario:

Risk Scenario 1:

- Injury and/or death
- Interruption of the project
- Reputational damage to the company

You estimate the consequences of Risk Scenario 1 as **Major**

Risk Scenario 2:

- Theft or vandalism of company property
- Roadblocks
- Sabotage against the company

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You estimate the consequences of Risk Scenario 2 as **Moderate**

Mapping the risks on a heat map leads to a Risk Rating of Extreme (Likely * Major) for Risk Scenario 1, and a Risk Rating of High (Possible * Moderate) for Risk Scenario 2.

Prioritize Risks

You prioritize Risk Scenario 1, because a Risk Rating of Extreme is greater than a Risk Rating of High.

Step 5 - Though you assigned priority to Risk Scenario 1, during Step 5 you might decide to treat both risks, since both are significant and have the same underlying cause.

An example of action steps that might form part of a plan to mitigate these risks might be:

1. Establish a community Advisory Group that is broadly representative of the community and includes both locals and Highlanders. The purpose of the group might be to define a standard of "fairness" in your hiring practices in relation to both Coastal people and Highlanders and to establish a hiring plan that meets that standard of "fairness".

2. Ensure that the Advisory Group includes individuals that each group recognizes as leaders whom they trust to make decisions on behalf of the group as a whole.

3. Ask the Advisory Group to consider the ways in which job opportunities are distributed to members of both groups, and a system of job rotation among community members so that a broad range of people can take advantage of the opportunity to work for the company and earn income.

4. Communicate the decisions of the Advisory Group widely throughout the surrounding communities through a series of community meetings.

INTRODUCTION TO INDICATORS

An indicator is simply evidence of what is happening in a given situation. What you see happening in local communities, and in local people's interactions with you, may be indicators of the nature of your relationship with the community. If you identify useful and reliable indicators, they can enable you to take stock of the relationship between the exploration company and local communities and to understand the way that the community feels about the company.

Each context is unique; therefore it is necessary to develop indicators that are specific to the context in which you are operating. There are some rules that apply across contexts for effective identification and development of indicators:

- **Define and agree on what success means for exploration and for the community.** Because positive community relations is a shared success, it is imperative to consult with communities to arrive at an agreed definition of objectives.
- **Define and agree on appropriate benchmarks and indicators of success.** Engaging the community allows its members to agree on appropriate benchmarks and indicators for assessing progress (or regression).
- **Use both quantitative and qualitative indicators.** It is often easier to identify quantitative indicators than qualitative ones. In part, this is because companies assess community relations projects in terms of outputs, such as a clinic built or impacts such as improved health status. However, to "measure" the relationship, one also needs to track qualitative indicators such as perspectives of community members.
- **Use both positive and negative indicators.** To capture real change, it is important to look at both increases and decreases in positive and negative indicators.
- **Develop indicators that are measurable and actionable**. Often, more indicators are available than are needed to track impacts. Choose indicators that the company can easily and quickly measure, and that translate into action items within the company management system.
- **If indicators seem to be getting better, it doesn't mean that the situation is necessarily getting better.** It is necessary to check in with local stakeholders and community members to gauge whether the positive indicators are in fact an indication of positive trends. If the indicators are getting worse, it serves as an alarm bell.

Monitoring and Understanding Indicators

Using indicators to **systematically and repeatedly** analyze changes in the exploration area allows you to "measure" the relationship between the company and local communities. Keeping track of indicators helps you to be responsive to changes and ensure those changes are being incorporated into your community engagement strategies and risk mitigation plans. To identify trends in the relationship using this Tool, it is necessary to repeat the process, and to compare the same indicators over and over again.

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While there is no standard list of indicators that are applicable to all contexts, the following are examples of indicators used by exploration teams who field tested the Tool:

In Madagascar: When company staff is invited to local ceremonies and events, it indicates that the community has a favorable view of the company. When staff is not invited to those events, it indicates that the community's view of the company is unfavorable.

In Mexico: When communities send letters inviting the Community Relations team to come and discuss the community's concerns, it is an indicator that the community trusts the company. When communities demand that drilling stop until their concerns are addressed, it indicates that communities do not trust the company.

In West Africa: The local Chief's daily visit to the site of an exploration company's school construction project indicates that the Chief shows support for the project and the presence of the exploration team.

In South America: When the "What Is Mining?" informational posters hung on community bulletin boards are not vandalized or torn down, it indicates that the community has a favorable view of the company.

The following indicators have been found to be relevant across a range of operating contexts. To verify these indicators, or develop your own, involve communities and other partners to build a common understanding of the local community and to discuss appropriate indicators.

Table 6: Indicators: Company-Community Relationship

When a company has a Social License to Operate	When the Social License to Operate is compromised	When a company does not have a Social License to Operate
• People wave back when greeted • New notices from the company remain on the bulletin boards without being torn off • Recognition in the community that the company is bringing together opposing groups and parties that otherwise would not meet • Low, or decreasing, theft levels, destruction of company property • People associate improvements in their quality of life with the company presence • Anti-corporate advocacy groups get no local support • Community requests focus on personal skills development instead of material things. • No or low public outrage following accidents • Communities identify trouble makers and inform company staff about (security) rumors in the community • Communities say they have access to corporate decision makers	• Visible change in community behavior e.g. people stop greeting (waving to) company staff • Community leaders, elders stating they do not feel respected • The same problems arising over and over • Evidence that individuals, rather than the community, benefit from company-community interaction • Staff feels unsafe visiting communities • Accusations of company association with a repressive government • Disproportional negative reaction compared to the nature of an accident • Proliferation of groups that each claim the company should deal with them.	• Rising trends in theft (company is seen as target) • Work stoppages • Increased demands and hostile tone of community • No leniency when accidents happen • Bad press • Increasing crime in the area of operations • Increased conflict between communities or within communities • Kidnappings, targeted assaults toward the company • Sabotage • Increasing reliance on police/ army • Communities say the company is "stealing" resources

Table 7: Indicators – Changing Conflict Conditions Within the Context

Local context is secure and stable	Local context becomes increasingly conflict-affected	Local Context escalates into conflict
• Little or no armed violence • Sense of safety and security among community members • Tensions between community members is dealt with peacefully • Peaceful interactions within diverse communities • Traditional dispute resolution mechanisms, such as elders, peace huts, etc. are functioning • Transitions of power and authority take place peacefully • Historical conflicts have been resolved with successful reconciliation processes • Concerns, grievances, demands addressed and dealt with peacefully • Functioning police services and judicial system • Stable quality of life of community members • Local and national elections take place without violence • Acts of violence occur infrequently	• Acts of aggression using non lethal force (throwing stones) • Violence only involves combatants • Traditional dispute resolution no longer perceived as effective • Power struggles begin to occur between community members • Rise in illicit activity (drug trafficking, smuggling, etc.) • Formation or growth of ideological separatist groups • Increase in demonstrations • Decrease in willingness or capacity of police forces or judicial system • Decrease in socio-economic standing of community • Depletion of natural resources • Media attention on human rights	• Violent acts within communities occur frequently • Use of automatic and lethal weapons • Many members of the population are involved in violence • Insurgent or guerilla groups become armed and more powerful • Rampant illicit activity (drug trafficking, smuggling, etc.) • Wide spread government corruption • Demonstrations erupt into riots and open violence • International attention or sanctions in response to conflict in country • Need for international peace keeping troops • Scarcity of water and other natural resources • Massive displacement due to conflict • Rise in reported human rights abuses

COLLABORATING WITH EXTERNAL ORGANIZATIONS

There may be a range of formal organizations that also operate in the same communities as your exploration project.

- Non-governmental organizations that may be regional, national, or international in scope
- Religious and faith-based organizations, such as churches, mosques, and local chapters of religious orders
- Community-based organizations and associations, such as youth groups or women's groups
- Trade or labor associations

Why engage organizations

Engagement with an organization is a useful way to understand the organization itself, which can be important to context analysis if the organization plays a significant role in the community. It can help the company understand the people the organization represents and the issues that it aims to address. Organizations may also have information about, or perspectives on, the context as a whole that can further a company's own understanding.

Engagement with organizations can also be practically useful for managing company impacts. Some collaborations between the company and an organization, such as joint work on community projects, can help meet both parties' interests. Other organizations may be able to help disseminate information about the company or the project through their networks.

What you need to understand in order to decide how to engage with an organization

- Vision and mission of the organization—what is it about and why it operates where it does.
- Who the organization claims to speak for – some organizations claim to represent large sections of communities, while others may have only small and informal memberships.
- Who the organization represents, and who it does not – some organizations are designed to represent key decision-making stakeholders, whereas others have a broader reach and represent a wide segment of the population.
- Who the organization speaks to – a local office of an international NGO may share information and concerns with its global headquarters and, through advocacy activities, a broad global public. A local youth group, on the other hand, may be relatively unknown and have little to no voice outside of the local community.
- Which members of the community perceive the organization as speaking for them – It is important to substantiate any organization's claims to represent people, and to know who community members trust to represent their perspectives.
- What the organization wants – organizations have widely varying interests, purposes, and activities. All of these will bear upon their relationships to the exploration project.
- What the organization is capable of doing – organizational capacities and resources range widely. An organization's capacities play a large part in determining what role it can play in, and in relation to, collaborating with the exploration project.
- The views of the organization about mining, the company, and the exploration project.

Cautions

Some organizations may be flatly opposed to mining and exploration. While you may not be able to collaborate with them, that doesn't mean that you should avoid engaging them altogether. It may be instructive to hear their perspectives, even if only to know what they will hold you to account for and what you can expect in the way of criticism over the course of the project. Often their opposition to mining and exploration may be rooted in legitimate concerns that are important to take into consideration. In some cases, opposition is also based on misinformation or misunderstanding of the private sector, mining, and sustainable development – engagement in this case can be an important lever for shaping opinions.

Using the Tool as a basis for collaborations

Using the Tool should at the very least push you to find out about organizations that are present in the operating context. Understanding the context (Step 1 of the Tool) means understanding locally-operating organizations, among other things.

Beyond that, all steps of the Tool suggest taking a collaborative approach, such as joint analysis workshops, and will likely benefit from the inclusion of diverse perspectives and bodies of knowledge. In cases where an organization legitimately speaks for important community stakeholders, it can be very valuable, if not essential, to include that organization in processes of analysis and development of risk mitigation options. Engaging an organization also provides an opportunity to learn from it how it engages the community.

RESOURCE PACK – ADDITIONAL GUIDANCE, TOOLS, RESOURCES

The Prospectors and Developers Association of Canada

e3Plus Toolkit - *A Framework for Responsible Exploration designed to help exploration teams improve their CSR practices, and satisfy public expectations of corporate behavior in three areas: Social Responsibility, Environmental Stewardship, and Health and Safety.*

www.pdac.ca/e3Plus

CDA Collaborative Learning Projects – Corporate Engagement Project

"Getting it Right: Making Corporate-Community Relations Work"; Zandvliet, L. and Anderson, M.B. (Greenleaf April 2009)

Practical options addressing constructive stakeholder engagement across all areas of business, including organizational policy analysis, social investment, and key performance indicators.

CDA Collaborative Learning Projects – Do No Harm

"Do No Harm: How AID Can Support Peace – Or War"; Anderson, M.B. (Lynne Rienner 1999)

Tools for analyzing how all areas of operations can impact conflict settings, by exacerbating existing divisions and tensions, or supporting options for community cohesion.

Office of the Extractive Sector Corporate Social Responsibility Counsellor

The role of the Counsellor is to communicate the Government of Canada's expectations regarding corporate conduct, assist companies and stakeholders in the resolution of disputes related to the corporate conduct of Canadian extractive companies (mining, oil and gas) abroad, and assist with the implementation of CSR performance standards. The office is an arm of the Department of Foreign Affairs and International Trade Canada.

www.international.gc.ca/csr-counsellor

Canadian Centre for Excellence in CSR

The Centre for Excellence on Corporate Social Responsibility is one of the 4 pillars of the Canadian government's action plan on CSR - Building the Canadian Advantage.

http://www.cim.org/csr/

International Finance Corporation

- "Performance Standards on Social and Environmental Sustainability"
  http://www.ifc.org/ifcext/sustainability.nsf/Content/EnvSocStandards
- "Stakeholder Engagement: A Good Practice Handbook for Companies: Doing Business in Emerging Markets"

http://www.odi.org.uk/resources/download/1436.pdf

International Council on Mining and Minerals

"Human Rights in the Mining & Metals Sector - Handling and Resolving Local Level Concerns & Grievances"

Toolkit developed by International Council on Mining & Metals (ICMM), UNCTAD, and The World Bank, documenting the policy frameworks, operational practices, and partnership arrangements that deliver sustainable outcomes on the ground.

http://www.icmm.com/library

International Alert

"Conflict-Sensitive Business Practice: Guidance for Extractive Industries"

International Alert's work offers detailed policy and operational guidance, research, advisory and training services to companies operating in conflict-affected areas.

http://www.international-alert.org/pdf/conflict_sensitive_business_practice_section_1.pdf

UN Special Representative of the Secretary-General for Business and Human Rights

"Protect, Respect and Remedy: a UN Framework for Business and Human Rights"

"Business and Human Rights: Further steps toward the operationalization of the protect, respect and remedy framework"

http://www.business-humanrights.org/SpecialRepPortal/Home

Voluntary Principles for Security and Human Rights

A set of voluntary principles to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

http://www.voluntaryprinciples.org

John F. Kennedy School of Government, Harvard University

"Rights Compatible Grievance Mechanisms – A Guidance Tool for Companies and Their Stakeholders"

http://www.hks.harvard.edu/m-rcbg/CSRI/publications/Workingpaper_41_Rights-Compatible%20 Grievance%2Mechanisms_May2008FNL.pdf

United Nations Global Compact

UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption. Additional guidance documents on responsible investment in conflict-affected areas.

- The UN Global Compact Ten Principles
- "Guidance on Responsible Business and Investment in Conflict-Affected and High-Risk Areas"

http://www.unglobalcompact.org

PROJECT COLLABORATION

The Preventing Conflict in Exploration Toolkit has been developed in collaboration between The Prospectors and Developers Association of Canada (PDAC), World Vision Canada, and The Corporate Engagement Program of CDA Collaborative Learning Projects, Inc., and supported by the Government of Canada - Department of Foreign Affairs and International Trade. The partners identified "understanding and dealing with conflict, conflict prevention, and community engagement" as issues where NGOs and industry have mutual needs and interests, and around which they can find common ground for collaboration. The Toolkit adapts and integrates components from each organization's established tools, including PDAC's e3Plus – A Framework for Responsible Exploration, World Vision's Making Sense of Turbulent Contexts, and the Do No Harm Framework and the Corporate Engagement Program's Framework for Analysis of Corporate-Community Relations of CDA Collaborative Learning Projects.

Development of the Toolkit is also based on experiences and feedback collected during field testing at four exploration sites. The partners express their gratitude to IAMGold Corporation, Ambatovy, Golden Valley Mines Ltd., and Torex Gold Resources for providing the time and resources to enable visits to their exploration sites, and to their staff for their dedication to testing the Toolkit and providing invaluable feedback. The partners also recognize the substantive input and feedback provided by numerous NGO representatives from field test countries and Canada, a range of company representatives, government authorities in field test countries, and consultants and responsible-business practitioners, for help in finalizing the Toolkit.

CDA COLLABORATIVE LEARNING PROJECTS

The Corporate Engagement Program (CEP) is part of CDA Collaborative Learning Projects, a non-profit organization that is committed to improving the effectiveness of international actors who provide humanitarian assistance, engage in peace practice, and are involved in supporting sustainable development. Through field assessments, trainings and consultations, CEP collaborates with companies to help them ensure they have positive rather than negative impacts on the communities where they operate. As part of this approach, CEP assists companies in the development and implementation of practical options to build positive, constructive relationships with local communities. Since 2000, over 60 international companies - mostly from the extractive industries - operating in Africa, Asia, Australia and North and South America have participated in the Program. CEP has reported on more than 30 site visits in more than 20 countries, including areas of social and political tension such as Nigeria, Colombia, Sudan and Myanmar/Burma. Findings from CEP have been captured in the book Getting it Right: Making Corporate-Community Relations Work (Greenleaf April 2009).

PDAC

The Prospectors and Developers Association of Canada (PDAC) represents the interests of the Canadian mineral exploration and development industry. Established in 1932, the PDAC now has more than 7,500 individual members (including prospectors, developers, geoscientists, consultants, mining executives, and students, as well as those involved in the drilling, financial, investment, legal and other support fields) and 1,000 corporate members (including senior, mid-size and junior exploration and mining companies and organizations providing services to the mineral industry). The PDAC's mission statement is: "To protect and promote the interests of the Canadian mineral exploration sector and to ensure a robust mining industry in Canada. The PDAC will encourage the highest standards of technical, environmental, safety and social practices in Canada and internationally". The association's activities and the services it provides fall generally into three categories: advocacy, information, and networking. The association is best known for its annual convention, trade show, and investors exchange. In 2011, this event attracted over 27,000 attendees from more than 120 countries.

World Vision

World Vision Canada (WVC) is one of the few international NGOs that engages with the extractive industry and that industry's growing interest in responsible community engagement. WVC has been engaging with the extractive industry over the past 10 years through implementing local projects for sustainable development. WVC has the core competencies and is well placed to lead an innovative initiative to incorporate conflict-sensitive good practice with CSR practices and good governance. WVC has developed a relationship with the Prospectors and Developers Association of Canada (PDAC) and has been involved in the launch of "e3 Plus". WVC has an international and long-term field presence, which makes it a suitable partner with stakeholders such as industry and government for sustained relationships with the community. WVC is a member of the steering committee of the Devonshire Initiative which brings together NGOs and the extractive Industry to foster mutual understanding and enhance communication among both sectors.