Pioneering New Approaches in Support of Sustainable Development in the Extractive Sector:

GUIDELINES FOR ENHANCING SKILLS AND RESOURCES FOR PARTICIPATION AND SUSTAINABILITY

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# Table of Contents

## Preface

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## 1 Introduction

---

## 2 Community Participation Throughout the Life of the Mine

- Exploration .......................................................... 6
- Feasibility ............................................................... 7
- Construction ........................................................... 8
- Operational Phase .................................................... 9
- Closure ..................................................................... 9

## 3 The Community Development Project from Inception to Hand-over to the Community ........................................................................ 14

## 4 Recommendations

- Process ..................................................................... 19
- Role Players ........................................................... 21
- Projects .................................................................... 25
- Participation ........................................................... 26

## 5 Resources

- Toolkits and Guidelines .............................................. 28
- Service Providers, Extension Services, and Funding Organizations .................................................. 28

## References

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Preface

These Guidelines are based on research commissioned by the World Bank and the International Council on Mining & Metals. The terms of reference required an assessment of skill and resource capacity needs at the community level for participation in planning processes to improve the chances for sustainable development in mining communities and regions. For further information on the research supporting these guidelines, see Background Paper on Enhancing Skills and Resources for Participation and Sustainability.

The research did not examine company policy and practices, but by identifying capacity needs at the community level, the recommendations in the Guidelines will inevitably reflect on company policy. For example, the need to give women in the community more power is not currently company policy, but the research indicated that this has the potential to be an optimal way of building capacity in communities.

Nor did the research seek to address the situation in all the community types in the region. It concentrated on peri-urban and rural communities. These have some similarities, such as critical levels of poverty and unemployment, but they also differ their cohesion, for example, and in the impact of crime on community structures.

The research for this project has indicated that communities lack the skills, knowledge, and capacity to participate fully in development projects. These Guidelines raise possible solutions to these problems and suggests ways in which participation can be encouraged. It was a specific aim of the research team to find solutions and make suggestions that can be implemented at the operational level and by community structures and that should not involve significant company expenditures beyond the funding of development projects.
1 Introduction

New pressures are being brought to bear today on the extractive industries to provide social benefits to the communities in which they operate, from exploration to closure and after. These pressures include legislation, the changing nature of shareholders, increased vigilance and lobbying by non-governmental organizations (NGOs), and more vociferous community demands for an equitable share of the benefits from mining operations.

Southern Africa epitomizes the paradox of ‘poverty in the midst of plenty’ in that the region has great mineral wealth but is one of the poorest regions on the globe, with the average daily per capita income being just above US$2. For communities in this region, mining projects represent an opportunity for social, economic, and infrastructure development. The promise of mining-sponsored development, however, is often unfulfilled. One reason for the failure of development projects is a shortage of capacity and skills in all stakeholders, including mining companies.

Recent initiatives, such as the Mining, Minerals and Sustainable Development (MMSD) Project, have focused attention on the rights of communities associated with mining operations, and mining companies have accepted the challenge to contribute significantly to community betterment and empowerment. For such efforts to lead to sustainable development, the community needs to acquire skills that will allow it to prosper after the mining company withdraws from a project or the mine closes, including the skills needed to work in other economic sectors, such as agriculture and tourism.

A broad definition of ‘community’ is used in this report. In some regions it is possible to define a community in terms of the internal cohesion and the shared culture, history, and organization of a group of people living together. This is difficult to do in South Africa. Some mining operations operate within more than one community – the labour-sending community, the original community where the operation is located, and possibly a further community of migrant workers. The large peri-urban communities are multiethnic and mobile, and often the conditions prevalent within them, such as crime and poverty, constrain the development of a communal sensibility.

The Guidelines provided here are designed to encourage the development of the skills and resources needed by the community and the mining operation in a participatory and consultative way. This process should commence at exploration stage and continue through to closure. If this is done, each preceding stage will build on the next so that, at closure, the community has the skills and capacity to continue to develop without the mine.

The audience for the recommendations in these Guidelines is community development personnel at mining operations, local government representatives, and the staff of different organizations and networks that constitute a community. The recommendations make suggestions around the practical aspects of community consultation and participation. They reflect some instances of best practice that should ideally become standard practice. The
recommendations are also based on needs expressed during research for this project by personnel at the operational level and by representatives of communities affected by mining operations.

The communities surveyed by the research team represented a sampling of the most impoverished mining communities in the Southern African region. Thus the recommendations have the strength of establishing a base-line of requirements for successful development partnerships between mining operations and local communities. They are not based on an assumption that all communities are homogenous or that the mining operation–community nexus is always the same. Yet the Guidelines make available to all contexts the minimum requirements necessary for promoting sustainable development.

Further, these recommendations are not exhaustive. They are intended to supplement corporate guidelines for operations and to align the latter with particular communities. All stakeholders involved in community development projects should add recommendations, based on their own experience, through a Community Development Forum (CDF). These would reflect the needs of particular stakeholders and contribute to the optimal function of the CDF, which will ultimately benefit the entire community.
2 Community Participation Throughout the Life of the Mine

Exploration

The exploration phase is the first contact between the company and the community. (See Table 1 at the end of this chapter for a summary of participation inputs and outcomes throughout the life of a mine.) This is a critical phase for establishing relationships with the community, and there are some significant problems around it.

In all likelihood, the company undertaking exploration will not be the same as the company that exploits the mineral resource. Junior exploration companies embark on short-term projects, and community consultation is not regarded as a priority. Community liaison at this point is frequently done by geologists. Uninformed expectations raised within the community can lead to serious conflicts during the operational phase. Unexpected impacts, such as the company’s use of community water resources or communal land, will further increase the chances of conflict.

In remote rural communities, there may not be any NGOs, local government, or church representatives. This leaves the company without valuable sources of information about the community. Without a community-based intermediary, it is essential to appoint an experienced liaison person who speaks the local language and is familiar with communities.

A vast array of information is needed if the mining project is to proceed in a partnership between the community and the mining company:

- Has the community had previous contact with mining companies, and what was the nature of that contact?
- How isolated is the community from mainstream society?
- What is the level of development?
- What economic activities does it carry out? What use is the land currently put to?
- What are the traditional power structures within the community?
- Who is allowed to negotiate?
- What is the relationship of the community with natural resources, such as water and forests?
- Who controls land use? Are there important community sites, such as graves?
- Are there conflicting agendas – a division in the community about the possible mining project?
- What is the expected duration of the exploration phase?
- What impacts will the exploration phase have on the community’s environment and way of life?
- What is the background and history of the mining company?
- What is the nature of the ore body?
• Is there likely to be resettlement if mining goes ahead?

NGOs, church organizations, or local government provide access to the information about the community and act as facilitators between the company and local leadership. They also ensure that the entire community is provided with the information detailed in the Inputs section of Table 1. The community may have some negotiation skills, but not with the kinds of issues or at the technical levels that are relevant in negotiations around mining projects. At the exploration stage, the onus is on the company to ensure that the community is fully informed about the possible mining operation and its impacts. This is one of the initial steps that the company takes to promote skills advancement in the community – in this case, negotiating skills and an increased knowledge base.

The benefits to the company of establishing a sound relationship with the community during the exploration phase are that it will have access to the expertise that local people have about the area they live in. Indigenous knowledge of the environment, ecology, climate, and history of the site adds value, which should not be underestimated, to the work of the company's exploration team.

Possible material benefits for the community during this phase include infrastructure, such as access roads and wells, and some low-level employment or outsourcing. It is important for the community to be aware that, should mining not go ahead, these benefits will cease and the maintenance of infrastructure will be the community's responsibility.

The period of exploration is relatively short, but the benefits – if this phase is sensitively and carefully managed – can be long-term. Relationships established with community organizations and local government can lead to the development of long-term partnerships that facilitate community development and the acquisition and retention of the company's social licence to operate.

**Feasibility**

The consultative nature of this phase requires the establishment of a partnership between government, the company, and civil society. The company will need a communication link with the community and access to community records. These can be obtained through local government or health, religious, and educational organizations.

During this phase, collection of base-line information about the community will be more comprehensive. The information collected during the exploration phase will be expanded to include aspects such as health, education levels, employment, literacy rates, and the available skills base. The information will be important when deciding on and providing resources for development projects.

An important aspect of this phase is the identification, in consultation with the community, of post-mining land use. The community may not yet be fully equipped to appreciate the implications of the different options. The company will have to negotiate with complete transparency and supply full information, such as which land will not be available for use after...
closure and possible alternatives to current land use. Integrated Development Plans (IDPs) and Regional Development Plans (RDPs) can be used to inform communities about government development priorities, and the company, local government, and NGOs can help identify priorities in the local community. Local government and NGOs would play a key role in this, but consultation must include representatives of the whole community, such as churches and women’s groups. Working with the company, local government and NGOs should ensure that the priorities of marginalized groups are not lost.

Community participation will ideally be facilitated by NGOs, or failing that, church organizations, educational institutions, or local government. Where the skills and capacity are not yet available, appropriately experienced consultants should be used, and local community members should assist and shadow them during the community consultation. The company should contract with such consultants.

Information about the community consultation should be disseminated by NGOs, church and educational organizations, and local government. Where local media are available, these should be used, and the company should make funding available for this. Sufficient notice must be given to the community of any public meetings, and it should also be given enough time to consider the outcomes of such meetings.

**Construction**

The construction phase is a period during which most disruption for the community could occur, and structures should be put in place at an early stage to manage the likely challenges, possible conflicts, and opportunities. The partnerships established during the feasibility phase should be strengthened and formalized in a Community Development Forum. This will ideally be a tri-sector partnership between the company, government, and civil society. Traditional leaders should also participate in this forum.

Information should continue to flow between the community and the company. A timeline for the construction phase should be communicated to the community, which should also be aware of the possible impacts of large numbers of construction workers as well as a downscaling of economic activity after the construction phase.

The community’s identification, priority-setting, and negotiation skills will be well developed by this phase, but it is likely, given the disruption, that community representatives will need conflict resolution skills. Likely sources to facilitate the development of these are organized labour and professional mediators. The partnership should ensure that skills transfer takes place during conflict resolution.

The company should build the expertise and capacity of its personnel to undertake community engagement. Employees need to be sensitized to aspects such as the community’s culture, traditions, and political structures. If company employees demonstrate an awareness of the community’s values and norms, the power imbalance between the company and the community – and significant causes for conflict – will be appreciably reduced.
During the construction phase, the CDF has the role of facilitating and encouraging the use of community resources such as accommodations, catering, and services. Development service providers can be approached for training. As these services will be used mostly for the benefit of the company, it should fund some of the necessary technical and entrepreneurial training to enable the community to take advantage of the opportunities presented during the construction phase. Some of these skills, such as supply services, would be available to the company during the operational phase.

**Operational Phase**

Community development projects are most likely to commence during this phase. Certain high-level skills, which have been identified as lacking in communities, will be needed for these projects. The company could consider funding the acquisition of the skills that are most critical for the success of development projects: project and financial management. Resources already allocated by the company to education and training could be used for this purpose. Development service providers should also be approached. Donor organizations are willing to assist with the skills upgrading of government personnel. The task of applying for assistance is a function of the CDF, which should also make information about development assistance available to individual entrepreneurs in the community.

Partners with established abilities should take on a mentoring role. This will commence at the exploration phase but will be most required when community development projects are initiated.

A number of events could affect community development projects during the operational phase, such as commodity price fluctuations, currency fluctuations, natural disasters, civic unrest, and the exploitation of adjoining ore bodies. These can result in large-scale retrenchment, a temporary cessation of operations resulting in care and maintenance status, unexpected closure, or an increased use of the community’s resources, such as land and water.

The CDF should be kept informed of any major changes to the operation as soon as early warning signs appear. Contingency plans for development projects that have been initiated can be established in full consultation between the community and the operation. Where there is to be a permanent cut-back in operation or an unexpected closure, the community should be fully informed of the implications, particularly those that affect the local economy and livelihoods. Skills training may have to be accelerated.

**Closure**

If partnerships have functioned well, and if community participation and consultation have been a feature of all phases of the mining life cycle, the community will be in a favourable position to be self-sustaining after closure. During this phase, the community needs to be prepared for the changes that closure can bring. Important skills that should be strengthened during this phase are marketing and entrepreneurialism. Together with financial and project management skills, these will enable the community to adapt to alternative economic activities and opportunities. Development service providers can provide training in these skills, and company employees can also assist.
Conclusion

If there are no possibilities of alternative economic activities around a mining operation, community development as described here will not be feasible. This will be the case, for example, when an operation is located in a remote, previously unpopulated location and draws migrant labourers and their families, along with people in search of employment opportunities. In this case, community development needs to be planned around the expected life of the mine, so that an assessment of infrastructure development needs can be made. Regional Development Plans and regional economic activities need to be taken into account as well, so that community members acquire skills that they can use in different locations after closure. The community should be informed as soon as possible that development around the mine will not be sustainable after closure, and this awareness should be reinforced when development plans and skills training are initiated.
### Table 1. COMMUNITY PARTICIPATION THROUGHOUT THE LIFE CYCLE OF THE MINE

<table>
<thead>
<tr>
<th>Mining Stage</th>
<th>Inputs</th>
<th>Skills, Capacity, and Resources Needed</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exploration/Pre-feasibility</td>
<td>Knowledge of local language and culture and the interests of specific groups. Knowledge of land ownership and community decision-making mechanisms. Identification of key role players in the community and future partnerships. Community economic/livelihood activities. Preliminary information about the resources available in the community. Information about the possible mining operation and its impacts. Community awareness of the implications of resettlement if this is likely. Managing community expectations.</td>
<td>Information Negotiation skills Conflict resolution skills</td>
<td>Protection of important community sites, activities, and livelihoods. The community has prior knowledge of the possible mining operation, and the possibility of resettlement, and thus more time to consult about it. The company has knowledge of possible resources in the community that can be used during the next phases. Mutual goodwill, laying the foundation for future long-term partnerships based on mutual trust. Knowledge of community political, social, and cultural structures. Realistic community expectations.</td>
</tr>
</tbody>
</table>
### Guidelines for Community Needs Assessment

#### Feasibility
- Knowledge of community environmental and development requirements
- Post mining land-use identified

#### Construction/Commissioning
- Establishment of partnerships and a Community Development Forum
- Ongoing consultation including representatives from marginalized groups
- Use of community resources such as accommodation, catering, and services
- Training in technical skills that can be used in the next phase
- Identification of and information sharing on the potential impacts arising from the influx of construction workers
- Training and capacity building of company personnel to undertake community engagement
- Awareness of the possible decrease in commercial activity at the end of the construction phase

#### Information
- Negotiation skills
- Identification and priority-setting skills
- Facilitation of community participation

#### Land compensation mechanisms and environmental mitigation plans appropriate for the specific community
- Goodwill of the community
- Company has a more in-depth knowledge of the community

#### Employment for community members
- Design and implementation of measures for the mitigation of impacts of this and later stages of the project on the community
- Identification of skills and capacity available and lacking in the community
- Enhanced skills base, in both the company and the community, that can be used in the next phase
- Identification of possible resources for outsourcing and contracting
- Mitigation of negative impacts of construction on the host community

#### Negotiation skills
- Identification and priority-setting skills
- Conflict resolution skills
- Technical skills
- Entrepreneurial skills
**Operation**

- Initiation of community development projects in consultation with stakeholders and in alignment with broader regional/national development plans.
- Management of major changes in the mining operation that would affect the community.

**Closure**

- Ongoing consultation including representatives from marginalized groups.
- Realignment of development projects (in accordance with pre-established closure plans) for the transition from the operational to closure phases.
- Development of alternative economic activities and opportunities.
- Training and counselling services to prepare community and the workforce for closure.

**Identification and priority setting**

- Project management skills.
- Negotiation and consultation skills.
- Conflict resolution skills.
- Financial management skills.
- Technical skills.
- Entrepreneurial skills.

**Community members with increased knowledge**

- Mechanisms for dispute resolution.
- Significant part of labour force drawn from the local community, thus avoiding the disillusionment associated with the decline in demand at the end of the construction phase.
- Capacity built into all sectors of the community (all the major role-players).

**Development of alternative economic activities and opportunities**

- Project management skills.
- Negotiation and consultation skills.
- Conflict resolution skills.
- Financial management skills.
- Marketing skills.
- Technical skills.

**Community-appropriate rehabilitation and final land uses; enhanced livelihoods that are sustainable**

- Self-sufficient and sustainable community.
3 The Community Development Project from Inception to Handover to the Community

The focus for a community development project should be identified from the national, regional, and local priorities contained in RDPs, IDPs, and Local Economic Development Plans (LEDs). Local government is the custodian of these plans and ensures that development projects are aligned with national, regional, and local objectives. This will be done consultatively through the Community Development Forum.

A company indicates that it has allocated funding for a community development project. The focus for the project could originate either from the company (see Box 1), or at the suggestion of a member of the community. The CDF conducts a needs assessment within the local community, and, using the RDPs, IDPs, and LEDs, either promotes the company’s suggestion or suggests alternatives. Besides community needs, the skills needed for the project should also be assessed to ascertain the degree of skills training that will be needed.

Box 1. Skills Enhancement for the Management of Development Projects

The Community Development Office (CDO) of Central Azucarera Don Pedro (CADP), a sugar plantation and processing company in the Philippines, uses a community organizing approach to define community and identify program areas. The CDO's approach involves gathering base-line data about the community, establishing rapport with community members, and identifying potential leaders. The CDO assists in forming community organizations and cooperatives and trains members in basic management, bookkeeping, and other skills necessary to sustain organizations. It then designs livelihood projects in partnership with these organizations. The CDO uses community organizing to accomplish its community development goals and to help establish trust between the company and the community. CADP’s community organizing approach started with small, manageable projects that helped build the capacity of community organizations and develop trust.


The forum drafts the project proposal, and mechanisms for community consultation and awareness raising are put in place. These will take the form of workshops with selected stakeholders, notices in the local media in local languages, and announcements and discussions on local radio stations. Information pamphlets, also in local languages, can be disseminated by churches and educational institutions. This process of consultation will be the task of the CDF, but in the early stages of the partnership, the company should play a strong mentoring role. Clear indications must be given that this is an opportunity for the community to provide feedback to the CDF, and NGOs and other community organizations should assist community members.
Planning and implementation is undertaken by the CDF, with a continual flow of information to the community using the same communication methods and channels as used during the project identification phase. It is particularly important that the community is kept informed of successes achieved by projects and of possible employment opportunities.

Between implementation and hand-over, the CDF should regularly monitor the project and take corrective action when needed. The company will have high-level monitoring skills, and there is an opportunity for valuable skills transfer to take place during such a participatory assessment process. The CDF will propose a hand-over date at the start of the project, but needs to be flexible in this regard.

Figure 1 represents the process of a community development project from inception to hand-over to the community. It indicates the actors, the identified skills for each phase, and how these skills can be acquired by or transmitted to the community.
Figure 1. Participatory Development Project Flow Diagram
4 Recommendations

Table 2 indicates the skills and resource gaps in communities that could constrain progress in development projects, when those skills are needed, and who needs the skills. This chapter makes recommendations for addressing the gaps.

Most of the activities that have community skills and resource enhancement as their objective will be carried out by partnerships. However, there are many situations in which one stakeholder can play a particularly effective role in ensuring the outcomes of the intervention; these are indicated in bold in column 3 of Table 2. Sometimes the lack of a particular skill at a particular phase could be critical; these, too, are indicated in bold. The term 'project management' here includes drawing up business plans, feasibility, dealing with financial institutions, financial skills and accountability, administrative skills, fostering entrepreneurship, marketing, and monitoring.

Table 2. Recommendation for Addressing Gaps in Skills and Resources

<table>
<thead>
<tr>
<th>Skill or resource lacking in community</th>
<th>Phase at which required</th>
<th>Implementing stakeholder/s</th>
<th>Source of skills or resource acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships</td>
<td>Feasibility, Construction, Operation, Closure</td>
<td><strong>Company</strong> (initiating role) All</td>
<td>Resources indicated in Chapter 5 Experiential</td>
</tr>
<tr>
<td>Negotiation skills</td>
<td>All Exploration and feasibility</td>
<td>Company NGOs</td>
<td>Experiential</td>
</tr>
<tr>
<td>Conflict resolution skills</td>
<td>All Exploration, Construction, Closure</td>
<td>Company CDF</td>
<td>Experiential, Organized labour NGOs, Professional mediators</td>
</tr>
<tr>
<td>Knowledge/ information</td>
<td>Exploration All</td>
<td><strong>Company</strong> Company/CDF All</td>
<td>CDF Company, local government, NGOs, church organizations</td>
</tr>
<tr>
<td>Identification and priority setting for development needs</td>
<td>All</td>
<td>CDF</td>
<td>Experiential, Mentoring</td>
</tr>
<tr>
<td>Project management</td>
<td>Construction, Operation, Closure</td>
<td>CDF</td>
<td>Formal training by development service</td>
</tr>
<tr>
<td>Topic</td>
<td>Construction</td>
<td>Operation</td>
<td>Closure</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>--------------</td>
<td>-----------</td>
<td>---------</td>
</tr>
<tr>
<td>Technical skills</td>
<td>Construction</td>
<td>Operation</td>
<td>Closure</td>
</tr>
<tr>
<td>Managing expectations</td>
<td>Exploration</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Strong local government</td>
<td>All</td>
<td>Company</td>
<td>All</td>
</tr>
<tr>
<td>Literacy training</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Effective NGOs</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Women empowerment</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Youth empowerment</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Fostering leadership skills</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Using church organizations as a resource</td>
<td>All</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Fostering SME growth</td>
<td>Construction</td>
<td>Operation</td>
<td>Closing</td>
</tr>
<tr>
<td>Project planning</td>
<td>Operation</td>
<td>Closure</td>
<td></td>
</tr>
</tbody>
</table>
Process

Many communities have Community Development Forums. The composition and function of these should be broadened. This structure should have a multistakeholder base, including the company. Particular emphasis should be placed on the inclusion of marginalized groups, such as women and young people. The CDF should meet regularly to identify projects, look for funding, give and receive progress reports, and monitor projects. Optimally it would control project funding, with clear lines of accountability. These activities can all enhance the various skills needed by the community. Some formal training will be required, but many of the skills can be picked up through learning by doing, with the mentoring of more capable stakeholders.

Where no CDF has been formed, the company should initiate the development of the partnerships that will form the basis of such a multistakeholder forum. (See Box 2.) Talking to NGOs, local government, or church organizations, the company can first find out whether a structure already exists that could form the basis for a CDF. If not, the company should establish, through the same channels, which community members would best serve the community’s interests on such a forum.

Box 2. Forming Partnerships and Establishing a Community Development Committee

An excellent resource on forming partnerships is the website of Business Partners for Development (see http://www.bpdnaturalresources.org/html/pub_working.html and http://www.bpdnaturalresources.org/html/pub_brief.html). The guidelines are comprehensive, user-friendly, and systematic. The worksheets set out:

- the advantages of establishing partnerships,
- how to establish them,
- how they function, and
- the possible limitations.

A recommended resource in South Africa is the Palabora Foundation, which is the sustainable development arm of Palabora Mining Company in Limpopo Province. (See Background Paper on Enhancing Skills and Resources for Participation and Sustainability for further information.) Details and advice can be obtained from the Palabora Foundation Director, Marc Demmer, at mdemmer@xsinet.co.za.

A clear understanding of and agreement on the roles, rights, and responsibilities of all actors should be established at the outset. This will establish accountability, manage expectations, and decrease the chances of community dependence on the mining operation.

All stakeholders should have a clear idea of the objectives and potential benefits of a development project. If a project targets a particular group, there should be clarity about the short-term benefits to direct beneficiaries and the longer-term benefits to the community.
The expectations of and risks to all partners should be managed and realistic. Any limitations of and constraints on the development projects must also be clear. In particular, all partners need to understand that a development project is not a quick-fix solution for community development but part of a process involving many other projects and agencies. Alignment of development projects with national, regional, and local development plans will help to clarify the timeline for expected outcomes.

Cultural differences may come to the fore in partnerships around development projects. Companies are used to acting and making decisions independently, and a consultative/participative approach that requires them to relinquish control and act as equal partners may prove difficult. At the same time, NGOs value their independence and could perceive close cooperation with mining companies and government as a threat. Under these circumstances, establishing common objectives and collective values may be difficult. If different viewpoints cannot be reconciled and are likely to lead to conflict, it would be advisable to hire some team-building experts. Each development project should be endowed with funds to cover contingencies such as this.

A detailed assessment of the skills available and needed for development projects should be undertaken during the project proposal and the consultation and awareness raising phases. This will create a better basis for estimating the timing and funding of a project, will be an early indication of project feasibility, and will ensure that skills that do exist in the community are used and upgraded.

Lack of skills in communities can be addressed through formal training, experiential learning, and mentoring. In the communities visited during research for this project, skills acquired experientially and by mentoring had been transferred to other members of the community, who used them to start their own initiatives or to participate more fully in community initiatives. This kind of learning is also extremely valuable in the transfer of lower-level technical skills to people who are illiterate.

Monitoring is important. In addition to identifying the need for corrective action, it should identify the extent to which the benefits of the development project are trickling down to the community. It should be undertaken with the community, transparently, and with full accountability by the participants. Participatory monitoring will transfer skills to the community, building essential capacity for the hand-over phase.

In some instances, development projects fail due to the influence of one or a few powerful individuals, acting either for their own benefit or in pursuit of a political agenda. This potentially negative impact on a project must be recognized and managed during project design and implementation.

Where possible, companies should partner with other companies in the area around development projects. (See Box 3.) Such alignment of objectives increases the resources and skills available to a project, spreads the benefits more widely, and reduces the risks.
Box 3. Cluster Partnerships to Maximize Development Benefits

In South Africa, Alusaf Limited teamed with Richards Bay Coal Terminal, Richards Bay Minerals, and other companies involved with the Zululand Chamber of Business Foundation to turn the construction camp for an aluminum smelter into the Zululand Chamber of Business Foundation Community Park. The park drew contributions and support from large and small businesses in the area and currently houses a multitude of community resources and facilities. This network of area businesses aims to mobilize businesses and community leaders to respond to the area’s development needs and to be a hub for regional development, education, and community empowerment.


On closure, there may be assets that the company will hand over to the community. Development projects should incorporate acquisition of the skills required to benefit from such assets. These could range from the maintenance and management of buildings to the more sophisticated skills needed to manage a social service the company provided.

Role Players

No one involved in community development projects can achieve the objective of a sustainable and self-reliant community alone. All role players have strengths, skills, or resources that, if used in partnership, can compensate for other partners’ shortcomings. Chapter 4 provides a list of resources for community development and partnerships used during research for this project, which give valuable insight into the strengths and benefits of partnerships.

Local government

Local government is an integral part of the community. It establishes development priorities in development plans and it should coordinate and champion local development initiatives. Choshi (2001) notes that “the municipality should be the leading stakeholder, in the context of partnership arrangements, in terms of promoting local economic development in communities affected by mine projects”. However, local governments are frequently under-resourced and lack capacity and essential skills.

By supporting and mentoring local government in the formulation of development plans and the establishment of a CDF, companies can transfer a vast number of skills without the need for formal training. These include skills needed for negotiation, planning and coordination, conflict resolution, consultation, and monitoring.

Where communities have traditional leaders, these should be consulted about development projects from the outset and included in the development forum. The traditional leader can influence the success of a development project, as he can mobilize the community to either
support or reject initiatives. The community is familiar with his style of leadership and tends to look to him for guidance.

**Companies**
Many players view mining companies as the ideal actor to provide a mentoring function, particularly with regard to business management skills. There are numerous phases where companies can act in this capacity.

Communities need somebody in the operation they can identify with and who knows them, their culture, their traditions, and their language. Such a link will build trust and narrow the communication gap between companies and communities. A channel for the flow of information to the company about the community puts the company in a better position to address development needs and community grievances. Local knowledge, local methodologies, and local solutions to problems will also become available to companies. Communities will be better placed to gain an understanding of the mining operation.

It is particularly important that the company have an experienced person to liaise with the community during exploration. This is one way to manage the expectations that can be created by exploration activities and that can lead to conflict during the operational phase.

If the company has to use people from outside the community to negotiate and consult with the community, the choice of such people should only be made after careful consideration. Using people who are not familiar to or with the community is viewed with mistrust as part of a top-down approach. Where external facilitators are used, community members should be allowed to shadow them to learn their skills so that the community moves towards undertaking these functions.

No two communities are the same, and these guidelines do not undertake to provide a template for community participation that will be applicable to all communities. Community engagement and participation guidelines that are appropriate to each locale should be established; the suggestions and recommendations here merely serve as a first step for establishing such guidelines.

**Communities**
Even in the most underdeveloped communities there are skills that can be used, whether they be leadership ability, skills acquired by educated (and frequently unemployed) members of the community, or structures that are operating at a low level. These individuals and structures should be identified at the start of a project and included in the partnership. Resources for such identification include NGOs, local government, and education and religious organizations.

Communities need information about the resources available to them for extension services, training, and funding. This should be made available by regional and local government and NGOs. For example, some community representatives interviewed for this project were unaware that there is a desk responsible for donor coordination within the Polokwane local government or that there is an organization to support small and medium-sized enterprises,
offering extensive services, that works throughout Limpopo Province from within local government.

Information disseminated to communities should be in their mother-tongue, and care should be taken to present concepts, theories, and terminology that may be unfamiliar to community members in accessible and non-specialist terms.

A critical and over-arching need in all communities is literacy training. A number of service providers do such training, and all players in the sector should direct efforts to make community members literate. This immediately improves the quality of life for people and facilitates knowledge acquisition. It also makes more resources available to development projects.

NGOs are valuable role players and are currently not often used by mining companies other than for work on HIV/AIDS. This sector believes that it is largely marginalized from public-sector initiatives, and it has an uneasy relationship with companies. NGOs want to be consulted more regularly and to be more involved in development projects. Communities tend to trust them, they have a sound knowledge of the community, and they speak the local languages. They frequently have a good skills base, such as organizational and training skills, which can be strengthened by their inclusion in development partnerships. Their inclusion would, in turn, add capacity to the partnerships.

With their higher level of skills and organization, NGOs could be the point of contact with the community, ensure that community priorities are addressed in development projects, communicate community concerns to the company or the partnership, and increase the chances of local buy-in into projects.

Local NGOs have funding difficulties. Partnering with government and the private sector could create favourable circumstances for them to apply for funding that would not otherwise be available to them. The donor community favours initiatives undertaken in partnership, and, as an equal partner with the company, NGOs should also have access to corporate funding.

International NGOs often undertake community development work where local NGOs are perceived to be inadequately resourced and skilled, and the work of local organizations is frequently overshadowed by these well-resourced and highly skilled groups. By partnering with government and the private sector, local NGOs will increase their experience in other sectors, have the opportunity to increase their own knowledge and skills base, and enhance their reputation with local communities, donor organizations, and project implementers.

International NGOs working in local development projects should be encouraged to build capacity in local NGOs, either by employing their staff, allowing local personnel to shadow activities, or undertaking formal skills training of local NGO staff as part of their commitment to local development and poverty alleviation.

NGOs traditionally see themselves as community watchdogs and could therefore also play a valuable role in the monitoring and evaluation of development projects.
At closure of a mining operation, NGOs that have obtained adequate resources and a sound skills base would be valuable partners in the management of ongoing development projects. Relevant NGOs should also undergo training in project management skills.

The vast majority of people interviewed during research for this project – from those representing companies to those from community structures – identified women as the strongest but most underused resource in the community. Their ability to keep communities stable in times of stress, to manage small business enterprises successfully, and to give priority to the needs of their families and their community was noted. Research has also shown that the advancement of women, particularly economically, has more benefits for the community than the advancement of men (Macintyre, 2003; Byford, 2001).

There is an urgent need to target women's organizations for development projects, particularly those that go beyond the favoured gardening and handicraft projects and that involve the acquisition and use of higher-level skills. At the very least, development projects that marginalize women should not be considered.

The unemployment rate among young people is very high. They tend not to get involved in development projects, and stakeholders expressed concerns about their future and the possibility of them becoming disaffected. Where they have become involved, they have proved to be dynamic and innovative. They are usually more literate and better educated than older members of the community, and the skills training required for their participation would not be as extensive. Proposed projects should provide for their significant involvement. The provision of training programs for youth during the life of the operation creates a resource base within the community that could be used by the company and will be a community asset after closure.

Companies could identify opportunities to employ secondary and tertiary students during their vacation time. The potential benefits are numerous: young people are kept occupied, they learn skills, they are exposed to the workplace culture, and they develop a sense of pride in contributing to the family income.

Youth projects that involve activities such as drama groups and music and dance events focusing on topical issues – HIV/AIDS, alcoholism, drug abuse, and crime – are optimal ways of using young people to reach a wide audience of their peers. These activities have the potential to involve youngsters in competitions and exposure to other communities, and also give them experiences that will build up their organizational and cooperative skills.

Church organizations tend to supply spiritual leadership rather than being involved in development projects. They are critically under-resourced and often have far-flung parishes to serve. Nonetheless, they are a valuable resource in development projects, as communities hold them in high regard. They are a good source of information about the community and can also be used for dissemination of information.

Church organizations should be involved in youth projects and in mobilizing young people around community issues, especially those that affect them. They are also well placed to act in...
advisory and mediation capacities, particularly to women and youth organizations. They can provide venues for activities and act as a clearinghouse for job-seekers.

Projects

Companies should align their development projects with RDPs and IDPs, which identify and set priorities for the development needs in the community. Where these plans have not yet been established, it is invaluable for the company to participate in identifying the development needs of the community within which it operates. Such alignment will also contribute to a faster realization of national, regional, and local sustainable development agendas.

The trend is for community development projects to be initiated by companies. Even where a proactive and forward-looking community development process is in place (such as at Sishen Iron Ore Mine), most projects originate from the mining companies. Community members should be encouraged to propose projects around their own priorities. Such proposals are likely to spring from local needs and will incorporate local knowledge, and community ownership is likely to be promoted.

The development of small and medium-sized enterprises (SMEs) has been given priority by government, and many companies support local SME development. Mining companies should encourage and support entrepreneurs in communities to become service providers, contractors, and suppliers to the mines. Employment in subcontracted firms that supply mine goods and services is often equal to or much higher than direct mine employment: 14 times as high, in the case of the Yanacocha mine in Peru. Furthermore, estimated non-mine-related employment generated through multiplier effects is often much higher than direct or indirect mine employment—about 2.5 times as high as the others combined, in the case of Inti Raymi in Bolivia (World Bank and International Finance Corporation, 2002).

The capacity built up through supplying goods and services to the company can be used to diversify the SMEs’ customer bases so that these companies do not become dependent on the existence of the mine. In view of the high percentage of failures in SMEs, local entrepreneurs will need advice and mentoring after training.

Development projects should have the potential to get support from other stakeholders and to draw funding from outside the company. This will ensure that projects that may need continued funding can be handed over to the community, and it will free up company funding for other projects.

Many companies support development projects that focus on education. There is a real need for such projects in South Africa, and they are important for the sustainability of the community. However, these tend to be medium- to long-term projects. In very poor communities, small projects that have the potential to provide a quick return can mobilize and motivate people and get their buy-in to projects with longer-term objectives. As these are frequently gardening or small livestock projects, they would also help to solve the food security problem that many people face. These projects can become larger and long-term if they are planned as such from the start.
The company's exit date from a project is critical. If it is too early, the community may not have developed the necessary skills to continue the project. If it is too late, the community may either not view the project as their own or they may become dependent on the company for the necessary skills.

Many development projects involve the building of infrastructure that is handed over to a government department for management. These departments frequently do not have the resources or capacity to use or realize the full potential of the infrastructure. Such developments do not build up a relationship with the community and are a waste of resources that could be used more productively. Projects involving infrastructure should therefore be assessed carefully before they are initiated to establish whether the community has the resources and capacity to use it later.

Rural communities are frequently engaged in subsistence agriculture. These traditional activities should be supported, modernized, and expanded and the skills involved in them should be upgraded rather than being diverted to other economic activities. This will facilitate the transition involved in closure and is a particularly effective way of advancing women, who traditionally are responsible for food production.

All development projects should be undertaken with closure in mind. Questions that could be asked are:

- Does the project promote and exploit alternative economic activities?
- Are the skills that will be strengthened by the project useful for a self-sustaining community?
- To what extent does a project draw on and strengthen pre-mining economic activities that the community will return to post-mining, such as traditional agriculture?

**Participation**

With a few exceptions, mining companies are not viewed as part of the community, nor do they view themselves as such. This complicates participation in development projects initiated by the company, as the elements of common purpose and trust are absent. Communities need information about the mine, and they need tangible proof of the company's involvement with them. These needs can be addressed by company participation in and sponsorship of community events, and by inviting community members to join in at events at the mine. A particularly effective way of demonstrating solidarity with other stakeholders would be to attend local community sporting events.

The community should be informed about activities and events at the mine. Where a newsletter is produced, this could be disseminated in the community via churches, schools, and NGOs, with a part of it in the local language. The community should also be kept informed of the activities of the CDF and the progress of any development projects that involve its members and are intended for their benefit. This will give community members the information and opportunity
to bring additional and complementary skills to development projects. In particular, successes in development initiatives should be publicized within the community.

Time is important. Communities need adequate time to consider the implications of a development project. This is a critical investment – and one that is foreign to companies, for whom 'time is money'. It is, however, a worthwhile one. Community members are more likely to commit to a project, and participate, if they are given the chance to consider the full implications, provide their own input, and get answers to questions they may have.

In mining communities, companies usually have the most capacity in terms of infrastructure. They should take the lead in making it possible for members of the CDF to attend meetings by supplying venues and transport and, at least initially, by undertaking the responsibility for formal meeting requirements, such as agendas and minutes.

Companies should encourage employees to become involved in community development projects. (See Box 4.) An assessment of the skills available within the company and of how these can be used in development projects will reveal a wide variety of ways in which employees can become involved.

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**Box 4. Involving Employees in Community Development**

Richards Bay Minerals employs a number of people in dedicated positions in community development. In addition, employees involved in other positions are encouraged to take an active interest in community affairs. The company regards this as important, as it affirms that Richards is a caring company and not one that simply employs a few experts to handle community issues. This builds community trust in the company, and employees learn that concern for the community is an integral part of business.

As a trust-building exercise, these partnerships are invaluable because as people work together (especially those who wouldn't otherwise interact) they come to understand each other’s points of view, overcome prejudices and misconceptions, and interact effectively.

Employees are encouraged to participate in projects that interest them, such as:

- coaching of matric learners in maths, science, and accounting;
- involvement in local crèches – providing playground equipment, painting, and making teaching aids;
- purchasing fresh vegetables and eggs from local community agricultural projects that sell their wares on site;
- collecting books and magazines at work for use in local schools;
- attending and supporting annual agricultural shows in the local community (employees are given time off to do so);
- visiting community groups, especially groups of teachers, to explain the company processes and compiling workpacks for use during these visits; and
- giving specialist expertise when called on – advising on computer problems at schools, for instance, planning and monitoring projects involving construction or road works, or giving girls wishing to enter the job market a chance to shadow executive secretaries.
5 Resources

Toolkits and Guidelines

- Business Partners for Development has produced a comprehensive and accessible set of working papers on tri-sector partnerships. These cover topics such as monitoring, managing community expectations, and choosing partners. Case studies are used liberally. See http://www.bpd-naturalresources.org/html/pub_working.html.

- An extensive set of briefing notes on managing closure, contributing to regional development, conflict resolution, and contributing to community development is available at http://www.bpd-naturalresources.org/html/pub_brief.html.

- The Business Partners for Development report Putting Partnering to Work is available at http://www.bpdweb.org/products.htm. Five areas are dealt with:
  - Tri-Sector Partnership Results and Recommendations 1998-2001 - Main Section
  - Results and Recommendations for Business
  - Results and Recommendations for Non-Governmental Organisations
  - Results and Recommendations for Developing Country Governments
  - Results and Recommendations for Multilateral and Bilateral Organisations

- The International Finance Corporation’s good practice guide, Doing Better Business Through Effective Public Consultation and Disclosure, A Good Practice Manual, draws on examples of corporations and projects where complex environmental and social impacts have been dealt with innovatively and successfully. It is available at http://www2.ifc.org/enviro/Publications/Community/community.htm

Service Providers, Extension Services, and Funding Organizations

Business Referral and Information Network (BRAIN) NAMAC
P O Box 395, Pretoria, 0001
+27 12 349 0100 Fax +27 12 349 2850
email: heleens@namac.co.za website: http://www.brain.org.za/index.html

Consolidated Municipal Infrastructure Programme (CMIP)
Mr. R.A. Kruger 021-334 0744/5, Fax: 021-334 0616
email: richard@dso.pwv.gov.za website: http://www.local.gov.za

Education, Training and Development Practices
Sector Education and Training Authority
Tuscany Office Park, Building X
Coombe Place, Rivonia, 2128
Tel (011) 807 – 5621 Fax (011) 807 – 7490
email: info@etdpseta.org.za website: www.etdpseta.org.za

*Franchise Advice and Information Network (FRAIN) NAMAC
P O box 395 Pretoria 0001
Tel +27 12 349 0100 Fax +27 12 349 2851
website: http://www.frain.org.za

Independent Development Trust
PO Box 16114
Vlaeberg 8018
South Africa
Tel +27 021 423-8030, Fax: +27 021 423-4512
email: editor@idt.org.za website: http://www.idt.org.za/index.htm

Khula Enterprises
Tel 011 807-8464 Fax: 011 807-8471/9023
website; http://www.khula.org.za

Southern African Grantmakers’ Association (SAGA)
P O Box 31667
Braamfontein, 2017
Johannesburg, South Africa
Tel +27 (11) 403 1610 Fax +27 (11) 403 1689
email: info@donors.org.za website: http://www.donors.org.za/index.html


Ntsika Enterprise Promotion Agency
Tel +27(12)483 2000 Fax 341 1929
email: helplines@mepa.org.za website: http://www.ntsika.org.za

South African NGO Coalition
Tel +27 11 4037746 Fax +27 11 403 8703
email: info@sangoco.org.za website: http://sangoco.org.za/

Umsobomvu Youth Fund
P.O.Box 982, Halfway House
1685 South Africa
Tel +27 11 805 9701, Fax: +27 11 805 9709
email: info@uyf.org.za website: http://www.umsobomvu.org.za/index.html
References


