



SANOFEX Group

## Community Agreements Guidance

2021

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## COMMUNITY AGREEMENTS GUIDANCE

**This document provides guidance to SANOFEX managers on how to develop and implement community agreements.**

Community agreements apply to all situations where businesses and host communities agree to formalise consents, commitments and mutual obligations with each other. This is increasingly expected, often as a legislated requirement; examples include the new Mining Charter in South Africa, the Minerals Law of Mongolia, Mining Act provisions in Peru and Native Title in Australia. It is also increasingly a condition of government permitting of new projects under explicit investment agreements. The United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the inclusion of Free Prior Informed Consent (FPIC) in the International Finance Corporation (IFC) Performance Standard 7 means that agreement-making has particular relevance to Indigenous communities (see Appendix 1 for information about Free Prior Informed Consent).

There is no “one size fits all” for community agreements. Every agreement must be tailored to the needs and the context of the parties to it. This guidance should be applied accordingly.

## 1. WHAT IS A COMMUNITY AGREEMENT?

A community agreement is a formal binding commercial agreement between the business and the institution or formal organisation that best represents the interests of the community. Community agreements are different from corporate social responsibility (or sponsorship) agreements. Community agreements are commercial agreements because they describe a value exchange: community support in exchange for certain benefits and behaviours by the business. Community agreements contain mutual obligations that are enforceable and auditable.

A community agreement can be developed at any stage of operational life, but are usually developed in anticipation of a major business change, such as a greenfields project or expansion. Community agreements for green fields projects should be finalised during the Feasibility Study.

A community agreement is typically characterised by:

**A value exchange:** clear evidence of the value exchange on which community support is based.

**An institutionalised relationship:** a structured relationship between the business and the community that relies on community and business as institutions, rather than an agreement between individuals.

**Mutual obligations:** all parties to the agreement have obligations in achieving shared objectives. The mutual obligations are clear and can be described internally and externally to community members, governments, NGOs and other third parties.

**Clear evidence of community support for the project:** the agreement will describe the process by which community support for the operation was secured and set out the terms of that support.

**Clear expected outcomes:** measurable outcomes and consequences for non performance. This may include commitments related to local employability and employment, local contracting, community involvement in life of operation planning, cultural heritage protection, site and community security, environmental co-management, and responsibilities for monitoring and evaluation.

**Clear accountabilities for delivering agreement commitments:** agreed and defined accountability across the business functions for their agreement implementation responsibilities, with corresponding accountabilities on the part of the community representative institution.

**Mutually agreed enforceability and dispute resolution mechanisms:** mechanisms for addressing disputes and consequences for non-compliance applicable to all parties. These mechanisms are determined according to local law and customs.

## 2. WHY ARE COMMUNITY AGREEMENTS IMPORTANT?

The effective development and implementation of a community agreement is one of the most enduring ways that long term community support for a project or operation can be secured and demonstrated. A community agreement is also the strongest way to demonstrate a community's free, prior, informed consent to an operation (see Appendix 1).

Community agreements are a rapidly emerging area of practice in the resource sector. Some sovereign states are mandating such agreements; in other jurisdictions government policy requires them. International financing agencies, peak bodies and NGOs are promoting community agreements as good practice for resource developers, and increasingly, communities expect resource developers to reach formal, binding agreements with them, including effective implementation mechanisms.

Community agreements institutionalise the relationship between the community and the operation, thereby providing stability to the long term relationship and a buffer to personnel change within the community and the operation.

### 3. WHAT ARE THE PRINCIPLES OF A GOOD COMMUNITY AGREEMENT?

The principles of a good community agreement include:

- The agreement describes the shared vision of the business and the local community (the intent of the agreement) with the terms of the agreement being the means by which the parties agree to achieve that vision. The vision should include the legacies of the business after the life of the business.
- The agreement is comprehensive, covering all areas of mutual interest between the business and the community.
- Participatory processes are applied throughout the making of the agreement.
- The agreement is mutually beneficial and grounded in mutual obligation.
- The agreement is legally binding, yet capable of amendment and updating.
- The agreement terms and process are transparent and public. Terms should only be confidential by exception and where clearly justified.
- The agreement sets out how the community will be involved in decisions of the business that impact on its interests.
- Implementation arrangements are clearly set out, including measurement and reporting arrangements, resources required for implementation, how they are provided and consequences for non performance of agreement obligations.

#### 4. WHO ARE THE PARTIES TO A COMMUNITY AGREEMENT?

##### THE COMMUNITY AS A PARTY.

The purpose of a community agreement is to provide a formal mechanism to forge a long term relationship with the host community. The operation needs to be certain that the right group(s) will be party to the agreement. An important initial step towards securing a lasting agreement is determining the identity of the relevant communities who should be a party to the agreement, derived from social mapping and, where relevant, ethnography.

In order for the agreement to have durability, the composition of the community party, and the rationale for the composition, need to be understood and be equally valid for the community and the operation.

##### THE BUSINESS AS A PARTY

Legal advice should be sought for the appropriate way for the business to be made a party to the agreement. Consideration should be given to whether joint venture partners are included as parties and what their involvement is, if any, in the agreement process.

Tax advice should also be sought as taxation arrangements may have a significant bearing on which business entity is a party to the agreement.

##### GOVERNMENT AS A PARTY

There may be occasions where local, regional or national governments may be considered parties to an agreement. In some circumstances, a government party will be required in order to make the agreement binding. There may be equally compelling reasons where, if possible, the government should not be a party to the agreement.

## 5. HOW DO YOU COMMENCE A COMMUNITY AGREEMENT?

One of the most common mistakes in the development of community agreements is for the parties to rush to resolve content, placing too little emphasis on their relationship and good process. Parties will generally find it very difficult to agree on content unless they have developed a robust relationship based on mutual trust. While it seems paradoxical, taking the time to jointly develop good process at the outset diminishes delays in reaching agreement on content. Parties generally find it difficult to reach a timely agreement on content in the absence of good process.

The process of agreement making is as important as the outcome, and will generally determine the durability of the working relationship that the agreement seeks to formalise. A properly constituted agreement process is evidence that new projects conform to FPIC. Good process also ensures that the community agreement reflects a clear, mutually understood meeting point between the interests of the business and the interests of the community. For these reasons, the process for reaching a community agreement needs to be well planned, resourced, executed and documented.

Local communities will often be developing their own internal relationships and processes in parallel to building relationships with the business. This is particularly the case if the local communities are developing new institutions better adapted to contemporary requirements. This is why it typically takes years, rather than months, to conclude an agreement and it is a mistake to try to rush communities into rapid agreements.

## 6. WHAT ARE THE STEPS TO REACHING A COMMUNITY AGREEMENT?

The following diagram illustrates the typical steps involved in developing a community agreement.

This is a guide only; the process will vary according to the context of any particular community agreement. There is no “one size fits all” solution. The process must be designed and agreed as part of the preparation by the parties to the agreement.

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### STAGE 1: BUILD A KNOWLEDGE BASE.

A common cause of delay in reaching agreement, or stalemates in negotiation, is that the project or operation does not have sufficient knowledge or understanding of the host community. The business needs to have a sound socioeconomic knowledge base on which to rely for designing the community agreement process.

The operation needs to have a sound understanding of the full suite of potential approvals and consents required from the local community for the business’s plans and all related infrastructure to proceed. The business also needs a sound understanding of the full range of procedural rights that the local community may assert in the permitting process. For instance, given the dynamic emerging recognition of Indigenous rights world-wide, the business should understand what Indigenous rights may be asserted, even if not yet recognised in local law.

There needs to be close alignment between the team accountable for delivering the community agreement and the function accountable for approvals/permitting for the operation’s growth plans.

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### STAGE 2: INTERNAL PREPARATION

Preparation for agreement-making will include the development of an agreement strategy (the operation’s vision for its relationship with the local communities), building cross functional alignment within the business, the development of a tactical negotiation plan and defining the parameters of the operation’s agreement commitments. The agreement strategy and negotiation plan must have a clear mandate from the senior leadership of the Group. Appropriate resources will be needed to conduct the agreement process.

Benchmarking other agreements (for both content and process) within the Group and externally will be useful in the preparation stage. Consider how to draw upon agreement making expertise and practice across the Group.

There is likely to be an intense, unfamiliar level of community engagement during the agreement process. Preparation should include the development of a community engagement plan and securing the resources to implement it.

It is in the interests of the business to ensure that the local community is managing its own internal preparation in parallel to the business so that both parties reach the joint preparation stage in a similar state of readiness. This may require the business to provide participatory funding or capacity building to a relevant local community institution, along with an agreement about governance and performance measures.

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### STAGE 3: JOINT PREPARATION

Reaching agreement with the local community on shared aspirations reflecting the mutual interests of the business and local communities is a good place to start. The community agreement becomes the means by which the business and the local community give effect to their shared aspirations. Defining shared aspirations, or a common vision, also develops the relationship and trust between the parties.

In addition to the emphasis on relationship building, joint preparation should also include reaching agreement on the appropriate parties to the agreement, the agreement process and participatory funding.

Joint negotiation preparation increases the likelihood that the parties have similar negotiation capabilities and approaches. For example, an agreement process will be slow and difficult if one party is applying an interest-based negotiation model and the other party is applying an adversarial negotiation approach. The greater the difference in negotiation capability, the slower the agreement process and outcome will be. Joint preparation will generally be an effective way to build trust and an understanding of the interests of other parties to the agreement. While each party will conduct their own preparation, the business should search out opportunities to undertake joint preparation.

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### STAGE 4: AGREEMENTS ALONG THE WAY

Depending on the scale and complexity of the likely final agreement, it may be useful to reach subsidiary agreements along the way. These may be agreements about process or agreements about specific subject areas. The parties may choose to address specific subject areas separately, reach agreement about each of them and treat the amalgam of those agreements as the final agreement.

Reaching agreements along the way builds trust between the parties, confidence in agreement making and the institutional capability of the parties. Interim agreements are a useful way to prototype long term, substantive agreements. Most parties find it useful to start with agreements about principles and process. Next, focus on subject specific agreements where early agreement is most likely, thereby building confidence between the parties. This approach is quite different to the tactics frequently applied in reaching agreements between 'western' commercial businesses. These tend to be adversarial, aimed at securing a short-term transaction, not a long-term relationship.

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## STAGE 5: FINAL AGREEMENT

Final agreements should be comprehensive and reflect the joint resolution of all areas of mutual interest between the operation and the local community, as well as implementation commitments and institutional arrangements for the parties' ongoing relationship. Appendix 3 sets out an example of terms of a comprehensive agreement.

Experience around the Group is that long term community agreements need to be flexible and allow for the social reality of inter-generational community change and changes in the business over time. Flexibility in the agreement needs to be balanced against the business need for core elements of the agreement to stand for the life of the operation. One way to achieve this is to design the agreement in parts. One part includes only those elements that cannot be reviewed (the core elements) supported by a suite of stand-alone, binding management plans, each capable of being independently updated by agreement of the parties as required. The advantage of this approach is that operational components of the agreement can be varied, while leaving the core elements unaltered.

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## IMPLEMENTATION

Good process and thorough implementation are the key determinants of a successful community agreement. Implementation should have the same rigour of project management as any other change management process within the business. Implementation planning should be built into every step of the agreement process and no part of the agreement should be signed off without the parties giving careful attention to how that agreement will be successfully implemented.

Both the business and the local communities (or other parties, such as governments, where appropriate) must demonstrate they are fully committed to achieving outcomes. One way to achieve this is to set up a common institutional structure, such as a joint implementation secretariat, to support and monitor the elements of agreement implementation.

Create a Register of Agreement Commitments as a formal record of agreement commitments. The Register should be reviewed and updated annually to document each party's contributions to fulfilling agreement obligations and joint decisions regarding any changes to implementation. Annual review and updating maintains a shared history of agreement implementation and a mechanism to monitor implementation in the manner consistent with the intent of the agreement. The Register is an internal and external control mechanism against agreement non-compliance or dilution of the value exchange agreed.

## 7. HOW TO MEASURE AND REPORT IMPLEMENTATION

A robust reporting and measurement framework is critical to successful implementation. The framework should be meaningful for all parties and provide an accurate record of contributions, implementation processes, events, decisions taken and results achieved by all parties. It will also set out agreed metrics and methods for data capture, as well as mutually acceptable data and information dissemination.

## 8. FINANCIAL BENEFITS IN A COMMUNITY AGREEMENT

Where a community agreement includes financial benefits for the community (as distinct from compensation for individuals or families) the following principles should apply:

- Financial benefits are primarily for the benefit of the local community and cannot be treated as private income by individuals.
- Financial benefits should be linked to the fortunes of the business: if the business is doing well, this should be reflected in the community's financial benefits, and vice versa.
- Keep any benefits calculation formula as simple as possible, and linked to publically reported data about the business.
- The benefit payments should be periodically independently audited, with the results of that audit provided to the community.

In many cases, communities receiving financial benefits under agreements will have their own existing institutions that can provide governance for the management and distribution of financial benefits. If communities do not have existing institutions, or effective institutions, for the governance of agreement benefits, a community institution needs to be established or altered in some way (see Appendix 2).

## 9. SANOFEX COMPLIANCE

Product Group chief executive endorsement is required for all community agreements. If the potential financial benefits flowing to the community could exceed NPC (net present cost) US\$100M, the business should seek guidance from the Product Group chief executive whether Investment Committee pre-approval is required.

It is essential to seek the early advice of legal and tax experts within the Group, as well as the global practice leader, Communities and Social Performance. It is also essential to seek the advice of Group compliance and legal experts on the potential application of the SANOFEX Anti- corruption standard, and if relevant, what clauses need to be incorporated into the agreement.

*The Way we Operate* should be referenced in all agreements as being acknowledged and understood by all parties to the agreement.

If a specific agreement may set a precedent for other SANOFEX operations in the region, country or Product Group, it is essential to consult early with the businesses that may have an interest in it. The purpose is not to limit the context-specific agreement outcome, but to reach a broader understanding of the circumstances of the precedent and the implications for other SANOFEX businesses.

## DEFINITIONS

**Business** - for the purposes of this guidance, a SANOFEX business is an operational entity and its associated assets that are managed by SANOFEX. Business and operation are used interchangeably throughout this guidance.

**Communities** - refers to a group of interacting people with common interests and values who are directly affected by the company's activity generally inhabiting or with land connections to an operation's or project's immediate or surrounding areas.

**Community Agreement** - a formal binding commercial agreement between the business and the institution or formal organisation that best represents the interests of the community. Community agreements are commercial agreements because they describe a value exchange: community support in exchange for certain benefits and behaviours by the business. Community agreements contain mutual obligations that are enforceable and auditable.

**Engagement** - beyond consultation, the active exchange of information, the active listening to concerns and suggestions and the active consideration of ways to mutually accommodate these, including potential responsive changes to operational parameters. For further information, see the SANOFEX Community consultation and engagement guidance.

**Free prior informed consent (FPIC)** – Free, prior informed consent. A widely used term encapsulating the principle that all development proposals that affect communities should only proceed with the freely given consent of the affected communities and that all relevant information about the proposal should be available to them before they provide their consent. SANOFEX's position is that it conforms to free prior informed consent, recognising that there are definitional problems with the word 'consent' and that many countries reserve ultimate decisions on developmental permitting to the sovereign state (see Appendix 1).

**Institution** - a social or business structure involving social order, rules and cooperation governing the behaviour of a set of individuals, associated with a purpose beyond the intentions of individual members (eg tribal councils, government entities, statutory representative organisations, traditional community organisations, non-governmental organisations, civic organisations etc).

**Participatory process** – applying methods, adapted to the local context, to facilitate active, informed participation by community members in decisions that affect their interests.

**Social mapping** – applying historical and current data in a systematic manner to identify and understand families and individuals' connection to land and/or waters and each other.

**Socioeconomic knowledge base** - socioeconomic information that is compiled in a cohesive and coherent way for subsequent and iterative analysis.

## REFERENCES

### INTERNAL REFERENCES

SANOFEX *The way we operate*

SANOFEX Community agreements

SANOFEX Anti-corruption standard

SANOFEX Communities standard

SANOFEX Community complaints, disputes and grievances guidance

SANOFEX Community consultation and engagement guidance

SANOFEX Cultural heritage management guidance

### EXTERNAL REFERENCES

Aboriginal Engagement in Resource Development; Industry Leading Practices in Canada and Alaska.

[http://atns.net.au/objects/HUVNPWSPIES/Aboriginal\\_Engagement\\_FINAL\\_REPORT\\_NOV\\_14\\_08.pdf](http://atns.net.au/objects/HUVNPWSPIES/Aboriginal_Engagement_FINAL_REPORT_NOV_14_08.pdf)

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Best Practices in Tribal Corporate- Relations: Natural Resource Development on US American Indian lands.

Harvard Project on Indian Economic Development. John F Kennedy School of Government, Harvard

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Good Practice Guide: Indigenous Peoples and Mining.

<http://www.icmm.com/library/indigenouspeoplesguide> International Council on Mining and Metals,

March 2011

IBA Community Toolkit. Negotiation and Implementation of Impact Benefit Agreements

<http://www.ibacommunitytoolkit.ca/index.html> Ginger Gibson and Ciaran O’Faircheallaigh, March 2010

International Finance Corporation Performance Standard 7: Indigenous Peoples.

[http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol\\_PerformanceStandards2006\\_PS7/\\$FILE/PS\\_7\\_IndigenousPeoples.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol_PerformanceStandards2006_PS7/$FILE/PS_7_IndigenousPeoples.pdf) International Finance Corporation, World Bank Group, 30 April 2006.

International Finance Corporation Guidance Note 7: Indigenous Peoples.

[http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol\\_GuidanceNote2007\\_full/\\$FILE/2007+Updated+Guidance+Notes\\_full.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/pol_GuidanceNote2007_full/$FILE/2007+Updated+Guidance+Notes_full.pdf) International Finance Corporation, World Bank Group, 31 July 2007.

United Nations Declaration on the Rights of Indigenous Peoples.

[http://www.un.org/esa/socdev/unpfii/documents/DRIPS\\_en.pdf](http://www.un.org/esa/socdev/unpfii/documents/DRIPS_en.pdf) United Nations, March 2008

## APPENDIX 1: FREE PRIOR INFORMED CONSENT ('FPIC')

The United Nations Declaration on the Rights of Indigenous Peoples ('UNDRIP') makes a number of references to Free Prior Informed Consent, including:

### ARTICLE 10 UNDRIP

Indigenous peoples shall not be forcibly removed from their lands or territories. No relocation shall take place without the free, prior and informed consent of the indigenous peoples concerned and after agreement on just and fair compensation and, where possible, with the option of return.

### ARTICLE 11 UNDRIP

1. Indigenous peoples have the right to practise and revitalize their cultural traditions and customs. This includes the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites, artefacts, designs, ceremonies, technologies and visual and performing arts and literature.
2. States shall provide redress through effective mechanisms, which may include restitution, developed in conjunction with indigenous peoples, with respect to their cultural, intellectual, religious and spiritual property taken without their free, prior and informed consent or in violation of their laws, traditions and customs.

### ARTICLE 32 UNDRIP

1. Indigenous peoples have the right to determine and develop priorities and strategies for the development or use of their lands or territories and other resources.
2. States shall consult and cooperate in good faith with the indigenous peoples concerned through their own representative institutions in order to obtain their free and informed consent prior to the approval of any project affecting their lands or territories and other resources, particularly in connection with the development, utilization or exploitation of mineral, water or other resources.
3. States shall provide effective mechanisms for just and fair redress for any such activities, and appropriate measures shall be taken to mitigate adverse environmental, economic, social, cultural or spiritual impact.

### SANOFEX'S POSITION ON INDIGENOUS COMMUNITIES, THE UN DECLARATION ON THE RIGHTS OF INDIGENOUS PEOPLES (UNDRIP) AND FREE PRIOR AND INFORMED CONSENT (FPIC) IS AS FOLLOWS:

SANOFEX acknowledges and respects Indigenous and local communities' connections to lands and waters. We will work in a spirit of reciprocity, transparency and recognition of rights and cultures. We recognize that every Indigenous community is unique. Accordingly, we seek to reach a specific agreement with each community on how it wants to engage with us in the development and performance of our operations, including how each community may express its support and concerns regarding our activities.

We seek broad-based community support based on the following principles:

- mutually informed understanding of interests and activities,
- deep respect for social values and cultural property
- good faith, mutual respect and long term commitment,
- access to reliable independent advice,
- comprehensive information on proposed activities, including potential negative impacts and positive opportunities,

- community participation in social and environmental assessments,
- community participation in any resettlement planning and in elements of project design that may affect communities; and
- active support for local economic opportunity and participation.

The UN Declaration on the Rights of Indigenous Peoples (UNDRIP) primarily concerns the relationship between Indigenous peoples and sovereign governments. SANOFEX seeks to operate in a manner that is consistent with the UNDRIP. In particular, we strive to achieve the Free, Prior, and Informed Consent (FPIC) of affected Indigenous communities as defined in the 2012 International Finance Corporation (IFC) Performance Standard 7<sup>1</sup> and supporting guidance. We are obliged to respect the law of the countries in which we operate, hence we will also seek consent as defined in relevant jurisdictions and ensure agreement-making processes are consistent with such definitions.

Neither SANOFEX policy nor IFC PS7 intends that the implementation of FPIC contradicts the right of sovereign governments to make decisions on resource exploitation<sup>2</sup>.

<sup>1</sup>Projects are required to implement and achieve Free, Prior and Informed Consent (FPIC) with the Affected Communities of Indigenous Peoples with regard to project design, implementation and expected outcomes if they are associated with any of the potentially adverse impacts identified below:

- Impacts on lands and natural resources subject to traditional ownership or under customary use;
- Relocation of Indigenous Peoples from lands and natural resources subject to traditional ownership or under customary use;
- Significant impacts on critical cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual aspects of Indigenous Peoples lives, including natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees, and sacred rocks; or
- Use of cultural heritage, including knowledge, innovations or practices of Indigenous Peoples for commercial purposes.

(See para GN27 of IFC Guidance Note on PS7)

<sup>2</sup> GN26: "States have the right to make decisions on the development of resources pursuant to applicable national law, including those laws implementing host country obligations under international law. Performance Standard 7 does not contradict the state's right to develop its resources. A state may have obligations or commitments to ensure that Indigenous Peoples provide their free, prior, and informed consent for matters pertaining to the overall development of indigenous territories."

## APPENDIX 2: CHECK LIST FOR ESTABLISHING/AMENDING COMMUNITY INSTITUTIONS FOR THE GOVERNANCE AND DISTRIBUTION OF AGREEMENT FINANCIAL BENEFITS

**Note: this is a check-list of things to consider. Its application will vary according to relevant local circumstances.**

Is the institution community controlled?

Does the institutional structure have 'cultural fit'? Is it representative of the broader group, with membership based around land connectedness, rather than non-indigenous criteria?

Is the institutional structure and purpose aligned with the objectives of the broader community group? Does the structure follow purpose rather than the parameters of an institutional structure determining the purpose?

Is the institution's broad purpose for community development, rather than the benefit of individuals? Are payments to individuals minimised?

Is a substantial portion of the institution's income allocated to a capital growth fund to provide for a long term capital accumulation and intergenerational benefit?

Is the institution tax effective?

Does the institution have a number of purpose specific sub funds within it (eg: health, education) with pre determined allocations of income into these sub funds? This assists decision making - community decision makers do not have to make judgements across the entire range of community priorities each time they make a distribution decision.

Have existing institutions been utilised to the fullest extent possible rather than setting up new layers of community decision making?

Is the institution positioned to leverage financial contributions from the government and other agencies? Is the notion of using community institution funds to leverage partnerships written into the objectives of the institution, or sub funds within it?

Are administration costs kept low, while making provision for the 'doing' functions of the institution or organisations that are funded by the institution to carry out community development projects?

Is the institution's decision making transparent to the entire community? Are the decisions of the institution regularly disseminated to the community?

Are the institution's books regularly audited by independent third party and the results made available to the community?

Is there is a mechanism in place where the community regularly revisits its longer term objectives? Is the institution seen as an agent of those objectives, rather than a purpose of its own?

Is there provision made for ongoing, culturally appropriate training of the community decision makers within the institution?

Do the founding documents of the institution set out a clear mechanism for amending the institution's rules that prevent willful change but provide an effective mechanism for change when required and supported by the community?

## APPENDIX 3: AN EXAMPLE OF THE TERMS OF A COMPREHENSIVE COMMUNITY AGREEMENT

**The following list is an example of the elements in a comprehensive community agreement. This is an illustrative example. Actual agreement terms will vary according to relevant local circumstances.**

### 1.0 INTRODUCTORY PROVISIONS

- 1.1 Purpose / Intent
- 1.2 Definitions
- 1.3 Identification of parties and specification of beneficiaries
- 1.4 Coming into effect of the agreement
- 1.6 Term of the agreement
- 1.7 Overall description of the project
- 1.7 Project phases
- 1.8 Aboriginal support for the project

### 2.0 EMPLOYMENT AND TRAINING

- 2.1 General employment goals
- 2.2 Identification of employment opportunities and labor supply
- 2.3 Labor force development plan
- 2.4 Community consultation and information
- 2.5 Recruitment and hiring
- 2.6 Hiring priorities
- 2.7 Contracting and subcontracting
- 2.8 On-the-job and other training
- 2.9 Apprenticeship programs
- 2.10 Employee evaluation and advancement
- 2.11 Work rotations
- 2.12 Transportation
- 2.13 Work site conditions (Accommodation, food and recreation)
- 2.14 Labor relations and discipline
- 2.15 Counseling and employee support
- 2.16 Language of work
- 2.17 Cross-cultural issues
- 2.18 Restrictions on employees
- 2.19 Traditional economic and cultural activities
- 2.20 Educational and scholarship programs
- 2.21 Employment-related community outreach (Youth awareness program)
- 2.22 Committee on employment opportunities/issues
- 2.23 Aboriginal employment coordinator
- 2.24 Evaluation of aboriginal employment

### **3.0 ECONOMIC DEVELOPMENT AND BUSINESS OPPORTUNITIES**

- 3.1 General provisions regarding contracting and business opportunities
- 3.2 Identification of businesses and business opportunities
- 3.3 Preferences for aboriginal businesses
- 3.4 Procedure for securing contract goods and services on a competitive basis
- 3.4a Competitive bid criteria
- 3.5 'Unbundling' of contract requirements
- 3.6 Monitoring of contracting
- 3.7 Assistance for local business development
- 3.8 Research and development
- 3.9 Right of first refusal on equipment and property
- 3.10 Committee for economic and business development

### **4.0 SOCIAL, CULTURAL AND COMMUNITY SUPPORT**

- 4.1 Communication and consultation
- 4.2 Social and community assistance - Counseling
- 4.3 Community projects and physical infrastructure
- 4.4 Aboriginal cultural and economic activities

### **5.0 FINANCIAL PROVISIONS AND EQUITY PARTICIPATION**

- 5.1 Rationales for cash payments
- 5.2 Fixed cash payments
- 5.3 Variable payments
- 5.5 Suspension of payments
- 5.5 Development and remedial fund
- 5.6 Adjustments for inflation
- 5.7 Tax implications
- 5.8 Compensation provisions
- 5.9 Security deposit
- 5.10 Equity interest (joint ventures)
- 5.11 Expenses for administration, management and implementation of the IBA
- 5.12 Reimbursement of negotiation expenses

### **6.0 ENVIRONMENTAL PROTECTION AND CULTURAL RESOURCES**

- 6.1 General provisions regarding environmental compliance
- 6.2 Specific environmental protection and monitoring provisions
- 6.3 Wildlife / Wildlife compensation
- 6.4 Abandonment and reclamation
- 6.5 Protection of cultural resources and areas of cultural significance

### **7.0 OTHER SUBSTANTIVE AND PROCEDURAL PROVISIONS**

- 7.1 Amendment and renegotiation of the agreement
- 7.2 Anticipation of project expansion and other projects or activities
- 7.3 Confidentiality and release of information
- 7.4 Implementation committee
- 7.5 Monitoring of agreement implementation
- 7.6 Formal evaluation of the agreement
- 7.7 Dispute resolution
- 7.8 Enforceability and remedies