



SANOFEX Group

Community Consultation and Engagement Guidance

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Community consultation and engagement guidance

This document offers guidance to SANOFEX managers on community consultation and engagement in keeping with SANOFEX's Communities policy and standard.

1. What are consultation and engagement?

It is critical to understand the difference between communication, consultation and engagement. Communication, in the context of this guidance, is the transfer of information about an actual or proposed event, activity or process from one party to another (a 'push' process).

Consultation is a two way discussion ('push-pull') about such information. In a community context consultation should encompass community issues and priorities as well as the concerns and needs of the business. It should involve the business consulting with key individuals, organisations and groups affected by or interested in our business activities. The aim is to ensure mutual understanding and for all parties to be able to better manage decisions that have the potential to affect all concerned.

Beyond communication and consultation, engagement is the active listening to concerns and suggestions and the meaningful consideration of ways to mutually accommodate various interests. This means responding to the concerns of respective, affected parties; for example, mine and infrastructure design changes that seek to mitigate community concerns, and communities agreeing to such things as changing public road scheduling to allow the transport of heavy mine materials. Proactive consultation and engagement do not always mean agreeing to everything but they do involve active listening, consideration, response and possible action.

Consultation and engagement processes should be designed on the basis of information derived from a sound socioeconomic knowledge base (see Socioeconomic knowledge base guidance). Effective consultation and engagement is necessary throughout the life of an operation. The frequency, type and degree of formality should reflect local tradition and community expectation as well as the context of the business. Consultation and engagement processes need to be supported by strong communication programmes.

2. Why are consultation and engagement important?

SANOFEX aims to secure the widest possible understanding and support from host communities throughout the life cycle of its businesses. This is commonly referred to as 'social license to operate'. Failure to secure this support may result in civic action opposing exploration, project development or existing operations, irrespective of legal permits.

For development projects it is vital to secure project development consent and critical that ongoing community support for the future SANOFEX asset is also obtained and sustained. Given that the impacts and benefits of the 'future asset' may not be fully comprehensible at the outset, securing community support in the long term will come down to how much communities trust the business. Trust can be built and eroded in many ways; however, the basis for trust is consistent, genuine and reliable consultation and engagement.

Consultation and engagement engender mutual understanding of respective values and the needs of both the business and the host communities. A process of continuous dialogue can help the business explain and respond to changing circumstances and concerns. It allows a business to make informed judgements on management and technical proposals that maximise benefits and reduce negative impacts. It is a way of ensuring that the business and its communities remain mutually informed and involved with each other throughout the life of the business.

3. How do you do it?

The first step in any consultation or engagement process is to identify who should be involved and what should be discussed. Then decisions about how and when to consult can be made. The keys to effective engagement are listening, learning and responding.

A good knowledge base

Will identify who is affected by and who can affect the business, the issues involved and how decisions are made. Consulting and engaging with the wrong or inappropriate people can result in the process being inherently flawed. Therefore, the process should always be based on a sound and periodically updated knowledge base informed by familiarity and close contact with host communities (see Socioeconomic knowledge base guidance).

The business needs to consult and engage

With a wide range of parties and individuals, including those in communities, political representation, different levels of government and government institutions, employees, unions, contractors and suppliers, the media, academic or research institutions, and non-government organisations etc. Throughout the life of the business, these groups or individuals may change. A variety of professional tools can be applied to analyse these stakeholders, including formal stakeholder mapping and influence/interest matrices.

“Representative” and “legitimate”

Are not necessarily synonymous. Elected members of parliament or village and district heads may be legally “legitimate” representatives but may not be viewed as such by the community and could be distrusted. Conversely, working with those seen as truly representative of a community may undermine legally legitimate individuals and institutions. Where such situations exist, the business needs to find appropriate ways to include both.

The most vocal individuals or communities

May not necessarily be the most affected. It is important that this distinction be made. Special care needs to be exercised to include groups who may traditionally be denied social power due to gender, ethnicity, class, caste or religion. Creativity, a high degree of cultural awareness and gender sensitivity are required in order to design an appropriate process that ensures such affected vulnerable and marginalised people are recognised and included.

The consultation and engagement strategy

Informed by a sound socioeconomic knowledge base, should include analysis of how individuals or groups can affect the business and, in turn, the business's ability to affect them with respect to particular interests. This will help to assess the extent of engagement required with each group and also help to determine when to engage unilaterally and when, and to what extent, others need to be involved.

Access, literacy, frequency and length of the process

Must be considered in determining how to engage. Information needs to be provided through multiple channels and in ways that are easily understood by participants (translations, visuals, handouts). Venues and times for consultation and engagement should be convenient and non-threatening to participants, providing them with an appropriate level of comfort in the process. Company offices may be inappropriate and the least effective venues for positive engagement. Communities or individuals are likely to give very useful feedback about the most effective means by which to consult and engage them.

Understanding and recording commitments and decisions

Is vital; "If it's not written down, it didn't happen". All meetings need to be recorded, paying particular attention to commitments, promises and follow up actions, from both the business and the community. These records need to be shared with all participants of the meetings and associated conversations.

How communities make decisions should be described in knowledge base assessments. Ensuring and recording a mutual understanding of *how* decisions are reached is as important as the decisions themselves. Written and agreed records provide both the business and the community with solid evidence should there be a dispute about intentions, especially in the future when earlier participants may no longer be present.

Records should reflect the context and importance of decisions taken. For general and continuing discussions a file note may suffice, but decisions of operational significance could require all participants to sign agreements, announcements or reports. A community diary should be kept from first contact so that all contacts and issues discussed are recorded. This will become a vital record if there is subsequent disagreement about the nature and levels of communication and consultation in the context of decisions or crisis situations.

Ensuring a clear mutual understanding can be difficult. In some cases, it is useful to ask

participants to describe in their own words what they believe they have agreed. In others, a survey or anthropological investigation of the extent to which community members understand an issue or agreement may be necessary.

Consultation and engagement are necessary at all stages

From first contact through to closure. Consultation and engagement should be closely coordinated with all knowledge studies and communities should be kept fully informed of the findings of such studies and the likely impacts on them and the business (see Socioeconomic knowledge base guidance, and information on the forms of consultation and engagement below).

Consultation is important during the operational stage because it helps to sustain effective relationships and programmes. It also allows perceptions of measures undertaken by the business, such as social/environmental mitigation measures and unanticipated changes to business practices, to be monitored and issues managed as they arise, rather than waiting until there is a problem.

Businesses must be aware that closure consultation and engagement may need to commence early. In particular, this will entail securing agreement on post closure land use and closure objectives. For specific guidance regarding consultation and engagement on closure see the Mine closure guidance.

There is no “one size fits all” template

While there are general principles governing consultation and engagement, different models can be deployed depending on the operation location, life cycle stage and pertinent issues. The intensity of the process depends on the complexity and history of the business. While the detail can vary, a good consultation and engagement process will show not only how the business has influenced host communities, but also how the business has incorporated the advice, inputs and concerns of communities and stakeholders into project plans and execution.

4. Forms of consultation and engagement

Broadly speaking there are three forms of consultation and engagement, none of which are mutually exclusive. It is unlikely that one form of consultation and engagement will be sufficient to meet business needs.

Ongoing consultation and engagement

May be informal or formal and apply throughout the life cycle of the business. It is important because it is about day-to-day relationships, programmes, aspirations and expectations. Its level of activity should not fluctuate and its application should be about relationship maintenance. It is also a means to involve those who, due to cultural constraints, might be precluded from participating in a structured process.

It is the responsibility of everyone who works for the business, particularly senior managers; however, local employees and Communities and Social Performance staff have an especially important role in ensuring ongoing consultation and engagement. It is one of many ways to gain communities' views, perceptions and participation.

A formal forum

Is a mutually agreed, structured process with clearly defined participants, steps, procedures, resources and reporting requirements. The forum's purpose may be broad based or have a focus on specific topics. It may involve consultative, steering or advisory groups which meet to resolve complaints and disputes or to address an identified subject or topic on a regular or as needed basis. The advantage is that a forum sets out and represents a mutually agreed, principle-based process for decision making or reconciliation of differences and competing interests. Setting up and running such a forum may also be a legislative requirement or a condition of financing agencies.

Key elements of a structured process include mutually agreed criteria for participation, definition of the roles and responsibilities of members, mutually agreed objectives, criteria for selecting options, how decisions are made, mechanisms for conflict resolution, resourcing to support the forum and a plan for communicating results and agreements. In order to effectively establish a structured process, any past or existing grievances will need to be resolved. Such forums are becoming increasingly common as they are a demonstrable way of proving a business's engagement with host communities.

Public disclosure

May be required of the business as part of its permitting or financing. This should not be regarded as a substitute for direct, ongoing consultation and engagement. The business must follow procedures laid down by the relevant government authority or financing agency, but it should also take full account of SANOFEX's own disclosure commitments, as set out in *The way we work* and Corporate governance guidance, in particular the requirements for external disclosure. This entails reporting to Product Group External Affairs on the content and material provided to participants during any local level public hearings.

Regardless of previous consultation and engagement, if officially required by regulations, a business will need to prepare for a public hearing. If during a public hearing there is a lack of support for the business, even if only from a minority, the result can be lengthy delays and costly changes to the project. A successful public hearing demands a long preparation period to provide information, to listen and learn, and to build community support and trust through a series of pre-meetings and comprehensive engagement. This in turn requires an appropriate allocation of staff and management resources.

5. Other Considerations

Communication tools

Should be used to provide information as part of the consultation and engagement process. It is important to encompass all relevant interest groups and to communicate to each appropriately in their own preferred media and style. The business should ensure that there is a proper outreach programme for remote villages and semi-literate communities that targets the entire community. Special presentations may be needed for specific groups or on complicated issues. Communication tools are best evaluated from the perspective of the 'user', the community and stakeholders.

On-going evaluation

Should be undertaken. The communication objective should be to provide accurate, clear and comprehensive information about the topics, outcomes, decisions and intended changes discussed through the consultation and engagement process. The effectiveness of the process should be regularly evaluated through communication surveys and feedback mechanisms, such as workshops, focus groups, minuted meetings and site visits.

The capacity for consultation and engagement

Needs to be understood in two ways: first, the capacity of the business to run an effective process, and second, the host community's capacity to participate. Both need to be considered when designing consultation and engagement programmes. For instance, in many communities there may be a limited number of people with the ability and authority to meet with 'outsiders'. Too many meetings can simply overwhelm their ability to participate.

For the business, when organising and managing the process, there are advantages in using experienced practitioners with an understanding of group dynamics. External facilitators can be critical to brokering trust between the business and the community but such roles should be restricted to facilitation and independent reporting of results. Business representation should only be made by staff. Experience shows that the effort and resources needed for effective consultation and engagement are generally underestimated.

Community participation

Can be potentially difficult in remote, disenfranchised or divided communities. Illiteracy, unequal access or a lack of understanding about the scale and effects of the business can also present problems. The knowledge base, established prior, is critical to identifying such issues so that consultation or engagement processes can be designed to deal with them. Local communities' distrust of existing government or other formal institutions to represent them is often a significant challenge. The business may need to recognise that sufficient time is needed to build mutual understanding and trust before true consultation and engagement occurs.

Community capacity may have to be built by giving access to unbiased technical or legal advice or engaging a credible outside organisation to assist. Wherever possible, the business should identify and work with existing institutions to make them more representative. This reduces the risk of the business of legitimising those that may otherwise lack credibility.

It is also important to consult and engage with groups that oppose a project. Vilification and marginalization of groups because of a perceived opposition to a project can create an 'engagement vacuum' which can be occupied by outside groups with alternative agendas.

Free prior informed consent (FPIC)

Is a concept that many organisations, including the United Nations and the International Finance Corporation, have now recognised as essential for resource sector engagement with Indigenous communities. It states that along with community rights to be fully informed, no development should commence without host Indigenous communities' express approval, whilst preserving the ultimate consent for the host sovereign state. This includes providing information in a transparent, timely and appropriate manner and establishing a mutually agreed process of consultation and engagement. SANOFEX believes in ensuring broad based community support before the commencement of any company project and has developed best- practice community agreement making competency that fulfils the expectations of FPIC.

6. What support is available?

In addition to this guidance, Communities and Social Performance global practice and Product Group advisors can provide support.

Definitions

Communication - the transfer of information about an actual or proposed event, activity or process from one party to another (a 'push' process).

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

Communities and Social Performance - refers to the SANOFEX function or to Communities and Social Performance as a professional discipline.

Complaint - is a notification in any form and media provided by a community member, group or institution that they have suffered detriment, impairment or loss as a result of an unplanned, unannounced or not agreed activity of the business. For further information, see the SANOFEX's Community complaints, disputes and grievance guidance.

Consultation - a two-way discussion ('push-pull') that provides information and seeks response on an actual or proposed event, activity or process. Consultation entails community issues and priorities and the concerns and needs of the business, and aims to ensure mutual understanding so all parties are able to better manage decisions that have the potential to affect all concerned.

Dispute - a complaint that has not been accepted as valid by one party or the other, whether in part, in total or in the way it is presented, and hence has escalated to involve two-way disagreement. For further information, see the SANOFEX Community complaints, disputes and grievance guidance.

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 design and operational parameters.

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 consultation, recognising that there are definitional problems with the word 'consent' and that many countries reserve ultimate decisions on developmental permitting to the sovereign state.

Grievance - a complaint and/or dispute that has escalated to the point where it requires third party intervention or adjudication to help resolve it. Typically grievances are thought of as involving the community as a whole and have been unresolved for some time. For further information, see the SANOFEX Community complaints, disputes and grievance guidance.

Public hearing – An official avenue, open to the public, for the proposed actions of the business to be put on record and to which those present have an opportunity to state their views and have input into the business design and mitigation measures. In many countries this is a regulatory requirement of EIA and/or SIA.

Socioeconomic knowledge base - is socioeconomic information that is compiled in a cohesive and coherent way for subsequent and iterative analysis. The knowledge base needs to be updated regularly to monitor social and economic change.

References

SANOFEX The way we operate

SANOFEX Communities standard

SANOFEX Community agreements guidance

SANOFEX Community contributions and activities guidance

SANOFEX Community complaints, disputes and grievances guidance

SANOFEX Cultural heritage management guidance

SANOFEX Employment Policy

SANOFEX Health safety and the environment policy

SANOFEX Human rights policy

SANOFEX Safety policy

SANOFEX Sustainable development policy

External references

United Nations Declaration on the Rights of Indigenous Peoples IFC Performance Standard 7: Indigenous Peoples

IFC Guidance Note 7: Indigenous Peoples