

SLO GUIDE TO COMMUNITY DEVELOPMENT

WHY

The reality is that for most projects, the benefits that come from job and business opportunities fall to a relatively small proportion of the population, usually those with better education and better connections. For the majority of community members, community development is the one broadly distributed benefit they might see from a project. It is also commonplace to come under community and government pressure to “help” and it is also natural to feel that helping those we think of as being less fortunate than ourselves is “the right thing to do”. The result is often a temptation to do something to relieve the pressure and to live up to a self-image. However, it is important to try and resist the instant gratification of a quick fix and to try and move away from ‘giving stuff’ and providing hand-outs which tend to create dependency and move more towards building capabilities and developing a sense of ownership, empowerment and accountability. It is also important not to fall into the trap of overpromising and under-delivering and turning what could be a positive into a negative.

WHAT

HOW

Build trust in the community development process



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

1. Define the company drivers and short and long-term objective for local development in a way that everyone on the project can understand and that you can explain to the local community;
2. Define the rules for assistance at all levels – donations, infrastructure and long-term investment - in a way that everyone on the project can understand and that you can explain to the local community;
3. Define local using criteria that make sense for the site (see What else? for some ideas);
4. Ensure all the players on site – Owner, EPC and other contractors – consistently apply the rules.

Educate

1. It is never too early to start;
2. Talk about your performance – on your website and in locally used forums. Radio, TV, social media and the tried and tested community noticeboard are all possibilities;
3. Explain to your local staff how and why you do community development the way you do. As with health, peer education is one of the best ways to get results;
4. Prepare a frequently-asked-questions sheet for everyone to use. Keep it simple, focus on the top 10 and aim for a single page;
5. Use the opportunity of site visits by company leaders to share community development related news and information with staff and community alike. One-on-one meetings, small groups and larger gatherings can all work.

Implement a good donations program

Donations are discretionary funding driven by requests from the community. While usually small dollars and short-term, they show the company is responsive to local needs and can be used strategically to support long-term objectives. **Example: support for local festivals or sport; donation of supplies**

Required Actions:

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Consider the bigger picture; 2. Define areas of support; | <ol style="list-style-type: none"> 3. Define selection, assessment and approval criteria; 4. Communicate processes and the results widely; 5. Act consistently. |
|--|--|

Do quick impact projects well

Quick Impact Projects are high-visibility projects and are sometimes referred to as ‘ribbon cutting’ projects. They can be done quickly to generate good will and result in a tangible benefit, short-term benefit, usually in the form of a building or infrastructure. The benefits of quick-impact projects need to be weighed up against the risk of creating dependency and the question of long-term sustainability. **Example: classrooms, hospital buildings, water systems**

Required Actions:

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

Develop a long-term investment plan

Long-term Investments are activities, programs or projects that build local capability and self-sufficiency over time. They support longer term business objectives such as delivering lasting benefits, building reputation and sustainability. **Example: livelihood support and skills development**

Required Actions:

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

WHAT ELSE

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

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

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

SOURCE: IFC Strategic Community Investment Handbook 2010 [IFC SCI Good Practice Handbook](#)



What's in a name? Social Investment, community investment, community assistance, community support are often used in place of community development and while there is no right or wrong, the term Community Development does have some benefits. For example, projects are 'developed' and we talk of 'developing our people' when referring to building the capabilities of employees, so extending the 'development' theme into the community is not much of a stretch and provides an easy to understand link back to the business. Also, the techniques for developing the capabilities of staff and communities are

similar, with mentoring, training and peer-to-peer learning playing key roles. As is the transition from use of short-term specialised expertise (expatriate supervisors and trainers inside the company and NGO contractors in the community) in the early stages, with a high degree of early oversight reducing over time as skills and capabilities grow. Lastly, with so many strange business terms, acronyms and concepts being thrown around, Community Development is one term that many communities are familiar with and likely to intuitively understand.



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

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

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

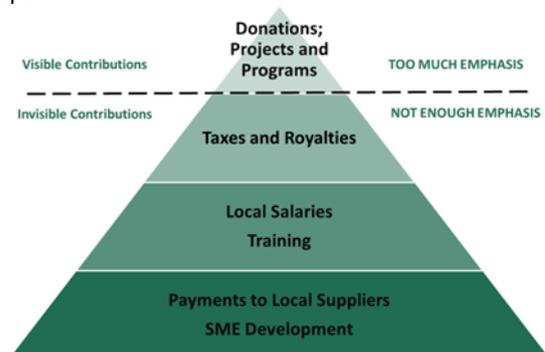
If you find it difficult to get it right with a simple sport sponsorship what chance a more complex community project?

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

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

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

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



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

WHAT ELSE



Source: [UN Sustainable Development Goals](#)

Sustainable Development Goals (SDG): For the foreseeable future the 17 SDG approved by UN member states in 2015 will be front and centre of the global sustainability agenda with the private sector expected to play a (large) part by contributing financial and technical capacity.

The SDG provide an opportunity for companies to better align their community development activities with government priorities in the countries in which they operate as well as with the global agenda.

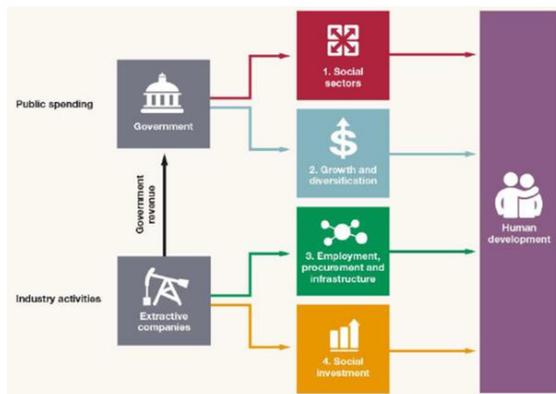
Mining's role in achieving the SDG: A 2015 exercise mapping the impact of mining on the SDG can be used to focus company attention.

Check out the report at: [Mapping Mining to the SDGs](#)

By mapping the linkages between mining and the SDGs, the Atlas aims to encourage mining companies of all sizes to incorporate relevant SDGs into their business and operations, validate current efforts and spark new ideas.

Or have a look at: [40 targets](#)

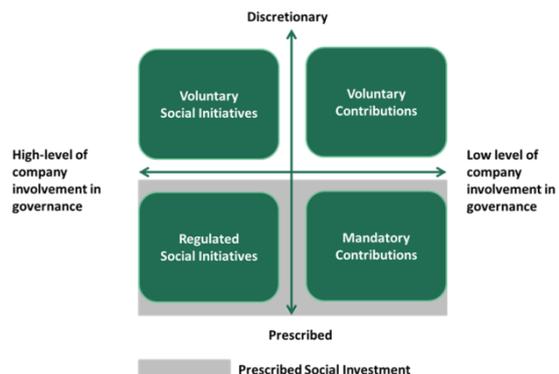
Taking a more holistic view: A quick look at the ICMM website and a trawl through recent sustainability reports shows the extent to which payment of taxes, local employment, local procurement and social investment (to a lesser degree) have become firmly entrenched within the lexicon of the bigger industry players.



Source: [AfDB/GATES](#)

Increasing Government Intervention: Good practice guidance has long emphasised the need for companies to try, whenever practical, to align their community-focussed initiatives with government development priorities. However there is an emerging trend of increasing government intervention in both community development and local content through legislation, regulation and agreement making.

A CSRSM research paper published in 2013 provides perhaps the most comprehensive look at the issue and a possible typology for the future.



Source: [CSRSM 2013](#)

Implementation: Companies across a range of industry sectors continue to use a combination of models to implement their community-targeted activities. This road-map, courtesy of the IFC, can be a useful starting point for anyone considering modifying or extending current programs, or simply reviewing their current mix:

Table 7.2: A Road Map for Deciding How to Implement⁶¹

	In-house Implementation	Third-party Implementation	Foundation	Multi-Stakeholder Partnerships
Time Horizon	• Short to medium	• Short, medium, long	• Long	• Medium to long
Budget	• Variable cost depending on the size of the in-house team	• Budget can be any size	<ul style="list-style-type: none"> • Requires significant funds (endowment or multi-year commitment) • Involves set-up costs (legal and administrative) • Overhead and operating costs can be significant 	• Variable cost depending on the number of partners and the scope of program
Local Context	<ul style="list-style-type: none"> • Where local capacity and partners are lacking • Where quick results are needed 	• Relies on the availability of strong local organizations or existing programs to support CI	<ul style="list-style-type: none"> • Where regulatory requirements mandate creation of an independent foundation or trust to receive funds • Where revenues allocated for CI are significant 	• Relies on the existence of partners with similar values and development objectives in the same region or target area
Pros	<ul style="list-style-type: none"> • Helps promote close links across business operations and better coordination with other mitigation efforts (i.e., environmental remediation, resettlement) • Helps develop internal capacity for and expertise in CI • Helps increase sense of ownership and accountability over CI activities • Helps leverage corporate strengths and capacities • Helps create a direct connection to the community • Helps to have CI benefits directly associated with the company • Helps to increase consistency by not being dependent on consultants and outside partners 	<ul style="list-style-type: none"> • Creates flexibility by bringing in specific technical expertise, as needed, on a short or long-term basis • Helps to leverage outside knowledge, skills, and networks 	<ul style="list-style-type: none"> • Helps to attract other partners and external funding • Can promote greater community participation in management and decision making • Can operate at a broader level (i.e., regional, national, or global) • Can help a company separate legal liability (its own versus the actions of the community's CI program) • Allows better separation of mitigation from CI activities • Enables implementation of a CI program that can outlive the company's presence and/or participation • May provide tax advantages in some contexts 	<ul style="list-style-type: none"> • Helps to leverage outside knowledge, skills, resources, and/or networks • Can increase likelihood of success through enhanced ownership and sustainability • Increases potential for scalability, extended reach • Enables both risk sharing and cost sharing
Cons	<ul style="list-style-type: none"> • CI may be mixed with community relations, social mitigation, resettlement, and other non-CI activities • Requires local capacity building to ensure sustainability of projects after company participation ceases • Overhead costs can be high due to the in-house staff required 	<ul style="list-style-type: none"> • NGOs may have little experience working with the private sector • Different approaches and expectations can be problematic to manage • Third parties may have their own agendas, and may not always adhere to company objectives • The community may associate benefits brought by CI activities with the implementing partner and not the company • Building institutional memory and retaining lessons learned can be a challenge • Costs can increase if international expertise is required • Working through existing programs creates a risk that the company may have little influence over the project's design and outcomes 	<ul style="list-style-type: none"> • Costs involved in establishing and operating foundation • Time necessary to build institutional capacity and establish credibility • Separation from the company might lead to CI activities being divorced from the company's core business strategy; less credit going back to the company for achieved results; and/or increased risk resulting from loss of direct engagement; • Finding appropriate leadership can be challenging since board members will need to make a long-term commitment (often on a pro bono basis) 	<ul style="list-style-type: none"> • It can be time consuming to agree on shared goals, objectives, and measures of success, as well as to secure specific commitments • Company has to give up a certain amount of control over decision making and outcomes • It is often a challenge to establish mechanisms for sharing roles, responsibilities, costs, and ownership • Different interests or objectives among partners can create conflict, especially when nontraditional partners come together

Source: [IFC SCI good practice guide](#)

Partnering: Using partnerships is about accessing expertise, increasing reach, depth and leverage of programmes and activities and sharing risk but they are not something that you must do - the decision to partner (or not) is a business decision and needs to support the overall objectives of the company strategy.



Typical initiatives to build business capabilities – like establishing a business development centre or setting up a microcredit program - often require collaboration. Likewise initiatives to build local skills and develop a pool of trained people often require, and will benefit from, collaboration with government and non-government service providers. Community development programmes addressing health, water and sanitation, education, income generation and governance can also benefit from working with good partners.

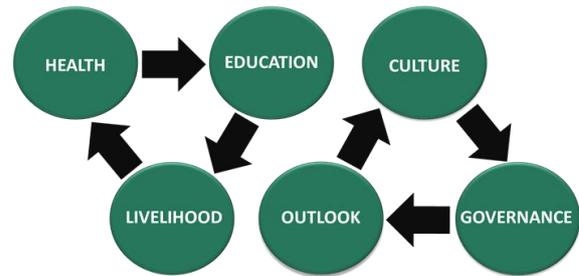
The alternative to partnering is to build the capabilities in-house (which usually means a relatively larger team of people each with a narrow field of specialisation and expertise) or narrowing the focus of company supported activities or not doing anything at all.

Partnerships can be particularly useful when trying to influence policy and practice at the national level. Actively supporting and being carried on the coat-tails of an international initiative like EITI is likely to be more far effective than direct lobbying on your own for example.

For all the potential of partnerships, we need to keep in mind that taking the partnership route does not automatically mean that the results will be positive, or any better than if the company had done its own thing. In many ways there is a parallel with the out-sourcing of technical services support to contractors, with many of the same contributors to success – clear scope, complementary skills, good communication and a willingness to be flexible.

WHAT ELSE

Linked up early thinking: On one site, still in the pre-final investment decision phase, the company chose to work with a local NGO and to put a strong focus on debunking the misconceptions that the company was the centre of the universe, and that it had unlimited access to money and had all the answers.



The company had a very self-centred reason for taking this approach, believing as it did that success for the business was intimately linked to the ability of the local communities to develop and grow and that success would only come if it worked with local people and local government to identify and implement ideas and actions that would ensure that they would be better off as a result of the company operating in their backyard.



To give an idea of the approach, one of local communities asked the company to build them 3 classrooms which the company worked out would cost about \$100,000 by the time it complied with all its internal health and safety and procurement rules, \$100,000 it didn't have. In the meantime, another community used a small cash donation the company had made to their annual harvest festival fund-raising as their contribution to an NGO-run school building program and turned \$1,000 into a 3 classroom building. After seeing this community-driven success the company increased its efforts to bring all the local communities together for some peer-to-peer learning.

One takeaway for the company from this experience was the realisation that the local communities could be extremely resourceful and creative. This may not be a surprise for anyone with an international development background but it was a bit of an 'ah ha' moment for the company.



As with many rural areas farming was the basis of most livelihoods so the company placed a strong focus on "growing" better farmers, helping people get better at what they already did rather than trying to turn farmers into business people. Through their NGO partner they developed a cadre of model farmers (peer educators) who could tell their own stories of the benefits of improved cropping and animal husbandry practices. The company also worked with the government agricultural extension officers to understand what resources they needed to do their job rather than taking it over. And it supported the annual National Farmers Day celebrations – tying into a government run event which showcased the national and local pride in agricultural excellence. A linked up approach if you like – grassroots to government. This approach also built on the strengths of its NGO partner and it has to be said the company was fortunate that their local NGO manager was a well-respected farmer himself.



A third area which also received quite a bit of effort was the local governance aspect, working with the NGO partner and a quasi-government agency to provide basic training such as how to participate in a committee meeting, responsibilities of local government / community representatives and the role of local government in district development. Something the company discovered at the same time was that its own team had very little idea how these processes worked so the company put them through the same training, alongside the community members. This provided another shared learning opportunity and it also demonstrated that the company did not see itself as being better or smarter than other members of the community.



The last area the company focused on was building a positive community outlook – trying to encourage a glass half full / grasp the opportunity attitude.