



# Mining for Development Conference 2013

Sydney, Australia

## SESSION SUMMARY - CONCURRENT 2A

### Preventing conflict through positive stakeholder relationships Dame Meg Taylor DBE, Aidan Davy, Doris Puiahi, Alex Bekenstein

This is the century of extraction, but with it can come with conflict said Dame Meg Taylor DBE, Vice President and CAO, Compliance Advisor Ombudsman, World Bank Group at today's Mining for Development Conference 2013.

What is at the heart of this conflict is complex.

“Population increase is creating more competition for resources. We are seeing development of agriculture, development of infrastructure, and often it is the communities that are forced to make way for this development,” said Dame Taylor.

Half of the issues that the Compliance Advisor Ombudsman (CAO) manages are from the oil, gas and mining industry. This includes concerns around:

- Socio economic issues
- Disclosure, communities not having rights to information
- Land rights, especially in relation to the displacement of people
- Water
- Indigenous issues
- Labour issues such as the creation of jobs,
- Cultural issues

“Right now there are 229 conflicts with mining countries around the world. It is our role to deliver stakeholder engagement and help companies, governments and communities work together.

“Agreements and royalties need to be structured based on their impact to the local community senior management of mining companies should acknowledge that conflicts can occur and that there is an opportunity for open discussions,” said Dame Taylor.

Conflicts occur when the interests of both parties are incompatible, and in extreme cases can result in violence said Mr Aidan Davy, Deputy President and Senior Program Director, International Council on Mining and Metals.

“Conflict prevention is an important aspiration, but there is an inevitability of conflict, so steps should be made to ensure it is constructive rather than deconstructive.”

The International Council on Mining and Metals (ICMM) was formed in October 2001 to work with communities and governments to find ethical means to discover and extract metal ore from the earth.

## International Mining for Development Centre

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WA Trustees Building  
Level 2, 133 St Georges Terrace  
Perth, Western Australia 6000

Tel: +61 8 9263 9811  
Fax: +61 8 9263 9877  
Email: [conference@im4dc.org](mailto:conference@im4dc.org)  
Web: [www.im4dc.org](http://www.im4dc.org)



“There are different types of conflict prevention strategies ranging from contextual factors where known sources that are the cause of conflict, causal risk factors such as the need for basic resources and a focus on prevention rather than a cure,” said Mr Davy.

Fragile states face severe developmental challenges, and are often affected by violence. No low income fragile state has achieved a single Millennium Development Goal (MDG), such as eradicating extreme poverty and hunger or combating HIV / AIDS and other diseases.

“In 2012 there were 42 incidents of conflicts in 26 countries, mostly in developing nations. Voice and accountability, and political stability were listed as the key indicators of instability, as well as the rule of law,” said Mr Davy.

Significantly, economic and environmental factors have been cited as the primary and underlying issues for conflict. This is amongst other categories identified such as social cohesion, resettlement and land issues.

“Companies need to recognise these issues and set agendas to avoid conflict escalation by understanding the country and local context. There should be a recognition of vulnerabilities and a grievance mechanism implemented,” said Mr Davy.

The ICMM has developed a community development toolkit for the mining project cycle as well as other guides such as the indigenous peoples and mining to help build positive stakeholder relationships and address vulnerabilities and grievances.

“We live in an ecosystem as well as in an economy. It is essential that governments recognize the important role companies play in the community and partner with them,” concluded Mr Davy.

There is presently only one mine in the Solomon Islands according to Ms Doris Puiahi, Program Manager, Inclusive Natural Resource Management (INRM) Project, Live and Learn Environmental Education, Solomon Islands. “But up to 20 mining licences have been distributed.”

“We have an opportunity to learn from extractive industries around the world,” said Ms Puiahi. “At the moment there is a lack of information at most stakeholder levels and people are not well informed for decision making. We are looking to other countries such as Fiji as to how they have managed mining and landowner agreements.”

As an emerging industry in a developing nation, there is the potential for conflict caused by the influx of mining.

“The nature of customary land ownership and current land disputes can also present conflict as there is often a lack of governing mechanisms to accommodate tribal group ownership issues. In addition, a lack of confidence in the country’s current leadership can also create conflict,” said Ms Puiahi.



With 40 years experience in logging, the Solomon Islands has experienced conflicts despite having transparent logging laws. Corruption occurred when logging happened in areas without the consent of the landowner.

As mining interests increase for the Solomon Islands, strategies are being considered for working with stakeholders towards effective conflict prevention.

“Culturally acceptable consultation needs to be in place and landowners need to have information so they can make well informed decisions. Managing money and legal support as well as strengthening the regulation system will all help prevent conflict,” said Ms Puiahi.

“With only 10 out of 18 Islanders able to read and write, it may take time for information to the people who need to make decisions. But every step should be taken for the mining companies, provincial and national governments. NGOs, civil society organisations, churches and landowners to work together and ensure matters of potential conflict are resolved before it’s too late,” concluded Ms Puiahi.

According to Mr Alex Benkenstein, Senior Research - Governance of Africa’s Resources programme, South African Institute of International Affairs, a lot can be learned from the Marikana massacre at a mine, killing 34 people in South Africa last year.

“The shooting was the result of a massive breakdown in stakeholder relationship at the mine. News of the shooting sent shock waves through the world,” said Mr Benkenstein.

“The mine had poor stakeholder relationships between the Marikana community who felt their issues are not taken seriously. There was a lack of communication and also failures with the local municipality,” Mr Benkenstein continued.

A review revealed that the issue was more complex than issues such as poor policing, inter-union rivalry and exploitation of workers. There was a wide gap between the mining companies and government.

“In some ways strategies were put in place for the mining company to contribute to the local community. Poor lighting was fixed in the town which reduced the incidence of sexual violence at night. But when the light failed, nothing was done to replace it. Similarly, plans were made to support the local school, but nothing was done to fix its asbestos problem,” said Mr Benkenstein.

Communication is key. With the coming decade of extraction, communication will help people in the community feel less marginalized. An enhanced regulatory environment will help manage the rapid development across Africa as well as help manage stakeholder relationships and rebuild trust,” concluded Mr Benkenstein.

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