6. CONTRIBUTE TO COMMUNITY DEVELOPMENT AND SOCIAL WELLBEING

Objective: To have measures in place that support the social and economic development and capacity building of community members whose lives are affected by exploration activities while respecting the communities' own visions of development.

Introduction

Explorers are encouraged to support, and where possible contribute to the socio-economic development of the local communities in the area of their exploration project. The level of support and/or contribution will vary according to the stage of exploration. The employment of local people and purchase of local services and supplies is a common example. Explorers should avoid creating unrealistic expectations or situations where the involvement of the company in socio-economic development results in dependency. In practice, there

is often a need to find a balance between responding to a demand for the delivery of short-term benefits, and creating opportunities for capacity building and sustainable livelihoods that will continue to support socio-economic development beyond the life of the exploration project.

Policies

Explorers are advised to adopt and make public policies and procedures for community relations, employment, use of local suppliers and services, and community development.

Engagement and Participation

Explorers are advised to engage stakeholders and other affected and interested parties during the early stages of exploration to establish transparent relationships (see Principle 3). Explorers are encouraged to enable community participation in the identification and implementation of local economic and development opportunities so that any contribution to development that the company may make will be compatible

with the existing social structures, the local economy, and the community's own development goals. Any procedures relating to employment and the contracting of local services and supplies should be shared with stakeholders and other affected and interested parties.

Contributing to Community Development

Explorers are encouraged to define the nature, schedule and scope of any contributions to community development in written agreements with the community. In establishing these factors, explorers are encouraged to consider the following points:

a. In coordination with the community and, as necessary, with government and non-governmental organizations, identify the potential to augment or complement existing economic and business development or poverty reduction plans, strategies and programs;

b. In the absence of an existing development plan or strategy, encourage, and if necessary assist the community members to develop and articulate such plans or strategies for themselves;

c. Where possible, partner with government or appropriately qualified non-governmental organizations to facilitate delivery of programs that benefit the community;

d. With the exception of employment and payment for goods and services, limit or avoid the use of money as a vehicle for providing benefit. Rather, through engagement with the community or affected parties and, where appropriate, consider providing benefits in the form of goods and services or initiatives identified by the community or affected parties; [19]

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[19] *See discussions in the 'Guidelines to IFC Performance Standards' at: www.ifc.org/performancestandards*

e. Through engagement with the community, identify where infrastructure required for exploration and development can also benefit the community and, if economically feasible, focus on creating such common improvements;

f. Respect existing social structures and local authorities when defining the roles and responsibilities of the various actors in community development initiatives. Where appropriate, support local governance capacity building to manage community development initiatives into the future;

g. In collaboration with the community, identify indicators of social and/or economic wellbeing that can be used to monitor and measure the outcomes of any community development programs or investments;

h. Where possible, establish cooperative processes with other exploration and mining companies to avoid duplication

of efforts and to enhance the results of any community development initiatives;

i. Where possible, liaise with regional and national authorities to coordinate development initiatives with the implementation of existing government development programs, including (but not limited to) health and education; and

j. Where possible, support education and training initiatives that enable local people to qualify for employment during exploration, and expand training opportunities as the project advances in the mineral development cycle.

Monitoring and Reporting

Explorers are encouraged to implement processes to monitor and report on their efforts to support community socio-economic development (see Principle 2) in order to inform government, local communities, shareholders, stakeholders and other affected and interested parties. In doing so, it is recommended that explorers:

a. Provide monitoring and reporting of information that is timely, accurate, relevant and accessible;

b. Actively communicate the results of the monitoring and reporting with local stakeholders and other affected and interested parties (see also Principle 2); and

c. Wherever possible, involve the local community or civil society groups in monitoring programs of community wellbeing, support and/or economic development and in verifying the accuracy of reports.