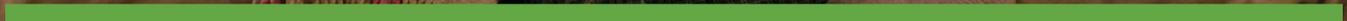




Devonshire  
Initiative

A photograph of a man in a purple and white checkered shirt carrying a baby on his back. The baby is wrapped in a brown and pink striped cloth. They are standing in a field of tall green grass. A green horizontal bar is positioned above the text.

**CHANGING ROLES AND  
MULTI-STAKEHOLDER PROCESSES  
FOR DEVELOPMENT**





# CONTEXT

In the early days of the Devonshire Initiative (DI), members from both the industry and the NGO community were grappling with how to try and ensure projects would be continued by communities after they had completed their mandated work in the area. NGO members wanted to be able to leave projects in the hands of the communities with which they were working when the project cycle ended. And mining companies were concerned that the CSR and community engagement projects they were running would simply cease with the end of their financial contributions or mining operations.

Potential solutions to these issues have come from shifts in understanding and practice around the role of NGOs and the private sector in the field of international development. This in turn has changed the way that DI members understand and discuss their roles in the communities with which they work. The DI Partnership document explores lessons learned by DI members about collaboration between NGOs and Mining Companies. Though these are crucial lessons in improving the impacts of both sectors on the communities in which they work, there has been a shift to an even more dynamic and complex understanding of collaboration, beyond simply those between NGOs and Mining Companies themselves.

The definition of CSR has become more holistic over the last three to five years. Rather than being seen as engagement with communities and some development related activities by private companies, true CSR is seen as being richer than that, in particular in an effort for CSR initiatives to become more sustainable. It

is now understood that without buy-in from all stakeholders in a community, projects run only by NGOs or mining companies will have trouble staying strong after that actor leaves the area. Both NGOs and mining companies have shifted to seeing themselves less as providers of development and more as contributors to it within a larger, locally developed plan.

NGOs began to pivot from their historical role as development providers to facilitators of capacity building so that communities and community based organizations could take on planning and implementing development themselves. Mining companies, who were still adjusting to having any role in development beyond their mining operations, also shifted from a providing role (replacing that of an NGO or the government) to instead being contributors to development. They now see themselves standing alongside other stakeholders helping to harness the benefits of resource extraction and leveraging their connections to help communities access expertise and other resources. One founding member of the DI added that the industry members now require less tangible benefits and outcomes than they used to in order to buy in to collaboration and social sustainability activities. They have come to a better understanding of the benefits from relationships and engagement.

These changes have led to a focus on Multi-Stakeholder Processes for Development (MSPD) as a vehicle for improving inter-stakeholder communication, community ownership of development, and overall long term development impacts from the presence of all stakeholders in a given context. The DI has been discussing MSPD as a strategy for both NGOs and mining companies to keep up with the dynamic environments in which they work and to understand their roles in those environments.

# LESSONS LEARNED

The DI has been discussing multi-stakeholder processes for development since 2010 when the concept was in its infancy. We will explore the progression of that theory from those early conversations to the present day with a combination of DI workshop reports and academic research over that time.

## SHIFTING THE PERSPECTIVE

When the first conversations about MSPD took place in the DI, much of the dialogue was around partnerships between INGOs, mining companies, and government. Making the shift to discussing MSPD involved changing member perspectives from the head office to the field office. In the learnings below taken from early conversations, we can see that shift in perspective had not been completed, but they do establish a baseline for understanding the development of MSPD theory.

### What we know:

- NGOs are embracing new avenues for exchanging knowledge and best practices and mining companies are becoming recognized as engines for policy and practice change to benefit development.
- Government has been expanding its engagement with the extractive sector into providing funding to NGO-led development projects with mining company partnerships.
- Multi-stakeholder partnerships are understood to be an important part of sustainable community development
- Stakeholders must all come together with a willingness to collaborate and to find mutually beneficial solutions if they are going to be successful in improving development outcomes of stakeholder activities.
- Mining companies are coming to a better understanding that strong CSR makes good business sense and MSPD are an important element of strong community relations.
- Simply the emphasis on CSR has improved communication within and between stakeholder groups and has influenced collaboration.
- Collaboration between multiple stakeholder groups can strengthen host-country and local civil society organizational capacity.
- There is no substitute for co-designed collaborative projects when attempting to address or resolve certain issues.

## Areas to improve:

- Government has the capacity to lend legitimacy, a neutral space, and support for all stakeholders in developing MSPD beyond the abilities of NGOs and mining companies. During this time, the NGO and industry members of the DI felt that greater involvement from the Government of Canada would better facilitate development of multi-stakeholder networks.
- Lack of government continuity was identified as a limiting factor in the capacity for the government to engage in long-term activities such as MSPD.
- Additionally, there was a gap between the discussion about MSPD happening at the DI level and what is taking place at the community level.
- It is crucial to engage all relevant stakeholders in dialogues around MSPD at all levels of the organization.
- Tools and guidelines should be translated from the head office to the field level so that they can be used to take action around issues faced at the community level using MSPD as a holistic engagement method. DI members identified a lack of useable tools which are easily understood and can be applied in a variety of environments in the diverse fields our members are working in.

It is clear from the emphasis on needing more engagement with all stakeholders and inclusion of the field office level in conversation about MSPD, that this discussion was rooted in a head office perspective. Today, these seem to be obvious oversights for a multi-stakeholder process to be effective or, indeed, actually multi-stakeholder. This represents early thinking on the potential role of mining companies in development, and how that could mesh with roles of INGOs which were already changing.

The content also touches on the foundational understandings of MSPD. They recognize that multi-stakeholder processes are ideal for addressing problems facing all sectors. They are asking questions about the role of government, and highlighting the importance of methods and tools to effectively translate the theories into practice on the ground. The academic articles used to inform the conversation in the 2015 workshop explain the issues with CSR during the late 2000s and early 2010s, and expands on the questions raised in early conversations about MSPD.

## ACADEMIC CONTEXT

Since 2013, academics have been examining the role of mining companies in community development as it relates to a company's social license to operate. Two articles which have informed some of the DI's discussions are "Social development will not deliver social license to operate for the extractive sector" by Bruce Harvey (2014) and "The paths to social license to operate: An integrative model explaining community acceptance of mining" by Kieran Moffat & Airong Zhang (2013).

Harvey's article is critical of the way that CSR and social development is viewed by the private sector, even though it represents a well-intentioned involvement in the development sector. Some issues with early CSR writing were that it read too much like development sector literature, making it inaccessible to the private sector readers it was trying to reach, and that it failed to provide a strong business case for CSR. This both alienated companies from arguments for CSR and generated distrust in companies who did engage in CSR. The extractive sector is left on a slippery slope of simply adopting activities of the development sector. This is not to say they lack the capacity to make positive contributions, but Harvey argues that we are simply approaching it the wrong way.

Social license to operate is considered external to the operations of the company, or an issue of outreach. Hiring development professionals to resolve the problems mining companies are facing in host communities perpetuates this externalization. Outreach activities such as corporate donations or providing infrastructure support have their benefits, but are not a

substitute for integrating local engagement into operations. And no amount of outreach will buy trust from a host community. Indeed, it maintains a separation between company and community.

On the other hand, In-reach activities, as Harvey terms it, enhance relationships and contributions to host communities. It requires a focused behaviour shift in direct business and workforce practices within the company. Rather than starting entirely new programs, businesses should instead alter existing business activities to better engage with local people in practical ways. This reconnects company and employee behaviours to the social engagement and trust building process. A part of this In-reach process is making space for learning and conversation, so the company can gain historical and contemporary context for the community they are working with and give the community a chance to raise its concerns.

These methods turn the company's activities from something done to the community to something done **with** the community. And the internalization of the social engagement throughout the company reduces the risk of it ending when there is turnover of key staff positions. Rather, in-reach connects with the corporate culture and operating cycle to enhance longevity of the initiative and related activities.

To expand on how mutual trust can be built, in their article, Moffat & Zhang explore social license to operate and the necessary process for attaining it. Social license is understood as a set of meaningful relationships between stakeholders based on mutual trust, and as a set of demands and expectations for how a business will operate from local stakeholders and civil society actors.

Trust is central in Moffat & Zhang's proposed model of attaining social license to operate and is a strong predictor of whether communities accept mining operations in their environment. Trust is defined as having confidence that the behaviour of another group will match expectations of the trust holder. They also suggest that other factors affect the acceptance of mining operations in the community, including expectations, fairness, and contact. Additionally, divergence between the community's expected and actual impacts may lead to views of the company as misleading or dishonest. Knowing that, establishing positive contact between the company and community can enhance trust building between them.

They conclude that community members' direct **experiences** of impact on social infrastructure negatively affected acceptance of mining operations and lessened trust in the company, though the **perceptions** of those impacts did not directly influence the community's acceptance of the mining development. This study found that positive contact improves intergroup relations, though the important factor was quality of the contact, not quantity. And finally, procedural fairness was a significant positive predictor of trust, and the strongest predictor of trust within the proposed model.

## UNDERSTANDING AND TAKING ON NEW ROLES

In later DI workshops, the mining sector was and continues to operate with the lowest commodity prices in a decade, rising operating costs, and greater expectations of social responsibility to the communities in which they have operations. Despite this, companies

recognize that taxes and royalty payments are no longer enough to meet those expectations. They understand and recognize that core business has evolved to include not only the technical aspects of mining, but also the social and environmental duties that surround mining.

Players in the development sector have also been shifting their mandates over the course of the last 20 years to respond to strengthening civil society in the local communities where the INGOs operate. They now take on more capacity-building roles, policy work, advocacy, and research, rather than simply development program delivery and implementation. They have also increased their engagement with the private sector to respond to appeals from local partners, as well as to have influence on improving corporate practices and the changing INGO funding environment.

The list of development actors is changing and growing. Where previously mining companies were considered no more than mining companies, now they are understood to have a role in development and community relations more clearly. This has altered how companies, NGOs, and other stakeholders collaborate. It has also shifted engagement from traditional, transactional, and philanthropic relationships between companies and NGOs, to working partnerships between companies, and ultimately to more multi-stakeholder collaborations.

# MULTI-STAKEHOLDER COLLABORATION IN ACTION

## THE BEYOND ZERO HARM FRAMEWORK

The Beyond Zero Harm Framework (BZH) is a participatory process for discussing, defining, measuring and analyzing community well-being. It was developed by a working group made up of DI members starting in 2012. There was a gap in capacity to understand whether mining companies were having an impact, positive or negative, on the communities in which they operated. BZH was developed as a framework for communities, NGOs and mining companies to use to understand those impacts and to open dialogue with all stakeholders to improve community well-being.

The framework, through creating a common understanding of well-being, directly addresses the correlation between social license to operate and the company's inclusion of community welfare, expectations, and grievances in their business operations. BZH uses a combination of global well-being indicators as well as context-specific ones and requires collaboration between all stakeholders to be completed effectively. This improves ownership, instills leadership in community members, and gives a voice to the local community in the process of understanding their well being. The ongoing process of engagement with all stakeholders on decision-making regarding issues and opportunities strengthens use of the framework and improves collaboration between stakeholders overall. Ideally, the results of the BZH process would be integrated into mine management practices so the company can move forward with all stakeholders, particularly the local community,

to harness the impacts of the mine operations to improve social, economic, and environmental wellbeing. The process by which BZH was developed as well as the framework itself are both examples of multi-stakeholder collaboration.

## MUNICIPAL DEVELOPMENT PLANS

In 2007, the national government in the Dominican Republic enacted a law that required municipalities to come up with their own municipal development plans (MDPs). Barrick saw this as a unique and promising new model for community engagement and partnership at its Pueblo Viejo mine.

The MDPs are a significant undertaking designed to help communities set priorities for how to use mining revenue, as well as develop the capacity to manage and allocate that revenue in a transparent and democratic way.

Barrick helped advance this process in 2008 when it began working with three municipalities in the mine area. The company facilitated training and capacity building for local government, community groups and civil society. The goal was to ensure that all parties were in the best position to undertake a participatory process for developing and delivering on their MDPs. In 2009, the three municipalities successfully approved their respective MDPs via local referendums. Since then, more than 600 municipal projects have been delivered across 48 municipalities and communities, benefiting an estimated 65,000 community members.

Though the process was initiated by Barrick, the company deliberately took a support and facilitation role in the process. From the start, the emphasis has always been – and continues to be today – on a multi-stakeholder process, rather than one centered around the company.

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## FURTHER STRENGTHENING MSPD

The following areas have been identified by the DI as important components to strengthening our understanding of and ability to engage in multi-stakeholder processes.

### TRUST

It is a challenge to build trust with multiple stakeholders that have vastly different histories, missions, regulatory environments, and power dynamics. These differences fundamentally impact how stakeholders engage with each other. Trust can be built through access to information, transparency, accountability, and perceived fairness.

### GOVERNANCE

Improving governance through capacity-building and strengthening accountability is a growing area of interest in development. To be effective, mining companies and INGOs must step out of the driver's seat of local development so it can instead be led by local government and communities.

## PARTICIPATION AND BROAD-BASED DEVELOPMENT

The case studies show that participatory methods allow for the greatest positive impacts from mining that are harnessed by the host community. Participation-based approaches also allow for members to ensure local authorities are identifying development priorities and allocating resources in such a way that the entire community, including marginalized groups, benefits.

### FIT FOR PURPOSE

We must continue moving towards greater integration of social performance and community engagement in company operations. They should be seen as everyone's responsibility, just as health and safety are. This can be accomplished through the company shifting to taking interest beyond its operations and seeing interactions with other stakeholders as more than risk management.

INGOs must also integrate the importance of advocacy and policy work into the understanding of their roles in host communities. A particular focus has been on how INGOs can build capacity for the voiceless and marginalized peoples in communities they work.

## QUESTIONS FOR MOVING FORWARD

- Do we truly understand the values that different organizations hold?
- Though there has been much conversation about best practice, are we really seeing examples of companies and NGOs increasing local value?
- What does a happy balance of central vs local government involvement and influence look like in multi-stakeholder processes and conversations?
- Where there are significant power imbalances, should civil society be the designated convenor of disenfranchised groups?
- What are successful strategies for addressing power imbalances both between stakeholders and between people within stakeholder groups?



## CONCLUSIONS

Learning from the study as well as from implementation of Multi-Stakeholder Processes for Development extends our understanding of the roles of INGOs and mining companies in the development sector into new territory. Conversations around MSPD have raised questions about cross-sector collaboration and what can be described as best practice within the development and mining sectors. Mining companies do have a role in development, not only as donors. The Sustainable Development Goals recognize that all actors, including the private sector, have a role to play in achieving the goals as well as improving development outcomes on a global scale.

Taking on MSPD within these contexts is about a shift in process and attitudes. This step forward is an important one in achieving best practices for improving community impacts from mining company and INGO presence, however not all mining companies and NGOs are in a position to take this step. It requires significant inputs and strong leadership and motivation to establish multi-stakeholder projects, dialogues, or forums. MSPD represents a point along a continuum, from low to high collaboration between actors and sectors.

DI members have been working towards the high-collaboration end of this continuum since its inception, beginning with dialogue, then prioritizing partnerships between mining companies and INGOs. Just as the value of MSPD comes not only from the outcomes of those processes but also from the greater collaboration in reaching those outcomes, it is not where on that continuum that organizations and companies fall which determines their value. Rather, the movement towards greater collaboration between stakeholders and understanding the sectors in which we work, is itself valuable in improving best practices.

# ADDITIONAL RESOURCES

## DI WORKSHOP REPORTS

- ***Building on CSR Partnerships (September, 2010)***: This early DI conversation about Multi-Stakeholder Partnerships sets the stage for understanding how our understanding of MSPD has shifted over the years. This document is head office focused.
- ***Host Government Capacity Building (January, 2011)***: This workshop focused on improving member ability to engage actors at the national level in host countries to remain effective when host country governance structures are weak.
- ***Host Government Capacity Building (June, 2014)***: Building on the 2011 workshop, this workshop brought attention about governance issues as they pertain to INGOs and Canadian Mining Companies to the local level of the host country.
- ***Current Practices in Partnering (February, 2014)***: This workshop included updates on the state of the Mining and Development sectors as well as case studies from member organizations involved in partnerships in their host countries.
- ***Evolving Roles of NGOs and Mining Companies (February, 2015)***: This workshop addressed the state of the sectors as well as how the changing funding environments and low commodity prices have changed the way the sectors engage with each other as well as local communities.

## EXTERNAL RESOURCES

All resources are available via the DI Wiggle.

- Harvey, B. (2014) ***Social development will not deliver social license to operate for the extractive sector***. The Extractive Industries and Society. Vol 1. P. 7–11
- Moffat, K., & Zhang, A. (2013) ***The paths to social license to operate: An integrative model explaining community acceptance of mining***. Resources Policy. Vol 39. P. 61–70
- Van Geest, Bill. (2014) ***Building Collaboration for Sustainable Economic Growth: And Evaluation***. Report: World Vision

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