



THE EXTRACTIVE INDUSTRY AND SUSTAINABLE DEVELOPMENT : KEY ISSUES

- Environmental management.
- The impact of extractive industry - related activities and developments on local livelihoods.
- The impact of extractive industry - related activities and developments on local social capital.
- Participation of, and dialogue with, affected communities and other interested parties.
- Social and environmental accountability.
- Consensus-building amongst key stakeholders on priority social and environmental issues.



THE EXTRACTIVE INDUSTRY AND SUSTAINABLE DEVELOPMENT : KEY CHALLENGES AND LESSONS - 1

I. Key challenges are relational in nature :

- ☞ Major social issues related to extractive industry activities have to do with cultural diversity and decision-making processes.
- ☞ Garnering political support in countries with weak democratic traditions and institutions, poses major challenges for international companies.
- ☞ Building trust and developing consensus-based solutions with key stakeholders, can determine the success of a project.



THE EXTRACTIVE INDUSTRY AND SUSTAINABLE DEVELOPMENT : KEY CHALLENGES AND LESSONS - 2



II. The essence of sustainable development is “respect for life”, which implies:

- ☞ Respect for values, beliefs and traditions that may be radically different from our own.
- ☞ Acceptance of social and cultural imperatives (eg. to maintain harmonious human relationships).
- ☞ Respect for biodiversity and the acceptance of environmental imperatives.
- ☞ Respect for economic diversity.



THE EXTRACTIVE INDUSTRY AND SUSTAINABLE DEVELOPMENT : KEY CHALLENGES AND LESSONS - 3



III. The promotion of SD requires new skills and attitudes :

- ☞ Dialogue, negotiation and consensus - building amongst social actors with different interests and values, can be an enriching learning process for all.
- ☞ An experienced and respected facilitator or broker can play a crucial role in building consensus and developing partnerships amongst key stakeholders.
- ☞ Tri-sector partnerships (governments, private companies and communities) can be a powerful engine for local sustainable development.



BASIC CONCEPTS AND TOOLS

- Sustainable development
- Social capital
- Consensus and its requirements
- Building consensus and developing tri - sector partnerships
- Facilitation: roles and ethics
- Emerging lessons



RESOLUTION OF DIFFERENCES AND DISPUTES

People resolve differences by :

- Imposition (force)
- Conflict (threats, intimidation)
- Avoidance (hiding, running away)
- Dialogue and negotiation



CONSENSUS

“ Awareness on the part of members of a group that they share feelings, traditions, ideas or definitions in relation to a given situation”

(from the Spanish definition in *El Pequeño Larousse Ilustrado* 1999)



CONDITIONS OF CONSENSUS

VALUE / IMPORTANCE OF THE RELATION WITH “OTHER”



IMPORTANCE OF ACHIEVING THE GOAL



TYPES OF NEGOTIATION

ADVERSARIAL

GENERATES :

- Mutual mistrust
- Opposing aims
- Friction
- Wounds, bitterness
- Negative energy
- “I win, you lose ...
if you win, I lose”

CONSENSUAL

PROMOTES :

- Mutual trust
- Common aims
- Harmony
- Positive feelings
- Synergy
- “I win...you win ...
we can all win...”



BUILDING CONSENSUS FOR SUSTAINABLE DEVELOPMENT : ASSUMPTIONS

- Modern societies are complex, with many diverse legitimate actors who have different, widely varying interests.
- To achieve healthy development, societies require that their key actors build basic agreements on fundamental issues of common interest.
- “O nos unimos en el amor o nos unirá el espanto..”
(Either we unite in love, or horror will unite us.)
Jorge Luis Borges



IUCN Conference on Conservation and Development, Ottawa 1986

“Sustainable development attempts to address five main challenges :

- **Integration of conservation and development.**
- **Meeting basic human needs.**
- **The achievement of equity and social justice.**
- **The promotion of social self-determination and cultural diversity.**
- **The maintenance of ecological integrity.”**

Jacobs y Munroe, 1987



World Commission on Development and the Environment (Brundtland Commission), 1987

“ Sustainable development strives to meet present needs and aspirations without sacrificing the capacity to meet those of the future.”



SUSTAINABLE DEVELOPMENT

- **THE ECONOMIC DIMENSION :**

Production / appropriate technology

Job creation, income generation

Growth

- **THE SOCIAL DIMENSION :**

Health

Education

Public services

Quality of life

- **THE ENVIRONMENTAL DIMENSION :**

Rational use of natural resources

Control of pollution and contamination

Conservation of biodiversity



SOCIAL CAPITAL : KEY ASPECTS

- The capacity and willingness of the diverse groups that constitute a community to work together and co-operate to create and maintain public goods, services and institutions.
- Capacity of the different groups that conform a community to share values and goals.
- Capacity of the diverse groups that constitute a community to develop relations of reciprocal trust.



BUILDING CONSENSUS AND DEVELOPING TRI-SECTOR PARTNERSHIPS THROUGH INTEREST- BASED NEGOTIATION

- Origins of the approach
- Underlying assumptions
- Driving forces
- Tri-sector partnerships



BUILDING CONSENSUS THROUGH INTEREST - BASED NEGOTIATION : ORIGINS OF THE APPROACH

- Dispute resolution between corporations, government agencies and indigenous communities (especially in Canada)
- Political and ethnic dispute resolution (in Europe, South Africa and other regions)
- The experience of development projects throughout the world
- Recent experiences of the extractive industries (oil, gas and mining)



TRI-SECTOR PARTNERSHIPS

Voluntary agreements between communities, the private sector and governments, to work together towards shared objectives of sustainable development.



DRIVING FORCES

- Generalised perception that the activities of major corporations have a significant global impact
- Growing awareness of the reduction of the roles of governments and nation states
- Growing, wide spread dissatisfaction with established institutions and prevailing social, economic dynamics.
- Growing demand for increased citizens' participation
- Some private sector actors recognise and begin to address the need to redefine relationships between corporations and society.
- Some political actors are developing new approaches to promote democratic change.



PRINCIPLES (STEPS) IN CONSENSUS - BUILDING

- Build trust
- Share relevant information
- Focus on interests (not positions)
- Think creatively
- Build inclusive agreements
- Carry out and monitor agreements



BUILDING PARTNERSHIPS : FUNCTIONS AND TASKS

EXPLORE

- Evaluation of costs, benefits, risks and opportunities; exploratory dialogues; stakeholder analysis, election of social themes and partners



BUILD

- Develop trust between partners; communicate effectively; agree shared vision, objectives, tasks, responsibilities and actions



MAINTAIN DEVELOP

- Monitor agreed plans; evaluate achievements and impact; adjust; institutionalize; replicate



BUILDING TRUST BETWEEN PARTNERS

WAYS FORWARD :

- Agree a shared vision
- Share relevant information timely
- Agree rules for working together
- Agree to seek consensus
- Respect diversity



COMMUNICATION

- Listen carefully, to understand
- Ask questions to clarify underlying interests
- Express your own interests clearly
- Provide an opportunity for everyone to participate
- Share relevant information, timely
- Respect diversity (opinions and beliefs different from your own)



INTEREST - BASED NEGOTIATION

What are interests ?

UNDERLYING MOTIVATIONS :

needs, aspirations, values, expectations,
fears, love, other feelings.



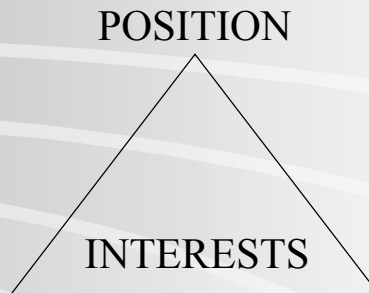
INTEREST - BASED NEGOTIATION

What are positions ?

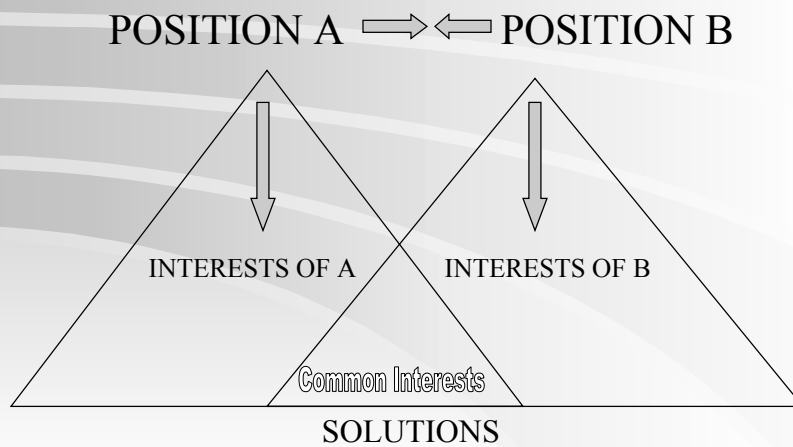
- Pre-formulated solutions
- Designed to satisfy specific sets of interests
- Frequently presented as inflexible “final offers” during negotiation



POSITIONS and INTERESTS



INTERESTS VS POSITIONS





WHAT IS FACILITATION ?

“Facilitation is the support provided by an impartial person to improve the effectiveness and efficiency of group decision - making and problem solving”



ROLES OF THE FACILITATOR

- **MACRO**
 - Analysis of context and situation.
 - Process design.
 - Convene / promote agreement to work together (rules)
 - Management of process (monitor and evaluate, adjust).

- **MICRO**
 - Promote trust and confidence.
 - Ensure positive environment.
 - Ensure effective participation, communication and discussion.
 - Enable decision - making.



THE FACILITATOR : ETHICS AND SKILLS

ETHICS :

- MAINTAIN CONFIDENTIALITY
- REMAIN OUTSIDE THE DEBATE
- ADDRESS POWER INBALANCE
- DEMISTIFY
- BE SENSITIVE TO CULTURAL DIVERSITY
- REMAIN IMPARTIAL

SKILLS :

- GOOD COMMUNICATOR
- CAPACITY TO EVALUATE
- ADEQUATE INTERVENTIONS
- COORDINATOR / MANAGER
- PROMOTOR OF RELATIONS



KEY FEATURES OF EFFECTIVE PARTNERSHIPS

- Voluntary participation of partners
- Added value to what each partner could achieve alone
- Partners agree shared vision and objectives
- Responsibilities, roles and tasks agreed by partners
- Mechanisms agreed by partners for monitoring, reporting and dispute resolution



INITIAL RESULTS

- *It is an intelligent approach to the challenges of corporate social responsibility* - a new modality of strategic partnership based on complementary competencies and resources
- *It entails a crucial role for local governments* - in the decentralised co-ordination of tasks; as mediator; to direct external funds
- *It requires flexibility, adaptability, and new skills* - to evaluate costs, benefits, risks and opportunities; in facilitating stakeholder engagement and consensus-building.



PARTNERSHIPS ARE NOT ALWAYS THE BEST SOLUTION

- Costs and risks may be too great in relation to anticipated benefits.
- A partnership may not be feasible if a firm commitment is lacking from senior management.
- A partnership may not be possible if one of the parties wants results too quickly.
- An existing conflict between potential partners may render a partnership almost impossible.
- The potential partners may not possess the flexibility needed to adapt to a changing environment.



REFLECTION

“The clear lesson from both the fall of the Berlin Wall and the destruction of the Twin Towers is that no one sector of society is equipped to solve the world’s complex problems on its own..... We may have reached a turning point when it is possible to imagine real partnerships bringing together government, the private sector and civil society. We could develop new institutions that facilitate cooperation and collaboration among all of the principal stakeholders in society....”

Klaus Schwab, President World Economic Forum
4 February 2002 (TIME magazine pp 46-47)