

UNDERSTANDING CONFLICT: Field Tool for Exploration

**PDAC Convention
CSR Event Series
March 6, 2011**



TOOL OBJECTIVE

Enhanced capacity of the PDAC membership to understand and deal with conflict in their project areas

Understanding Conflict

Enable Exploration Teams to:

- Systematically analyze and address complex contexts of conflict
- Build practical strategies for dealing with Existing Conflict **AND** Company-Community Conflict
- Operate effectively in a conflict-sensitive manner
- Achieve early, on-going engagement to work towards achieving sustainable development

Tool Comparative Analysis

Understanding Conflict Tool is based on the lessons of:

- e3 Plus
 - Prospectors and Developers Association of Canada
- Making Sense of Turbulent Contexts (MSTC)
 - World Vision
- Corporate Engagement Project (CEP)
 - CDA Collaborative Learning Projects
- Do No Harm (DNH)
 - CDA Collaborative Learning Projects

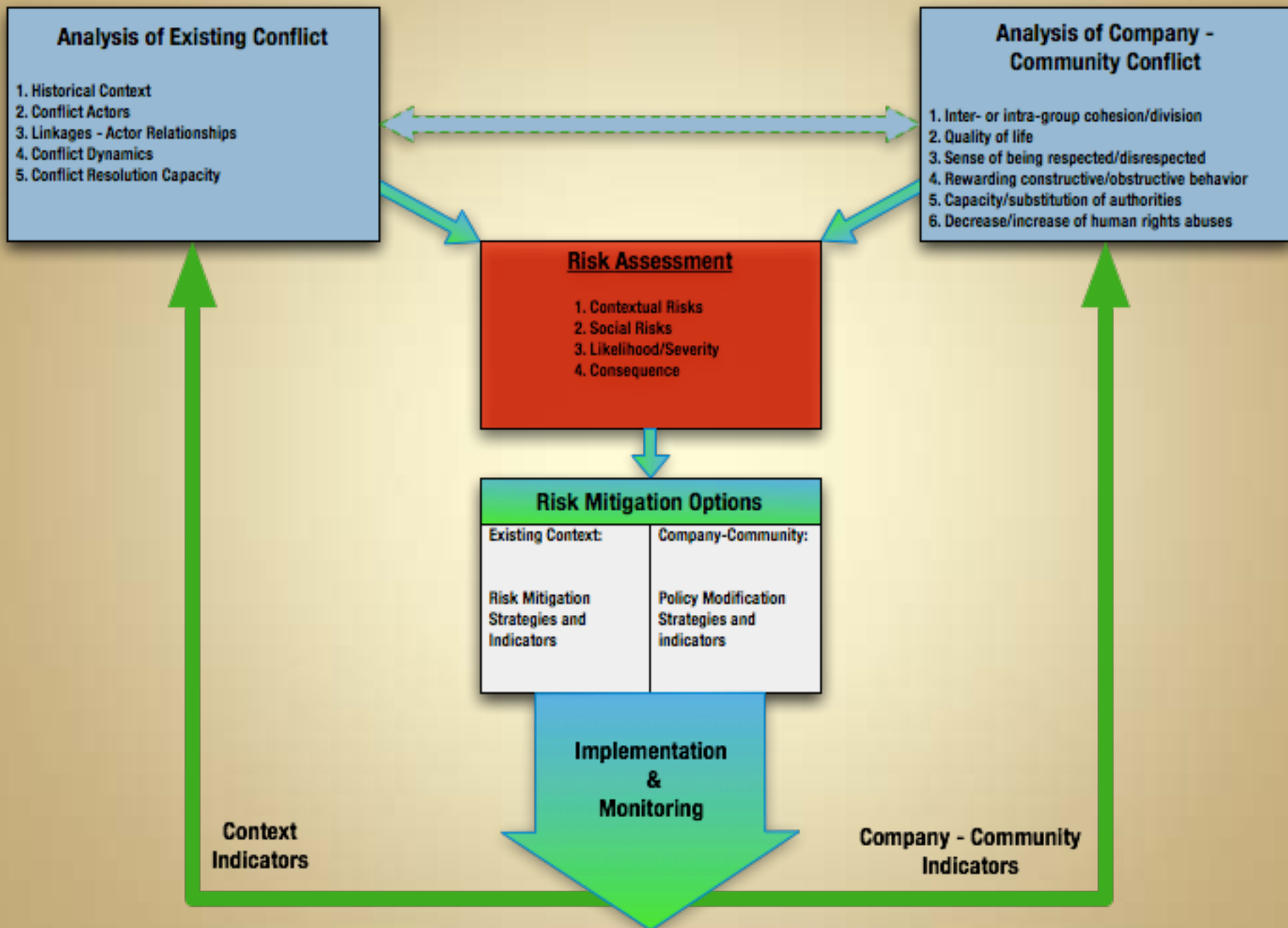
CONFLICT: Setting v. Situation

Setting: related to existing socio-political context or intra- and inter-group tensions, not linked to corporate presence. (Although, control over natural resources often plays an important role in existing context)

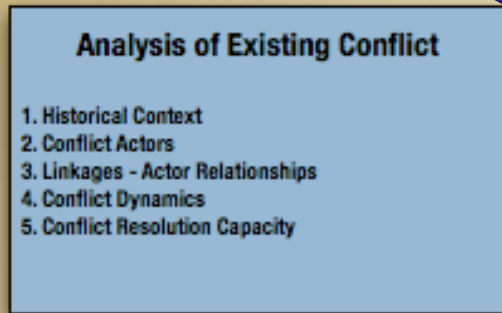
Situation: related to company-community relationship, including directly affected communities and other local stakeholders.

Context of Conflict

Company - Community Conflict



Context of Conflict



Analysis of Existing Conflict

1. *Rapid Historical Context Analysis*
 - a. Historical background of Conflict
 - b. Power gained/lost
 - c. Trends in intensity of Conflict
2. *Conflict Actors*
 - a. Relevant actors/groups
 - b. Positions in the conflict
 - c. Interests in the conflict
3. *Linkages – Actor Relationships*
 - a. Group internal dynamics
 - b. Inter-group dynamics
 - c. Who is gaining/losing
4. *Conflict Dynamics*
 - a. Symptoms of instability
 - b. Struggles over resources & power
 - c. What is the conflict NOT about
5. *Conflict Resolution Capacity*
 - a. Traditional mechanisms
 - b. Government Capacity
 - c. Trusted Representatives

Risk Assessment

1. Context of Risk
2. Root Risks
3. Likelihood/Severity
4. Mitigation

Risk Mitigation Options

Existing Context

Risk Mitigation Strategies and Indicators

Implementation

Monitoring

Context Indicators

Context of Conflict

Company - Community Conflict

Analysis of Existing Conflict

CONFLICT LENS

- 1. Rewards destructive (not necessarily violent) or constructive behavior?**
 - Do more peaceful communities get more benefits (P) than "difficult" ones (C)?
 - Is there a more immediate response to letters/complaints (P) or to threats/ closedowns (C)?
 - Are communities visited also informally (P) or only when there is a need (C)?
- 2. Conveys disrespect, or respect, for stakeholders?**
 - Do communities perceive that all promises are followed through (P) or not (C)?
 - Do stakeholders know about the long term corporate benefits (P) or do they feel they benefit more from a short term approach based on conflict(C)?
 - Are communities involved in decisions that affect their lives (P) or not (C)?
 - Are grievances handled through dialogue (P) or, ultimately, with security back up (C)?
 - Is there maximum transparency about company policies and practices (P) or not (C)?
- 3. Increases or decreases security (quality of life)?**
 - Economic; positive (P) or negative (C) impact on livelihoods e.g. due to spills?
 - Political; increased (P) or decreased (C) conflict over leadership?
 - Environmental; decreased (P) or increased (C) pollution, availability of scarce resources?
 - Physical; increased safety (P) or increased criminality or insecurity (C)?
 - Social/Cultural/Psychological; increased (P) or decreased (C) capacity of local people to deal with changing norms and values (prostitution, alcoholism, migration)?
- 4. Contributes to inter group fragmentation or cohesion?**
 - Are benefits distributed in an inclusive (P) or exclusive (C) manner (e.g. host communities)?
 - Is the hiring policy seen as fair (P) or seen as favoring certain groups (C)?
 - Does ta company know that community representatives enjoy popular support (P) or not (C)?
 - Do all landowners/users get same level of compensation (P) or the more vocal or powerful ones more (C)?
- 5. Increases or decreases the capacity/willingness of authorities to provide services?**
 - Does the company effectively lobby to have social services provided (P) (e.g. through a tripartite partnership approach) or does it effectively substitute for Government services (C)?
- 6. Increases or decreases the capacity of authorities to commit violence?**
 - Do authorities use revenues for civil purposes (P) or for warfare (C)?
 - Does the company abstain from (materially) supporting one party to the conflict (P) or not (C)?

IF ANSWER IS (C) MOVE TO RISK ASSESSMENT

Analysis of Company - Community Conflict

1. Inter- or intra-group cohesion/division
2. Quality of life
3. Sense of being respected/disrespected
4. Rewarding constructive/obstructive behavior
5. Capacity/substitution of authorities
6. Decrease/increase of human rights abuses

Company - Community Indicators

Context of Conflict

Company - Community Conflict

Analysis of Existing Conflict

1. Historical Context
2. Conflict Actors
3. Linkages - Actor Relationships
4. Conflict Dynamics
5. Conflict Resolution Capacity

Analysis of Company - Community Conflict

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Risk Assessment

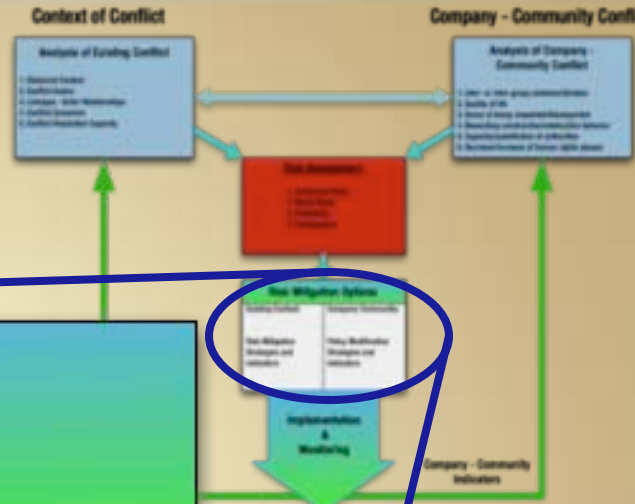
1. Contextual Risks
2. Social Risks
3. Probability
4. Consequence

Contextual Risks

Social Risks

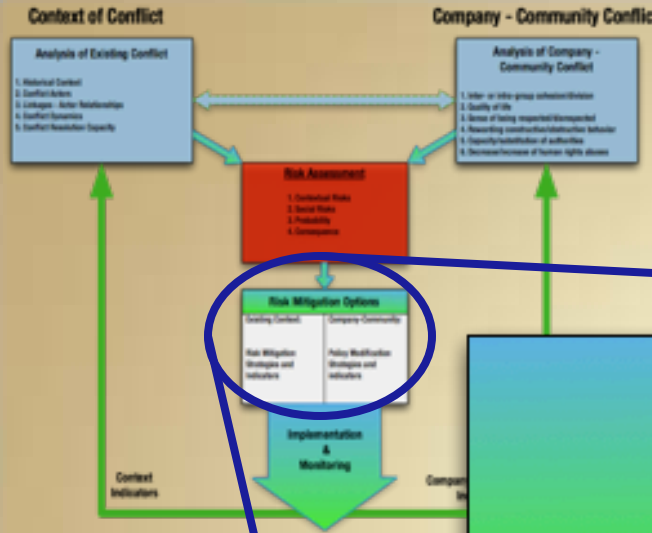
RISK ASSESSMENT

Likelihood	Consequence				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 Certain	11	16	20	23	25
4 Likely	7	12	17	21	24
3 Possible	4	8	13	18	22
2 Unlikely	2	5	9	14	19
1 Rare	1	3	6	10	15

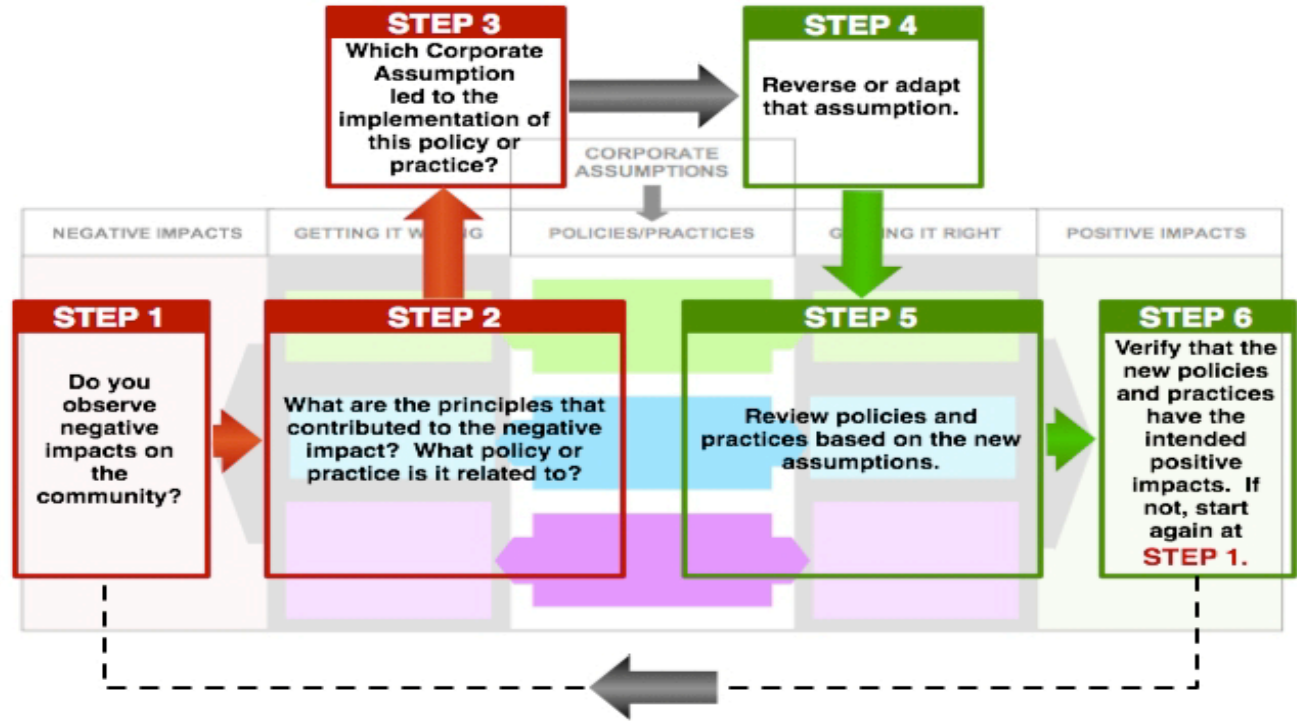


Risk Mitigation Options - Existing Context

TRIVIAL	<ul style="list-style-type: none"> No action required and no documents need to be kept
LOW	<ul style="list-style-type: none"> No additional risk controls required unless: <ul style="list-style-type: none"> There is a legal requirement; There is a more cost-effective solution; or A further reduction in risk is possible at no additional cost. Document actions taken
MODERATE	<ul style="list-style-type: none"> Establish controls to reduce the risk; costs of controls should be carefully assessed and the most cost-effective solution identified Where the moderate risk is associated with extremely harmful consequences to people or the environment, you have an obligation to take action to prevent harm, even if the cost of controls are high Risk reduction methods should be implemented within a defined time period Document actions taken
SUBSTANTIAL	<ul style="list-style-type: none"> Project should not be started until the risk has been reduced Considerable resources may have to be allocated to reduce the risk; this may affect the viability of the project Where the decision involves continuation of a project, action may need to be taken to mitigate the impacts and risks associated with previous activity, even if the decision is not to continue with the project Document actions taken
HIGH	<ul style="list-style-type: none"> Project should not be started or continued until the risk has been reduced Document actions taken



Risk Mitigation Options - Company - Community



Implementation & Monitoring

Security

Recruitment

Government Relations

Local Hiring

Safety

Contracting

Dealing with Local Authorities

Access to Land

Compensation

Environment

Dealing with Local Community Members

Driving Behavior

Context of Conflict

Company - Community Conflict

Analysis of Existing Conflict

1. Historical Context
2. Conflict Actors
3. Linkages - Actor Relationships
4. Conflict Dynamics
5. Conflict Resolution Capacity

Analysis of Company - Community Conflict

1. Inter- or intra-group cohesion/division
2. Quality of life

Changes in Context

- Armed violence, severity of violence
- Who is targeted in conflict
- Actors involved in conflict
- Relationships of conflict actors
- Conflict dynamics
- Traditional conflict resolution capacity
- Community dynamics
- Public display of protest or violence

- Human Rights issues
- Role of police
- Judicial system
- Displacement due to conflict
- Illegal activities
- Economic situation
- International media attention, activism
- Level of corruption, resource capture by State

Implementation
&
Monitoring

Context
Indicators

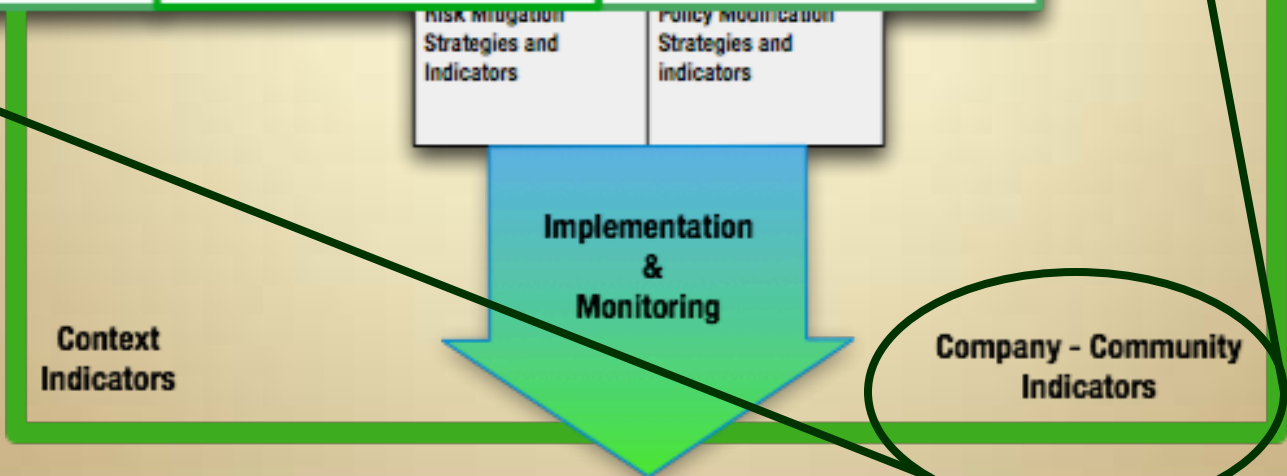
Company - Community
Indicators

Company - Community Conflict

Indication that company has local support	Indications that local support for company is compromised	Indications that company has lost local support
<ul style="list-style-type: none"> • People wave back when greeted • Community feels access to corporate decision makers • Community feels company is responsive to concerns • Requests benefit community rather than individuals 	<ul style="list-style-type: none"> • Community leaders, elders stating that do not feel respected • Accusations of company association with a repressive government • Community accusations that the company is arrogant • Proliferation of groups that each claim community representation 	<ul style="list-style-type: none"> • Rising trends in company theft • Work stoppages • Increased demands and hostile tone of community • Bad press • Kidnappings, targeted assaults toward the company • Sabotage • Communities say the company is "stealing" resources

Analysis of Company - Community Conflict

- Inter- or intra-group cohesion/division
- Quality of life
- Sense of being respected/disrespected
- Rewarding constructive/obstructive behavior
- Capacity/substitution of authorities
- Decrease/increase of human rights abuses



Constructive Community Engagement

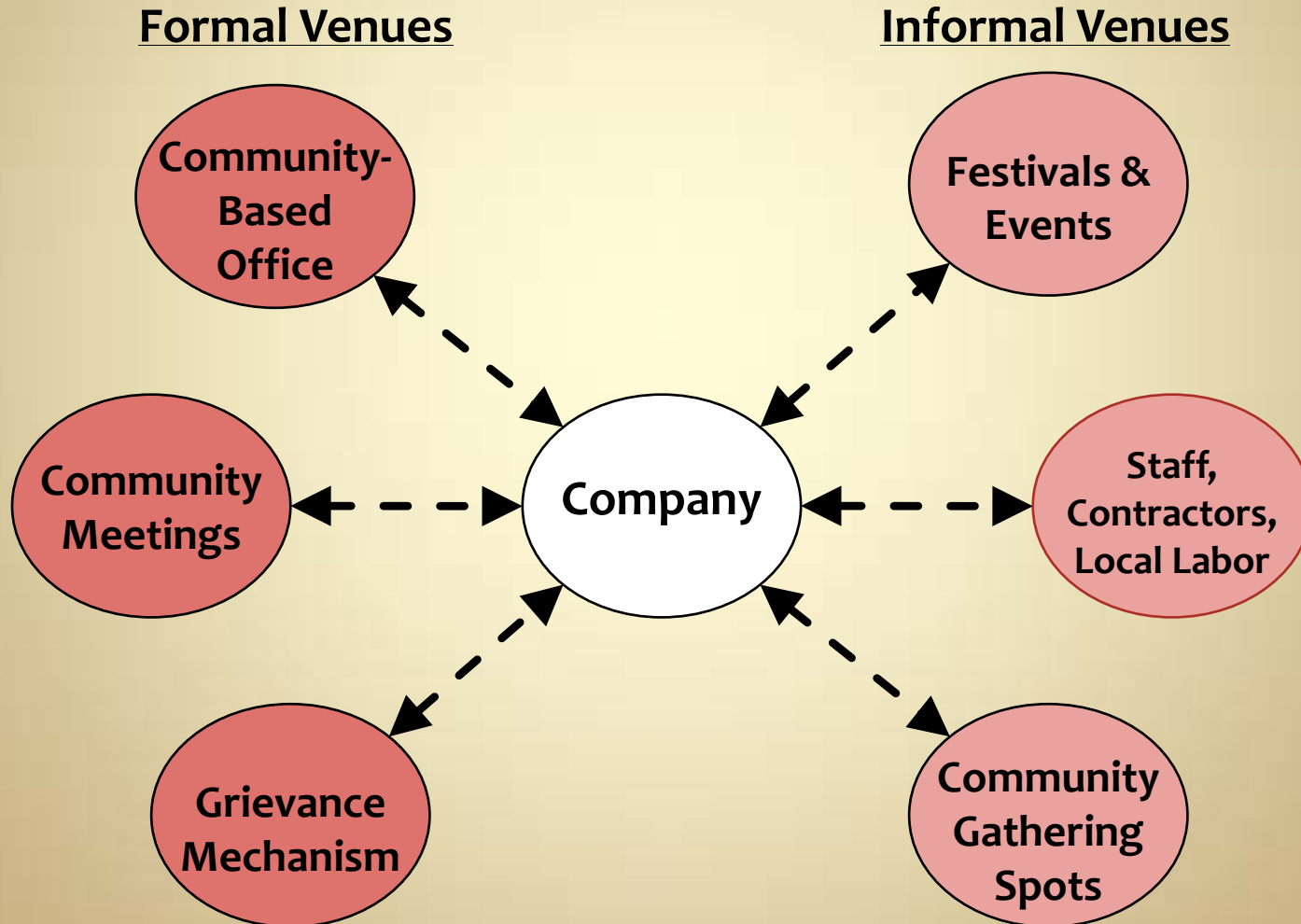
- Consult with a range of national, regional, and local representatives
- Engage with locally-operating NGOs
- Reach broad range of community members
- Use engagement for:
 - Relationship Building
 - Context Analysis
 - Gauge for community sentiment
 - Early warning system

How to Engage

Relationship Building and Context Analysis

- Genuine Dialogue
- Ask open-ended Questions
- Ask a broad range of stakeholders
- Allow people to give their perspective
- Triangulate information
- Be respectful, honest, inclusive, transparent
- Track information

Broad and Inclusive Stakeholder Engagement



Company Impacts on Community

POSITIVE IMPACT	NEGATIVE IMPACT
Inter-Group Cohesion	Inter-Group Fragmentation
Rewarding Constructive Behavior	Rewarding Violence/Destructive Behavior
Improving Quality of Life	Worsening Quality of Life
Community Sense of Respect	Community Sense of Disrespect
Increasing Government Capacity to Provide Local Social Services	Decreasing Government Capacity to Provide Local Social Services
Decreasing Capacity of Government to Commit Human Rights Abuses	Increasing Capacity of Government to Commit Human Rights Abuses

Understanding how Company Practices Affect the Community

1. Do Company's actions promote constructive behavior or destructive (not necessarily violent) behavior?

- Do more peaceful communities get more benefits (P) than "difficult" ones (C)?
- Is there a more immediate response to letters/complaints (P) or to threats/ closedowns (C)?
- Are communities visited also informally (P) or only when there is a need (C)?

2. Do Company's actions convey respect or disrespect for communities?

- Do communities perceive that all promises are followed through (P) or not (C)?
- Do stakeholders know about the long term corporate benefits (P) or do they feel they benefit more from a short term approach based on conflict(C)?
- Are communities involved in decisions that affect their lives (P) or not (C)?
- Are grievances handled through dialogue (P) or, ultimately, with security back up (C)?

3. Do Company's actions increase or decrease security and quality of life?

- Economic; positive (P) or negative (C) impact on livelihoods e.g. due to spills?
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- Physical; increased safety (P) or increased criminality or insecurity (C)?
- Social/Cultural/Psychological; increased (P) or decreased (C) capacity of local people to deal with changing norms and values (prostitution, alcoholism, migration)?

4. Do Company's actions contribute to community cohesion or fragmentation?

- Are benefits distributed in an inclusive (P) or exclusive (C) manner (e.g. host communities)?
- Does the company know that community representatives enjoy popular support (P) or not (C)?

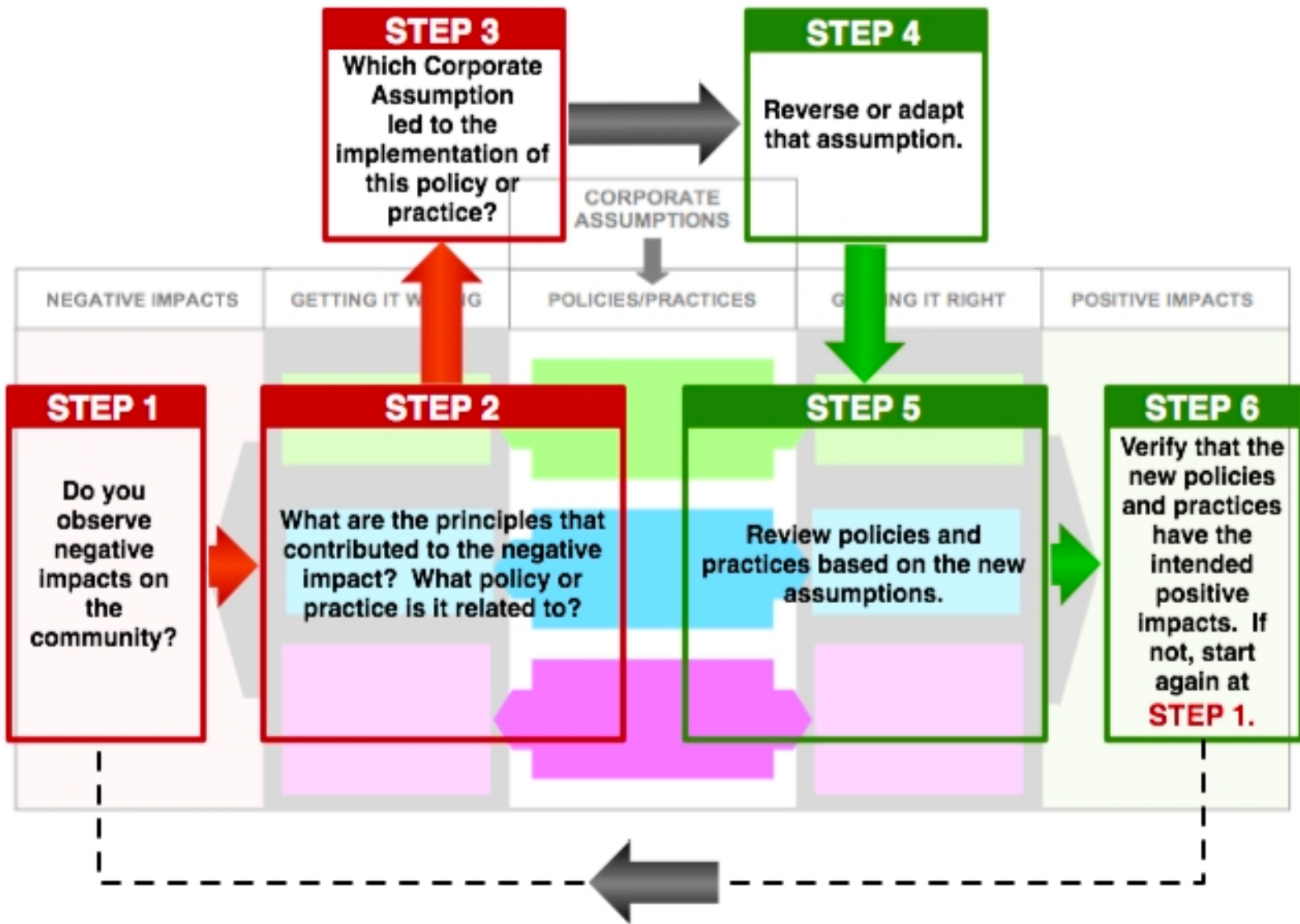
5. Do Company's actions increase or decrease the capacity/willingness of authorities to provide services?

- Does the company effectively lobby to have social services provided (P) (e.g. through a tri-partite partnership approach) or does it effectively substitute for Government services (C)?

6. Do Company's actions increase or decrease the capacity of authorities to commit inappropriate action?

- Do authorities use revenues for civil purposes (P) or for warfare (C)?
- Does the company abstain from (materially) supporting one party to the conflict (P) or not (C)?

IF ANSWER IS (C) RE-ASSESS POLICIES



Thank You!