

# SUSTAINABILITY CHALLENGES: COMMUNITY DEVELOPMENT INITIATIVES AT SADIOLA AND YATELA GOLD MINES, MALI, WEST AFRICA

**A.G. MACKENZIE<sup>1</sup> AND J. POOLEY<sup>2</sup>**

<sup>1</sup> Manager: Corporate Environmental Affairs, AngloGold Ltd, PO Box 62117, Marshalltown, 2107, South Africa, amackenzie@anglogold.com

<sup>2</sup> Independent consultant, justinpooley@yahoo.co.uk



## ABSTRACT

Operating a mine in a remote undeveloped location presents a series of challenges, an important one of which is establishing and maintaining good relations with neighbouring local communities. It is argued that community development, rather than being a socially responsible or charitable initiative, becomes an important component of a mine's operations. Failing this, conflict and hostility can have a significant effect on the continued success of a mining operation.

Community development initiatives at two Malian mining operations are examined with respect to the approach adopted, community liaison, identification and implementation of projects and projected sustainability. Issues such as participative planning, capacity, local government responsibilities, partnerships, and funding are addressed. The various community development initiatives are examined in the light of on-going independent environmental audits as well as recommendations made in the recent Mining, Minerals and Sustainable Development (MMSD) project.

## 1 CONTEXT

Establishing and operating a mine in a remote undeveloped location like Mali presents a series of unique challenges: a foreign language, an unfamiliar culture, an extreme climate, lack of basic infrastructure, poor gravel roads, an unreliable railway, basic medical facilities, a shortage of technical expertise, an influx of work seekers, and so forth. Given the significant and rapid social changes brought about by such development, one of the real challenges is to establish and maintain good relations with the neighbouring communities, which may be both positively and negatively affected by mine development.

Community relations are influenced by numerous factors including background political and governmental processes, previous experience with mineral development projects, and the history of interactions from the onset of exploration, through the planning and construction of the mine, to the operational phase and its ongoing impact on the community. Included in this are the direct economic benefits through employment, mitigation of negative impacts and support for development initiatives.



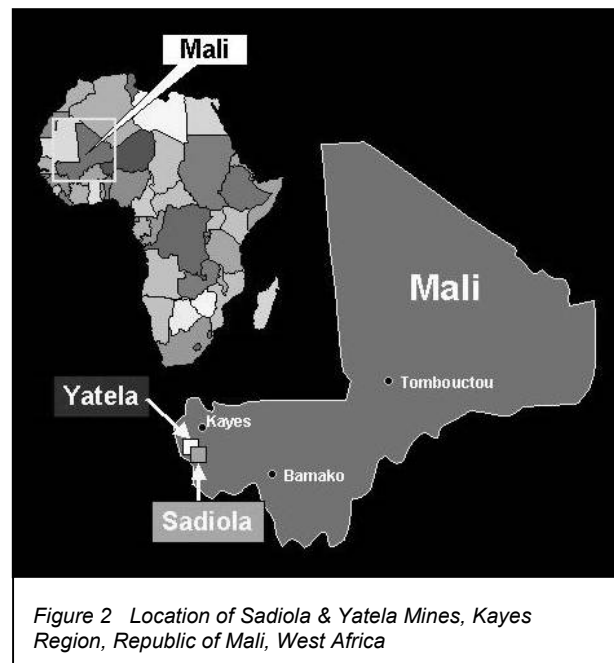
*Figure 1 Community consultation - Madame Cisse, (Facilitator) and Issaka Sidibe (Development Foundation Coordinator) with village elders*

Establishing and maintaining these relations is an important component of the mine's business because a deterioration in the state of these relations can lead to events such as public protests, marches on the mine, blockades of essential supply routes, industrial strike action, and even open hostility. If communities feel that they are being unfairly treated or inadequately compensated, mining can lead to social tension and sometimes to violent conflict - examples of such actions are not difficult to find; e.g. Bougainville Copper (Papua New Guinea) and Freeport's Grasberg Mine (Papua New Guinea) (MMSD, 2002). Many operations have had to deal with local discontent, but at less extreme levels e.g. Yanacocha (Peru)(MMSD, 2002) and Sadiola (Mali)(discussed below). Communities need to be convinced that the benefits from the presence of a mining operation outweigh the costs. Such benefits can include jobs, improved road infrastructure, better services (education, health, water & electricity) and targeted community development initiatives. Given that such action can have a marked effect on production and the continued success of a mining operation, it could be argued that community development initiatives are a core element of the business, and not merely charitable donations or socially responsible 'add-on's'. In another sense, community development is one component of a mine's intangible 'social licence to operate' (MMSD, 2002).

Community development initiatives at two Malian mining operations are examined with respect to the approach adopted, community liaison, identification and implementation of projects and projected sustainability. Issues such as participative planning, capacity, local government responsibilities, partnerships, and funding will be addressed. The various community development initiatives will be examined in the light of on-going independent environmental audits and recommendations made in the recent Mining, Minerals and Sustainable Development (MMSD) project as well as by comparison with a few other major mining companies.

## 2 INTRODUCTION

Société d'Exploration des Mines d'Or de Sadiola (SEMOS) operates Sadiola Gold Mine. It is an open pit mine located at Sadiola in the Kayes Region of western Mali. SEMOS is owned by AngloGold of South Africa (38%), International African Mining Corporation (Iamgold) of Canada (38%), the Government of Mali (18%) and the International Finance Corporation (IFC)(6%). Construction of the mine started in early 1995 and production commenced at the end of 1996. As oxide ore within the deposit became depleted, a gradual transition occurred to the mining of deeper sulphide ores in 2001. The mining and processing of soft sulphide ores has mandated modifications within the conventional metallurgical circuit and introduced a number of other geochemical and water management changes which have contributed to a potential for change in environmental effects associated with the operation. The Life of Mine model predicts the cessation of production in 2008, however, ongoing exploration efforts and an evaluation of the deep underground sulphides could lead to an increase in the life of this operation.



Yatela Gold Mine is an adjacent smaller operation located about 30 km north of Sadiola. Construction commenced in 2000 and the plant was commissioned in 2001. The Yatela project comprises an open-cast pit, a heap-leach facility, waste dumps and a small mining village. Although it shares some of the SEMOS infrastructure it is run as a separate company with its shareholders being AngloGold (40%), International African Mining Corporation (Iamgold) of Canada (40%), and the Government of Mali (20%). This mine is scheduled to close in 2005.

### 3 APPROACHES TO COMMUNITY DEVELOPMENT ADOPTED AT SADIOLA & YATELA

The mines' experience with community development can be broken into four phases: (1) the early days, influenced by the Environmental Impact Assessment; (2) community development during village relocation; (3) establishment of the Community Development Foundation and (4) the future - Integrated Development Planning and Mine Closure. The categories are not mutually exclusive and are simply provided as an aid to communication.

#### 3.1 The early days

The Environmental Impact Assessments for both the Sadiola (1994) and Yatela projects (2000), found that the most significant impacts of the mine to be those of a socio-economic nature affecting the surrounding villages.

The development of Sadiola by Anglo American New Business Division was at the time, something of a revolution in the development of a new gold mine. A comprehensive, internationally acceptable Environmental Impact Assessment (EIA) carried out as part of the project feasibility study, was required as a condition of the IFC loan financing for Sadiola. At the time, the requirement for an EIA was over and above Malian legislation and mining permit requirements. The EIA included extensive social assessment work carried out by the University of Natal's Institute of Natural Resources (INR) in association with a Malian NGO (ASERNI). This work involved extensive consultation and use of rural participatory planning methods, and so established a style for future community interactions (INR, 1994).



*Figure 3 Sadiola gold plant – a contrast between a sophisticated infrastructure in a remote, rural location*

To help mitigate the negative effects of the mine, identified in the Environmental Impact Assessment, SEMOS committed to contributing a sum of US\$60,000 per year to a Trust Fund for local community development efforts – these provisions began with the start of production in January 1997. In 1997 various projects such as the provision of handpumps on water boreholes, community gardens and food relief for a village ravaged by fire were undertaken on a case-by-case basis. Knowledge of 'the Fund', resulted in a variety of expectations arising amongst the six villages located in the mine exploitation area. This early phase of community development was not guided by any overarching strategy, but largely through a desire to improve the livelihoods of villages around the mine. Initiatives were hence evaluated on an ad-hoc basis and administered solely by the mine.

#### 3.2 Community development during the village relocation phase

The next phase in the company's approach to community development was brought about as a result of the village relocation experience. Expansion of the mine pit at Sadiola necessitated the relocation of two local villages, namely Sadiola and Farabakouta. The resettlement processes were carried out in accordance with the World Bank guidelines on Involuntary Resettlement (Operational Directive 4.30) and Malian law. A central tenet of OD 4.30 is that "involuntary resettlement should be conceived and executed as development programs" with a focus on the economic development, income restoration and generation, and not only on the replacement of physical infrastructure. In the hype of relocation planning, it is easy for the emphasis to fall on the physical relocation of communities; the construction of new dwellings, compensation for losses, and the removal and relocation of household contents. However, OD 4.30 requires that one seek to minimize the impact on the society as a whole and assist in the re-establishment and improvement of the livelihoods of the affected population. Another way of stating the objective is that 'nobody should be worse off than they were before the move'.

Once the decision to move the villages had been taken, a Steering Committee consisting of representatives of the mine, the Malian government and the village leadership was established. The

INR and ASERNI were appointed to help plan and facilitate the relocation process. These parties were also involved in the social components of the original environmental impact assessment process dating back to 1994 and were hence familiar with the people, their culture and the project history. These consultants were tasked with preparing a socio-economic study and undertaking a participative site selection process. This would provide a baseline from which to determine the impact of the move on the community, as well as information required for planning purposes (number of structures, compensation, etc). A Working Group ("Groupe de Travail") consisting of the implementing bodies - the mine and the various consultants - was established to co-ordinate activities. The village leadership, together with the consultants and the mine's community liaison officer (environmental department) were involved in the identification of a range of alternative sites, and criteria against which to evaluate these. Selection of the new village sites was completed in August 1997. Once the sites had been identified and agreed upon, the Steering Committee then approved the preparation of a village Resettlement Action Plan (RAP).

A thorough monitoring procedure was also developed and implemented in order to assess the overall progress of the village relocation process. The monitoring procedure provided a consistent and independent review of the implementation of the RAP and served as a means of recording and reporting the results of the relocation to the Board of SEMOS. The approach to monitoring was for the Institute of Natural Resources to undertake quarterly reviews during the various phases of village construction, consisting of site visits and related observations, meetings and interviews with key stakeholders and consultations with the implementation agents. Following each visit, a report was produced and circulated to all stakeholders recording progress as well as identifying any new issues or impacts and recommended corrective action. The resettlement monitoring process did not only assess progress with the physical relocation process, but also with associated community development initiatives.

On completion of the resettlement project, a formal procedure for carrying out annual socio-economic monitoring of the relocated and neighbouring villages was developed under the mine's environmental management programme and continues to be implemented. As part of the mine's annual environmental audit process, the management of community affairs and socio-economic programmes are also independently evaluated.

In the Yatela project, it was clear right from the start, that the village of Niamboulama would require relocation if the mine was to be developed. The relocation of this village was therefore considered as an integral part of the project feasibility study. A resettlement action plan (RAP) was developed as an extension of the socio-economic component of the projects EIA. The Sadiola experience greatly influenced the subsequent development and implementation of the Yatela project - learning points could be incorporated in the plan up front. Similar monitoring and evaluation procedures as were applied at Sadiola, were adopted for the relocation of Niamboulama.

### *3.2.1 Specific initiatives during the 'village relocation' phase*

During the village relocation phase, community development initiatives in the relocated villages hinged around the objective that 'nobody should be worse off than they were before the move'.

One of the concerns was that relocation would interfere with cropping activities and possibly affect village food security. The provision of fertilizers was included in the RAP as a way of ensuring the productivity of new cropping lands. However the use of fertilizers is not common in the district, and the provision of cattle-drawn ploughs and other agricultural equipment was suggested and accepted by the relocated villages as a more appropriate (and sustainable) alternative. The district agricultural officer was contracted to supply agricultural extension services and advise regarding the use of implements, seed and sowing techniques.

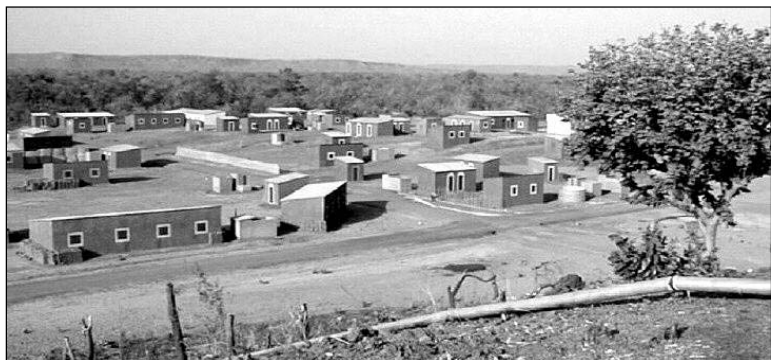
The RAP also included, as a contingency, the possible provision of supplementary foodstuffs (maize and millet). This aspect became widely known in the affected villages, and shortly after the physical relocation, repeated demands and protestations for its supply were forthcoming. Interventions that allow villagers to rely upon the mine for an important good or service that will no longer be available once the mine closes should be avoided. Assistance rendered to villagers, should be screened for possible dependencies in the villages because, for example, this can wreak havoc with local cropping activities that are central to medium term village survival.

The simplest yet most effective way of providing community development assistance to villagers is to focus on those known elements of their livelihoods that cause most hardship or present the best opportunities for escaping the poverty cycle, i.e. water supply, healthcare, education and agricultural production. The following interventions are good examples of this type of assistance.

Mali's Sahelian climate ensures that groundwater supply is absolutely crucial to village existence during the dry months, and that water supply is a major limiting factor in both food supply and general village development. The installation or repair of boreholes and hand pumps, or, where specifically requested, large diameter village wells is a useful development intervention. It should be stressed that responsibility for the maintenance of the pump(s) should rest with either the village leaders or the local administration, and not with the mine.

At the insistence of government, a reticulated water supply system was developed for the new villages of Sadiola and Farabakouta. The installation of reticulated water supplies represents a major departure from local norms, but was regarded as an opportunity to modernise the villages. Despite sustained efforts to train village representatives in the maintenance and management of the water-

pumping infrastructure (without government support) the mine has had to operate as a water service supplier – a situation which will be unsustainable when mining ceases. The reluctance to take ownership of the water supply system by either village leadership or local government, is probably also a realization of the costs involved, which at this time are being borne by the mine. The issue of water availability is one that has been the cause of several protests and a march to the mine offices.



*Figure 4 New Farabakouta village before occupation - note reticulated water line & design based on modern town planning principles*

The purchase of (diesel-driven) mills for use by the women benefits the entire community, as it liberates women from the time-consuming and arduous daily task of manual 'stamping' of grain crops (eaten as a staple). Experience has shown that the mill should be at least partly subsidized by the women's group or village, such that this group takes responsibility for its upkeep and repair. Without this 'buy-in' there is a lack of ownership that can lead to neglect. Donations should be avoided where possible in favour of joint funding arrangements, even if local communities only put up a small fraction of the costs.

Large numbers of rural Malians die of preventable diseases. The provision of a loan to a local doctor, and the establishment of a much-needed pharmacy in Sadiola (by a former mine-employed Malian pharmacist), helped improve the availability of basic medicines and primary healthcare advice. Anti-malaria spraying carried out by the environmental department in the villages around the mine helps improve local health and decrease downtime in the labour force.

### **3.3 Establishment of the Community Development Foundation**

In mid-1997, a dispute arose between the Chiefs of Sadiola and Farabakouta and the other four villages. The former felt that because they were the most affected by the creation of the mine and the pending relocation, the Trust Fund (US\$60,000/year) should be utilised for their exclusive benefit. However, the other villages felt that Sadiola and Farabakouta were receiving great benefit in the form of highly improved accommodation and village facilities, and once moved, all neighbouring villages would be equally affected by the mine. To resolve the dispute a moratorium was placed on all projects and the Malian government intervened to mediate in the stand-off. They requested, and were granted, participation in the administration of the Fund through dual signing powers. A proposal for the operation of the Fund was delayed until July 1998. At this meeting little agreement could be reached on the operation of the Fund. By this time, a significant amount of money had accumulated in the Trust

Fund account, but this could not be accessed due to differences regarding the management of the account.

During this period it had also become clear that US\$60,000/year would not go very far in meeting the development expectations of the district. Together with the IFC, the mine developed the idea that an independent Development Foundation that would be in a position to approach independent aid agencies and other organizations for co-operation and financial assistance. The Foundation was formally established in November 2000 and initially targeted six villages in the vicinity of the mine, two of which had been resettled. Subsequently two other villages were included (total eight) because the development of two outlier pits were within the areas utilized by these villages.

The Company appointed an expatriate Development Foundation Project Co-ordinator in 1999 to initiate community development projects and a full time Malian Coordinator took over in early 2001. The Co-ordinator is assisted by two village-based facilitators at Sadiola, and one at Yatela. In recognition of the need to deal directly with the women, one of the rural development facilitators is female. The Malian NGO – ASERNI - which facilitated the resettlement process has also provided some input, including up-dating of initial socio-economic baseline information. The activities of the Foundation have been focused in three major areas, namely large-scale, or macro-projects, the provision of micro-credit and capacity building in the communities.

Meanwhile, pressure to demonstrate the mines commitment to community development increased among the surrounding population. An ASERNI survey of the women in the various villages identified a number of practical projects, which for very little funding, could make a rapid and significant difference to livelihoods in the various villages surrounding the mine. In day-to-day village administration women have very little influence in this male dominated society and are all but excluded from participation in decision-making. Their role is restricted to domestic chores, child rearing and food production. However, it was found that they had simple, but clear and practical ideas on how to improve their livelihoods; often very different to the grandiose but impractical schemes of the men.

The most successful component of the Foundation's work to date, has been the establishment of a revolving micro-credit scheme, which involves the provision of small loans to either individuals, or groups, for the development of new or existing entrepreneurial activities. The disbursement of the first loans ("microcredit") for small projects took place during May 1999. By December 2000, over 34 entrepreneurial initiatives had been funded in this way - a total value of US\$22,500. (These revolving funds had to be sourced from a departmental budget, until such time as the stand-off between the mine and the Administration would allow access to the Trust Fund account).

The evaluation of these micro-credit requests was carried out by a "Project Rating Committee" consisting of Foundation and Environmental Department staff. They would meet every 4 - 6 weeks to prioritise and select projects for funding. The initial proposals would consist of a simple verbal or written request, that would then be written up by the facilitator in an agreed format, in consultation with the entrepreneur. The loans are repaid at an agreed monthly rate after a grace period of one to two months, depending on the type of project. This scheme provided a means to make a rapid and significant positive impact in the relevant villages in the short-term, while macro-development initiatives were still in planning. Repayment of the micro-loans has been outstanding. The type of projects funded have been village shops, travelling salemen, dressmaking and tailoring, grain milling, small scale irrigated vegetable gardens, small scale poultry production, metalworking, etc.

Typically, entrepreneurs would be supporting an extended family group which meant that the benefits were far reaching. 'Micro-credit' schemes have proved to be an excellent way of



Figure 5 Irrigated vegetable garden in Madine village – production could be sustained through most of the dry season and produce would be sold to both the local market & mine supermarket

allowing villagers to participate in the local cash economy and to take advantage of business opportunities associated with the mine development. (A subsistence economy was the norm before establishment of the mine). However, it should be noted that some time and money have to be devoted to the education / sensitization of villagers before such schemes are effective. Capacity building amongst local communities forms an integral part of stimulating entrepreneurial activities.

Special attention has had to be given to encourage 'Original Inhabitants' of the area to develop their entrepreneurial skills and make use of the micro-credit facility. During construction, the district attracted a large number of work seekers from all over West Africa – these became known as the 'New Arrivals'. Job opportunities decreased with the start of production and many of the 'New Arrivals' moved on to greener pastures. However many have remained in the district. It is clear that the degree of entrepreneurial flair and initiative is generally much higher among the 'New Arrivals' than the 'Original Inhabitants'. These has been, and continues to be, a source of contention as the 'New Arrivals' are quick to recognize and exploit a business opportunity to the perceived detriment of the 'Original Inhabitants'. In the assessment of projects, the Development Foundation would therefore actively seek out proposals from the 'Original Inhabitants' and weight these higher than those from the 'New Arrivals' (although 'New Arrivals' were not excluded from development initiatives).

Macro-projects involve large community groups, entire villages or groups of villages. These include projects to improve the water supplies in the target villages, such as the development of a borehole and well at Borokone. At Sadiola, a large dam amounting to US\$100,000 was constructed in line with community requests for a year-round water supply and a regional development planning assessment. The implementation of an Artisanal Gold Mining (Orpaillage) project at Farabakouta to substitute for resources lost in the construction of the main Sadiola pit has been less successful.

The third major thrust of the Foundation's activities is social development, with a particular emphasis on basic literacy and numeracy and the development of basic planning and business management skills. Building capacity in the target communities is possibly the greatest challenge facing the Foundation and is essential to the goal of sustainable development in the district. To date this has been carried out largely through one-on-one interaction between the facilitators and entrepreneurs in the development of micro-business plans. This is an area where the Development Foundation has continued to seek partnerships with existing organisations that have expertise in areas such as mother-tongue adult literacy; basic numeracy; vocational skills training (e.g. metal work, woodwork & sewing); other training to build capacity in the communities (e.g. small business management, agricultural skills) and primary health care.



*Figure 6 Sadiola dam – associated development activities have included vegetable gardening, the introduction of fish, and reliable livestock watering in the dry season.*

From the outset, the Development Foundation has been reluctant to become too involved in health-care, formal education and the provision of other basic community services. This is almost diametrically opposed to the development focuses of organisations like the AngloGold Fund. While recognizing that these components form the backbone to social development, the mine's view was that the primary responsibility should lie with government and that it was increasingly been drawn into this role at the local level. In the village relocation process, substantial improvements had been made through the provision of an upgraded district clinic (with ambulance), a bigger primary school and a new secondary school.

With the development of the Yatela project, the activities of the Development Foundation were extended to the six villages within that mine's 'sphere of influence'. An additional rural facilitator was appointed, but management continued to be co-ordinated through Sadiola. Being a much smaller project, an amount of US\$15000/year was committed to the community development fund.

The exact amount contributed to community development activities has been the source of extensive debate and has been raised in every environmental audit to date. The initial US\$60,000/year at Sadiola was determined on an ad-hoc basis, and the sum of US\$15,000/year for Yatela was determined on the basis of Sadiola's contribution. Should the sum be determined as a percentage of profit, a percentage of gold production, a percentage of operating costs or any other number of criteria? Questions arise like: is not the impact on community the same irrespective of whether or not the mine generated a profit? This issue has been debated in numerous projects around the world, but there is no clear answer. One of the learning points from the Malian experience is that development should not be judged on the size and cost of infrastructural projects (schools, dams etc), but rather by the lasting impact this has upon local livelihoods and human development. Small amounts of money, wisely spent, can achieve far more than grand schemes doomed to failure once mine support is withdrawn. Investment in human capital (through education and training), whilst almost invisible on brochures, can reap far higher rewards than investment in prominent infrastructure projects. The challenge is to measure the effectiveness of community development initiatives, not simply the total spend.

Development projects need to be selected in a participative manner, in consultation with parties who are cognisant of local socio-economic realities. Extensive community involvement, and the use of participatory methods involving all interested and affected parties, greatly contributed to the successful relocation of the villages and subsequent community development initiatives. The appointment of a Malian NGO (ASERNI) as the implementing agent, brought a great deal of understanding of the local dynamics to the management team. The appointment of a Malian community liaison officer early in the project phase, resulted in a continuous and formal programme of community consultation and participation starting in 1994 and continuing through to the present day. ASERNI's recommendation to base a full-time facilitator in each of the villages provided important insights into village politics and the concerns of individual families, as well as providing a convenient "go-between" the village and the mine.

This participative approach is a markedly different approach to the 'old' fashioned mining development model (as applied in many South African mines) which was inherently patriarchal in nature. In this model, development was often carried out unilaterally, i.e. as a showcase of what the mine was doing for the community, rather than as a joint venture. Projects were selected on the whim of managers, and not necessarily through careful planning and screening. As a result, there are many 'white elephant' development projects that failed as soon as mining support ceased. However, that is not to say that this cannot happen in the participative approach!

### **3.4 The future – Integrated Development Planning & Mine Closure**

Mine closure at Sadiola is estimated to take place in less than 6 years. The original Environmental Impact Assessment outlined basic ideas on mine closure. The first costed closure plan was developed by the Sadiola management team in 1999, specifically to develop an understanding of the various mine closure scenarios, their implications and associated costs. From the onset, it was recognised that stakeholder participation would be required in the development of the mine closure plan, but it was not clear at which point this should occur. Revisions to the mine closure plan have been carried out on an annual basis (2000 – 2002), during which time the plan has been criticized for not addressing the socio-economic implications of closure and for not involving relevant stakeholders (Environmental audits 2000 – 2002). A new initiative explained below, will address these shortcomings.

With regard to community development, it is becoming clear that past approaches to community development (described above) have their limitations. Despite efforts, the Foundation has been unable to attract interest from external donors and has had limited success in developing partnerships with other Malian NGO's.

In late 2000 there were two protest marches by community members. One was due to a misunderstanding with women artisanal miners in the six villages closest to Sadiola, which had allowed them to develop an expectation of being given ore - from the pit - by SEMOS. The other was a march by the people of Diamou, a village situated on the Senegal River, some 50km from the mine, wanting water to be provided to them from the SEMOS pump station adjacent to their village. This protest was more of an appeal to be included in the area covered by the Development Foundation's activities, on the basis that they are also impacted by the mine's pump station.

Environmental audits (2000 & 2001) of the mine's community development activities have acknowledged the successes of the micro-credit scheme and village resettlement initiatives but have warned about complacency in responding to change. Audits of 2001 and 2002 highlighted concerns about the status of staff within the function (roles and responsibilities, conditions of employment, seniority, capacity, training and personal development opportunities). The review was particularly complimentary about the caliber and dedication of the community development staff, benchmarked against other comparable initiatives, but noted a concern about the significant increase in work load and the capacity to deal with this, as well as the perceived marginalisation of the community program and lack of due recognition for employee performance. These factors were identified as contributing to a gradual deterioration in communications between front-line community liaison staff, the local villages and senior mine management. Recommendations were also made to improve the effectiveness of formal social and socio-economic monitoring systems.

There has been on-going dissatisfaction amongst some of the target communities, who believe that the resettled villages have received a disproportionate share of the benefits (and amongst the resettled villagers who believe that because they had to relocate they should be the sole beneficiaries of the Fund's initiatives). The implementation of the government's decentralization policy has resulted in political maneuvering that has hindered adequate co-ordination of development priorities and initiatives between local and regional government authorities and has also resulted in considerable delays and frustration. These frustrations have filtered through the various community networks and have resulted in attention by the local, national and French media as well as various local and international NGO's. In early 2002, Friends of the Earth (France) were approached by a group of expatriate Malians working in France to draw attention to their concerns about the state of affairs in this remote location of Mali. A meeting in Paris, followed by a visit to site, helped clarify matters and focus attention on the sustainability challenges facing the region. It has become apparent that there is a lack of a shared vision and strategy for future development amongst key stakeholders. Intentional or not, the separation of 'mine-initiated' community development from 'broader local' development needs to be avoided. There is no detailed development action plan for the Foundation to build on its initial successes. It has also been realized that there is a lack of capacity and lack of experience within local and regional government structures, local and national NGOs/CBOs, and within the surrounding communities to prepare and plan for a sustainable future. Local agencies, and in particular the local administration, should have a medium to long-term stake in any major intervention if it is to be successful.

The above circumstances brought matters to a head, and a multi-stakeholder workshop was convened on 23-25 June 2003 to deal with the situation. The objectives of the workshop have been to prepare and implement an Integrated Development Action Plan (IDAP) that will help build the planning and implementation capacity of the Development Foundation, the communities it represents, the Sadiola Rural Commune and the Kayes Regional Administration. The participation of national administration representatives and parliamentary members in the workshop has provided even broader understanding of the issues facing the region. The IDAP will address the long term management and use of revenues and other potential benefits generated by the operation of Sadiola Gold Mine and the associated Yatela Gold Mine.

It is also clear that there must be linkages between IDAP and the Mine Closure Plan. These are likely to cover the following aspects:

- Land use planning for future economic use of land beyond mine closure to optimize use of local natural resources, existing facilities and infrastructure. This should include post-operative use of remaining mine buildings and rehabilitated areas to contribute to the creation of a substitution economy to ensure community sustainability (e.g. conversion of facilities for other uses such as education and training center, health center, rural development center, agri-business and SME facilities, etc).
- Identification of measures to ensure establishment of an appropriate institutional and organizational base for the post mine closure period, including capacity building of local government structures to takeover infrastructure and services. This should also address preparation to eventually transfer mine responsibilities for infrastructure and services to local authorities and communities (e.g. Sadiola and Farabakouta reticulated water supply systems, power supply, wastewater treatment plant, schools, clinic, etc.).

- Development of mine employee training programs aimed at multi-skilling and eventual transfer of skills to other livelihood and economic activities in the post mine closure period.
- Measures to improve the skills base of the local community and develop alternate livelihood activities that are sustainable beyond the life of mine.

The challenges of establishing a sustainable future for the Sadiola region should not be underestimated. However, the economic advantages that the mines have brought to the region should be harnessed before it is too late. It is clear that the success of this will depend on the combined efforts of local communities, governments, international institutions and non-government organizations (NGOs) over the remaining life of the two mines. This is the best prospect for long term sustainability of the region.

#### **4 OTHER APPROACHES TO COMMUNITY DEVELOPMENT**

It is interesting to note that, in its assessment of local communities and mines, the MMSD report (2002) suggests that a Community and Social Development Plan (CSDP) be considered by individual mining operations. The CSDP is described as a way of providing a fundamental framework for relations between the company, the community, the government and any other relevant parties. It is envisaged that this be designed in consultation with stakeholders, preferably at the start of a project, and should be based on the community's concept of how its interactions with the mine can best contribute to achieving its social, environmental and economic goals. It should also be grounded in the willingness and ability of the company and national government to contribute to and support those goals. It recognizes that the plan will need to evolve over the life of the mine, initially with the mine playing a leading role, but with the longer-term aim being that of a local administrative structure taking over implementation of the plan. Independent mechanisms for monitoring and evaluation, including performance indicators, need to be included in the CSDP. The real challenges, as outlined under roles and responsibilities are:

- A commitment to sustainable development at the local level
- A commitment to effective community participation in decision-making
- A belief in open communication among actors
- A commitment to proactive rather than reactive approaches
- A respect for independent evaluation and monitoring
- A willingness to share responsibility and collaborate with others

The report recognizes that CSDP's may not be appropriate for all operations, particularly where community plans already exist, and that all that is required is to review and improve existing plans rather than create new ones. The IDAP envisaged for the Sadiola district appears to address many of these issues. One it does not, is a suggestion that the CSDP is backed up by a Memorandum of Understanding signed by all parties (including national and local government) so that responsibilities are formally recognized and delivered.

The NGO, Oxfam Community Aid Abroad, which has been involved in an internal capacity building project with BHPBilliton, advocates an alternative 'rights based approach to community development' (Rush & Ensor, 2002). The rights based approach is described as one which begins with making the community and its peoples aware of their fundamental rights and how they can be used in the local, national and if needed, international, contexts to further their development. They make a distinction between so-called traditional approaches to community development and the rights-based approach. The traditional approach is described as that which focuses on the provision of resources, usually capital, for physical infrastructure and capacity building (with varying degrees of partnership). The traditional methods can produce sub-optimal results even when supported by technical analyses and other decision-making tools. They require decisions to be made by all parties about the allocation and use of scarce resources, which parties should be involved and in what capacity, who is responsible for on-going maintenance of the infrastructure, and who has "ownership" of the infrastructure. Similar decisions arise around capacity building projects. Tensions are further exacerbated when parties must decide over the 'here-and-now' benefits compared with 'future' benefits.

The 'rights based approach' is based on companies collaboratively working with the community to empower and equip the community so that they control their own development and are responsible for deciding priorities, initiating and obtaining external resources, and deploying these resources to meet

their short and long term needs. Community development is about people, not projects, and about building human capacity within the boundaries of a sustainable society. The direct advantages of this approach are that issues about priorities for use of scarce resources, ownership of projects, resolution of issues about addressing short versus long term needs are all substantially handled by the community. Indirect benefits for the company in this process are the development of positive and durable relationships with the community (built on trust), and supportive of the 'social licence to operate'.

This 'rights based approach to community development' carries a number of risks that are significantly different to those that companies are typically used to carrying. These are: a significant devolution of responsibility to communities for their development; longer time frames required for tangible results; and more uncertainty as to specific community development outcomes – the community may prioritise things quite differently to that of the company or the government. It has been recognised that this model of community development cannot easily be applied directly by the mineral resources sector, but rather that it offers a window on an alternative approach that might be adapted for the business environment. It also suggests that companies will increasingly be challenged to go beyond the conventional and to do things differently.

## **5 THE BUSINESS CASE FOR COMMUNITY DEVELOPMENT**

The challenge of operating a mine in a remote undeveloped location, establishing and maintaining good relations with neighbouring local communities and avoiding disputes that can negatively affect the productivity of an operation, are enormous. However, disputes and conflicts between communities and mining companies, government, or other stakeholders can be largely avoided if the interactions between the mine and the community start on the right basis and are managed appropriately. Exploration crews are usually the first contact a community has with a mining company and this sets the tone for future interactions. How many companies give their exploration teams adequate training to guide them in their dealings with local communities? How many operations are having to deal with the results of 'promises' made by either junior exploration companies or drilling contractors?

The MMSD report (2002) draws attention to the fact that over the last decade, widespread civil violence has been seen in 15 of the world's 20 least developed nations, many of which are home to some of the most commercially desirable and underexploited mineral veins. For the mineral sector, conflict is becoming increasingly important, not least because important minerals are located in politically unstable areas of the world. Apart from risk-based investment decisions, will there be competitive advantages for companies who have sound social investment strategies (including aspects such as community liaison, community development, etc.) and are able to maintain productive community relations and hence demonstrate continued success at establishing and operating mines under conditions that others may perceive to be too risky?

At the 2002 Minerals Council of Australia's Conference on Sustainable Development, presentations by representatives of Rio Tinto, WMC and BHPBilliton described their approaches to community development and the strengthening of capacity within their organisations.

Griffith's (2002) in outlining WMC Resources business case for community development, states that their programme aims to proactively influence: their public reputation, 'licence to operate', access to land, and to minimise the potentially high costs of neglecting the Triple Bottom Line. The programme also addresses: the communities' "right to know", increasing activism in society, demands for equity, demands for social justice and the expectation of 'righting historical wrongs'. The company hopes to create and maintain an environment in which everybody understands the business case for community development programs and acts proactively with a long-term view, helping build community capacity that will lead to mutually beneficial partnerships. If the organisation only reacts to external pressures, then its community activities will be short-term, situational, ad hoc and will create dependency relationships. WMC seeks to implement its community development ideals by: engaging with their internal and external stakeholders, working with communities (both indigenous and non-indigenous), seeking community participation and consultation, looking for real opportunities for development, partnerships and sincere sponsorships, focusing on their people and trying to turn well-intentioned thoughts into actions.

In light of the increased emphasis on human rights and community development issues (outlined in the MMSD report) and BHP Billiton's desire to secure social licence's to operate in different parts of the world, the company is actively pursuing initiatives to help it practically implement policy in these key strategic areas (Rush & Ensor, 2002). One of these initiatives is the Corporate Community Leadership Program developed in partnership with the NGO, Oxfam Community Aid Abroad. BHP Billiton's aims in undertaking the program have been to increase awareness of community issues and development processes, and to expose its operational staff to leading edge community development work so as to provide a better integration of community and environment issues in all phases of mining development. Given the increasing importance of the private sector in the developing world, one of Oxfam Community Aid Abroad's aims was to provide a large minerals company with an exposure to effective community development practice and an understanding of the link between this practice and Oxfam Community Aid Abroad's rights based approach to development to bring about sustained improvements in human development.

Active measures are being taken by Rio Tinto to build this competency within their organisation. Harvey (2002) predicts that the future for mining in a globally connected social landscape requires the selection of people who can listen, relate and act in an open social system. Over the next decade he predicts that sociological and personnel social competencies will increasingly be promoted within successful mining companies, by means of human resource incentives such as recruitment and career advancement based on broad competencies rather than narrow technical proficiency, humanities training for mining professionals and performance rewards that recognise social competence.

McMahon & Strongman (1999) suggest that social issues warrant the right professional skills in the same manner as engineering and financial matters. They describe community relations work as central to project success as is any other factor. However, it is often more difficult to undertake as there are rarely 'off the shelf solutions' to community-related problems. Furthermore, community affairs personnel tend to be very much less well funded than their counterparts in metallurgy or even the environment section of their mine. They receive little on-the-job training and this is exacerbated by the fact that it is rare for companies to specify very much in the way of professional qualifications when recruiting such staff in the first place. There is a strong case for improved professional training of community affairs staff.

Given the above conditions, one could argue that community development, and related social strategies, are either fast becoming (or should become) an important component of any mineral sector company's business competencies. It is no longer sufficient for mining companies to obtain official mining permits, they now need to earn, and retain, a 'social licence to operate' (MMSD, 2002).

## **6 CONCLUSION**

This paper has set out to describe the approach to community development at two Malian mining operations (Sadiola and Yatela), and has explained how this has changed over time and how it will continue to develop as the various stakeholders go about developing, and then implementing, an Integrated Development Action Plan (IDAP).

Extensive community involvement, and the use of participatory methods have greatly contributed to the successful relocation of the villages of Sadiola, Farabakouta and Niamboulama. The appointment of a Malian NGO (ASERNI) as the implementing agent, brought a great deal of understanding of the local cultural dynamics to the management team. The appointment of a Malian community liaison officer early in the project phase resulted in a continuous and formal programme of community consultation starting in 1994 and continuing through to the present day. ASERNI's recommendation to base a full-time facilitator in each of the villages provided important insights into village politics and the concerns of individual families, as well as providing a convenient "go-between" the village and the mine. Subsequent community development initiatives, undertaken in a participative manner, in consultation with parties who are cognisant of local socio-economic realities, even with relatively little funding, can make a meaningful difference in peoples lives.

There have been shortcomings to existing efforts, and it is anticipated that these will be addressed in the multi-stakeholder development of the Integrated Development Action Plan. It is intended that a

partnership between the mine, the community, the NGO's, and the government take greater responsibility for local development in the district, including social sector infrastructure and capacity development. It is hoped that the continued implementation of community development initiatives will reduce the communities' reliance on the mine, particularly given its existing life. One of the most difficult tasks facing companies operating in remote areas is the phased handing over of responsibilities for infrastructure and services to local government as mine closure approaches. Mine closure poses difficult social, economic and environmental issues which the various stakeholders will continue to address.

The Malian community development experience is briefly compared with other approaches to community development, namely the MMSD's proposed Community and Social Development Plan (CSDP) and Oxfam Community Aid Abroad's rights based approach to development. The business case for community development is linked closely to the concept of a 'social licence to operate'. The initiatives of a few other companies to build competency in this area are examined with a view to determining if, in future, this might provide some sort of competitive advantage to the establishment and operation of successful mining operations.

## **DISCLAIMER**

The views presented are those of the individual authors and do not necessarily represent those of their employers.

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