

Mining industry needs to create platforms for development partnerships

By [Tim Hart](#)

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In 2014 the International Association for Public Participation Southern Africa Awards recognised Anglo American Platinum, SRK Consulting (SA), TTM Consulting and Yamedupi Solutions for the Alchemy initiative. Walking away with the title of Project of the Year by an organisation which recognises public participation in Southern Africa was a boost to the project, but it also challenged the team to take things to an even higher level.



Anglo American Platinum (Amplats), SRK Consulting, TTM Consulting and Yamedupi Solutions walked away with the International Association for Public Participation Southern Africa Project of the Year Award in 2014.

With this in mind it was fortuitous that, in early 2014, Anglo's Alchemy lead, Werner Grundling, asked me to review a document from the Kellogg Innovation Network (KIN), part of the Kellogg School of Management at Northwestern University in the United States. The document, entitled 'Reinventing Mining: Creating Sustainable Value', was focused on creating what it called 'the mining company of the future'. The KIN think-tank, which boasts Anglo head Mark Cutifani among its chairs, has produced an amazing document which examines where mining is going.

As the document states: "Society's long-term prosperity depends on the strength of our relationships across the broadest spectrum of society. Leaders of industry, civil society, academia, non-profits, government entities and politicians must come together to develop a new model for sustainable resource development. Only by working with other stakeholders can the mining industry extend its social license to operate and ensure access to land, capital and markets."

Moving into new phase

KIN's focus on development partnerships is everything we talk about at SRK, and having a document like this in the public space and driving thought-leadership in mining around the world is a sure sign that the industry is increasingly in step with global sustainability trends. But, as Alchemy moves into a new phase itself, the document got me thinking.

Alchemy, a R3.5bn social development framework for shared ownership, was started in 2009 to develop mine communities which did not previously benefit from empowerment. The initiative operates in host communities located near to Anglo American Platinum mines in Mogalakwena, Rustenburg, Twickenham and Amandelbult (Tumela/Dishaba), and key labour-sending areas in Northwest, Limpopo, the Eastern Cape, Mozambique and Lesotho.

Since 2009 much of Alchemy's focus has been on establishing institutions. Three development trusts and a non-profit company have been created and another two trusts are in the pipeline. Thanks to the establishment of these funding mechanisms we can now say that the institutional and organisational model is in place. The next challenge is to get these institutions to operate as developmental catalysts. And that's critical to Alchemy's future success.

The Alchemy concept centres on the fact that independent development trusts, with their own funding, will stimulate and partner other development players in a local area to spur on local development. What's really exciting about this approach is that communities can get into that forum, whatever it might be, with their own resources.

Stark contrast

This is in stark contrast to the traditional situation where communities would go to a corporate social responsibility meeting and just take whatever the mine puts on the table. They aren't partners, they were really just willing players. One of the fundamental aspects of Alchemy is to enable communities to come into a development discussion and to be able to play their own cards; because they have resources. It's a very powerful notion and, at its core, is the idea of partnerships.

When I immersed myself in the KIN document, I noted that it talks a lot about partnerships. It says the mining company of the future will partner in development with a whole range of stakeholders. Mining companies of the future will promote and prepare development plans for local areas, on which they will engage and so on.

But when I looked more carefully I noticed an emphasis on partnerships among industry players; so mining companies must work together, and also government. Partnership with communities was mentioned, but for me the missing link was an insight into how this might work. And that is perhaps the most difficult partnership to really understand and develop.

I think it's important to remember that players in the extractive industries are increasingly open to having this conversation. At the Mining Indaba, for example, many speakers touched on partnerships. It slips very easily off the tongue and it sounds great, but for me the challenge is 'how'. And this is especially true when it comes to communities. Against this backdrop, the question that began to loom large in my mind was how, as a mining company, do you form development partnerships with communities?

Interesting forum

As fate would have it, as I was grappling with the evolution of the mining industry's changing view of community development and partnership, I received an invitation to attend The 6th Annual Rural Development Conference 2015. Believing that this was an interesting forum in which to talk about the ideas and concepts coming out of Alchemy, Dennis Ritter, Change Manager: Platinum Review Office at Anglo American Platinum, and myself were accepted to deliver a paper at the conference, which took place from 27-28 May in Durban.

The paper, which we entitled 'Mines, communities and the road to partnership: Lessons from the Alchemy community empowerment and sustainable development journey', was well received by an audience which previously knew nothing

about our programme. While the opportunity allowed us to introduce the project, the most ears pricked up when we started to talk about creating 'platforms' for community development partnership.

This centred on the notion that partnerships with communities don't just happen; we need to find spaces and structures in which these partnerships can evolve. In this context we looked at four such platforms in the Alchemy context, which we named 'Durable and catalytic funding; Appropriate, representative and empowered structures; Integrated, long-term and leveraged development planning; and Community access to the engines of development'.

The World Bank has a 'development marketplace' which discovers and funds innovative development projects worldwide. The international reach is powerful, but if we are serious about community access to development I believe this is the sort of idea we should be harnessing in the mining space. To my mind such local 'marketplaces' would act almost like social development 'auctions' where, with local government and a spread of local business in attendance - along with possibly development facilitators and finders like the IFC and the Development Bank of Southern Africa - we could bring communities into the fold to put forward their ideas on an equal footing.

Power imbalance

Part of the ongoing problem with mine-community engagement is the power imbalance. You have relatively well-resourced mining companies with well-trained people on the one side and then the community on the other. Frequently 'the community' is ill-defined and lacking coherence. Leadership is sometimes unclear or contested. Important elements of communities are often disempowered and relatively silent. Many 'leaders' claim to speak on behalf of communities but, in many situations, they do not and are more focused on interests not aligned with the good of the community. They are not talking as partners.

How do you change that? Well, as a miner you are not going to change the politics and you are never going to change the structural relationships which are embedded in the politics. But, at a local level, you can do things that empower communities and this requires taking the conversation beyond the simple supply of funds.

I believe that creating platforms for discussion, engagement and partnership will achieve more simply by providing an enabling environment in which development is discussed and where resources can be leveraged and shared with optimum outcomes for all involved, including communities.

I think the Alchemy model and the Alchemy trusts provide a great starting point. Of course, the broader idea of platforms for development partnership doesn't have to be hinged on the Alchemy model and development trusts alone. Any similar arrangements and structures stand an equally good chance of getting this approach going and creating the necessary momentum.

Well-received presentation

Certainly I am not alone in believing this. At the Rural Development Conference, when our paper had been delivered, the chairperson noted that the platforms for development idea could be the theme for a future conference. Whether or not that happens remains to be seen, but the presentation was extremely positively received by this audience.

I came away from the conference with a real buzz. Not only because of the chance to share ideas and discuss projects but because this conference provided a real opportunity to speak to rural community people - NGOs and trusts working in rural communities. We heard some inspiring and thought provoking presentations from the likes of the Department of Trade and Industry, KPMG, Agribusiness Development Agency, Old Mutual's Masisizane Fund and the Small Enterprise Finance Agency. I suddenly felt connected to an audience that, as Alchemy, we haven't really engaged that much.

What struck me was that there are organisations, trusts and agencies with resources (skills and in some cases money) who are looking for opportunities to use the resources in areas where it is really needed. Connecting these with empowered community-based structures on the ground, who can help direct these resources and contribute their own, might become a

significant driver of community development. Alchemy will certainly want to pursue these opportunities through the development trusts.

We should be celebrating events like the Rural Development Conference and the power of collaboration which these platforms hold.

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