

# Tri-Sector Partnerships

## Overview of the Partnering Process

### Defining Tri-Sector Partnerships

Tri-sector partnerships are an approach to improving the management of social issues in the extractive industries. They are defined in two ways:

- as a **process** of trust-building, joint problem solving and relationship management between company, government and civil society
- as a **product** – a set of agreements designed to deliver a joint action programme.

### Partnership-Building

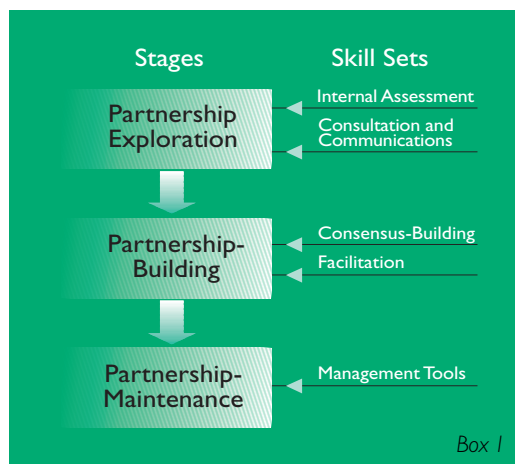
- consensus-building between partners to develop trust and agree specific commitments
- strengthening the capacity of partners to implement their commitments

### Partnership Maintenance

- measuring the impact of the partnership
- on-going communication between partners and adapting the partnership to changing circumstances

### The Partnering ‘Process’

Effective handling of social and local environmental issues is as much about managing relationships as it is about data gathering and analysis. The process of ‘partnering’ offers a set of activities and tools to better utilise relationships. The process divides into three stages:



Some new skills are required to manage the ‘partnering process’. Most critical of these are **consensus-building** and facilitation/brokering. Other partnering skills are refinements of existing practices: internal (risk) assessment, consultation and project management (see Box 1).

### Partnership Exploration

- securing an internal ‘champion’ (senior manager) to drive the process of partnership development
- prior ‘in-house’ assessment of the costs, risks and benefits of partnership
- exploratory consultation to identify the social or environmental ‘theme’ of the partnership and gauge the expectations and roles of potential partners

### Consensus-Building

– each partner needs to strengthen their own negotiation skills. Without a capability to reach consensus on ways to work collaboratively, partnerships are unlikely to remain effective for long.

- Third-Party Facilitation** – third-party facilitators (or brokers) are often used to help build effective partnerships. The independence brought by an external facilitator can help the parties to negotiate ‘win-win’ outcomes, where resources and talents are pooled and intractable problems solved jointly.

Natural Resources Cluster  
Business Partners for Development

A unique collaboration between:

Anglo American Corporation

BP plc

CARE International

Department for International Development (UK)

Integrated Coal Mining Limited

International Council for Mining and the Environment (ICME)

Norsk Hydro

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Rio Tinto

Royal Dutch/Shell

World Bank Group

WMC Resources



## The 'Partnership' Product

The outcome of the partnering process is a series of agreements (or 'charter') between the partners to better manage social and local environmental issues. These include:

- a **shared vision** and stated **objectives**
- the anticipated **mutual benefits**
- a workplan with clear **roles** and **resource commitments**
- a **grievance mechanism** to resolve disputes
- procedures for maintaining continuous **dialogue** between partners

## Key Success Factors

Companies planning to adopt a tri-sector partnership model to manage social and local environmental issue need to:

- 'link' the partnership to **existing social management strategies**;
- when negotiating with potential partners, focus on achieving your **underlying interests** (deadlines, obligations, policies), not the finer details of your social or environmental management plans;
- effective tri-sector partnerships derive from a consensual (**win-win**) style of negotiation, not adversarial (win-lose);
- clearly expressed '**limits to engagement**' can help reduce the reputational risks of collaboration with non-traditional parties; and
- independent **third-party facilitation** may assist the partnering process.



*Sarshatali coal mining project, India: an example of the 'partnering process'*

## Partnership Exploration

- Senior Directors of the company (ICML) agreed to support the process of partnership formulation
- Terms of Reference (ToR) agreed for a three month process of dialogue with potential partners
- Field visits to mine impact area by CARE West Bengal to review social management work of ICML
- Stakeholder workshop identified a Livelihoods Assessment as the central 'theme' for a partnership between ICML, district administrator, local NGOs and community-based institutions
- Consultation with potential partners to secure 'buy-in' and define expectations and roles

## Partnership Building

- Trust and understanding developed between partners, and agreement on partnership structure: shared vision, objectives, workplan and grievance mechanism.
- Roles agreed for all partners: ICML – co-ordination and resourcing; ASHA and Suchtetana (NGOs) – data gathering and analysis; community leaders – community mobilisation; district administrator – resourcing and mediation

## Partnership Maintenance

- Continuous dialogue between the partners and periodic progress reports on impact
- Skills training for partners in negotiation
- After one year, independent evaluation of the impacts of the partnership on 'business benefit'; 'community development' and 'good governance'

## Where to go for Advice

The web-site of the Natural Resources Cluster of Business Partners for Development (BPD) provides case-examples of oil gas and mining operations round the world working in partnership to manage a range of social issues: see [www.bpd-naturalresources.org](http://www.bpd-naturalresources.org)

Alternatively, contact the person whose business card is attached to the Briefing Notes folder. He/she is tasked with providing advice to those interested in tri-sector partnerships.