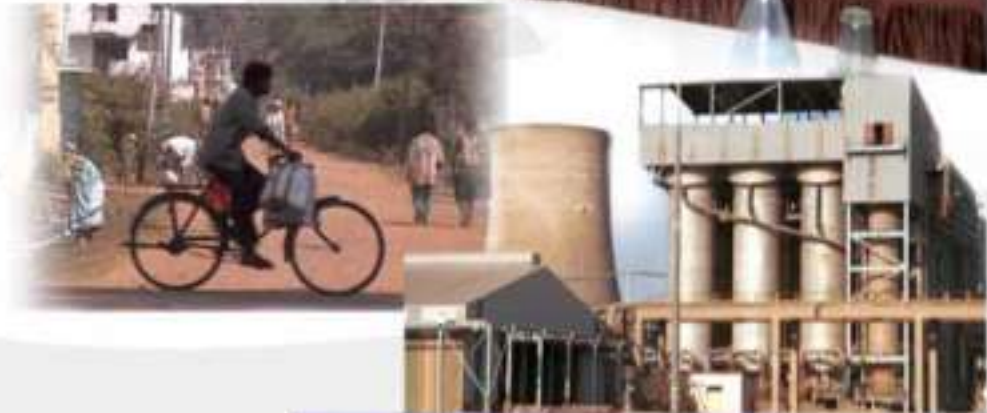
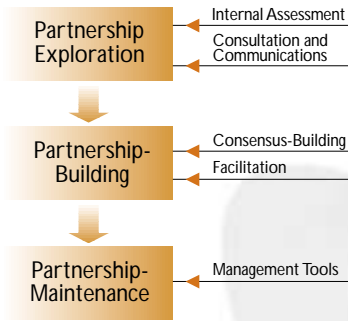


MODULE 2 Route Map



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MODULE 2

Route Map

Purpose

This module provides participants with a comprehensive overview of the concept of oil, gas and mining corporations working in partnership with government and civil society in the joint management of social issues. The module is built around a 'route map' designed to help participants identify where they are with respect to the process of developing and managing tri-sector partnerships, and to provide an overview of the skill-sets required at different phases of the process. Throughout the module the key principles that underpin effective tri-sector partnerships are emphasised.



Sessions

This module is designed to last **one-day** and is divided as follows:

Session 1 - Definitions (p. 2-5)

- characteristics and benefits of partnerships in the oil, gas and mining sectors
- integration of partnerships with existing project management
- why tri-sector partnerships are different

Session 2 - Navigating the Process – the 'Route-Map' (p. 2-12)

- steps in the process – exploration, building and maintenance
- identifying the required skill-sets

Session 3 - Exploring Partnerships (p. 2-21)

- assessment of benefits, costs and risks of working through partnerships
- importance of consultation and communications
- principles of partnership exploration

Session 4 - Building and Maintaining Partnerships (p. 3-10)

- demonstrating 'win-win' negotiation
- multi-party negotiation practice
- structural components of effective partnerships
- principles and process of consensus-building

Applications

The Route Map module is broadly applicable to those participating in any type of partnership that involves business, government and civil society working together to address social issues. This would range from structured processes of **multi-party dialogue** on issues of regional development, to the implementation of community projects through **joint-action** and **shared responsibility**.

The module is also applicable to partnerships convened at different **stages** in the development of an oil, gas or mining operation, from exploration to closure, and at different levels of the **project-society interface**, from the provision of employment opportunities to the design of transparent mechanisms for the distribution of tax revenues. Illustrations of some of these applications are given in *Handouts 2.1* and *2.2*.

How to Use This Module

Participants with Limited Experience – Where the audience is new to the concept of voluntary collaboration across business, civil society and government, more emphasis will need to be placed on the **benefits** that partnerships can bring in helping to meet their day-to-day objectives.

- ▶ *Session 1* is most critical in this regard and time should be allowed for participants to identify for themselves the key characteristics of effective partnerships and how partnerships might integrate and add value to existing management tasks.

- ▶ As necessary, *Session 2* can then be reduced, for example, to a short discussion of the three key stages of partnership management.
- ▶ *Session 3* can be omitted altogether.
- ▶ For participants unfamiliar with negotiation practices, the process of 'consensus-building' and the key principles that underpin it should be central. Materials for this include the role-playing exercise in *Session 4*.

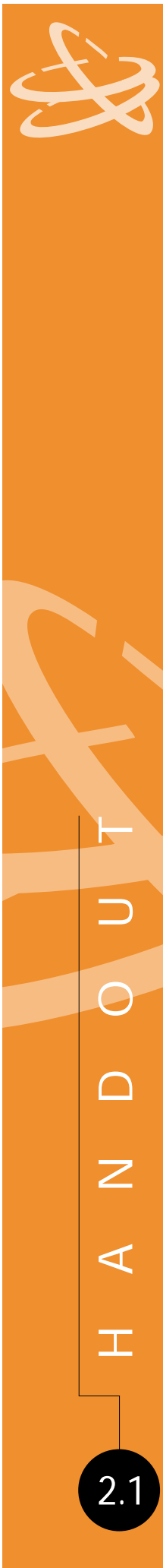
More Experienced Participants –

Participants already familiar with working in partnerships involving business, government and civil society will gain more from improving the way they go about **managing the process** of partnership building and maintenance. In these situations:

- ▶ reduce the time spent on *Session 1*;
- ▶ move participants swiftly towards an understanding of the Route Map and the principles that underpin each phase (e.g. *Sessions 2, 3* and *4*); and
- ▶ leave plenty of time to debrief the participants after the various exercises and role-plays, relating each to their own experiences with partnerships.

Useful Materials for Training

- ▶ Overhead Projector
- ▶ Flip-chart paper
- ▶ Marker pens
- ▶ Masking tape/tack
- ▶ Post-It Notes (large)



Typology of Partnerships

Information Sharing - voluntary agreement between parties to share studies, proposals and evaluations (e.g. due diligence studies, technical feasibility studies, risk assessments, community development strategies, monitoring reports).

Consultation - voluntary agreement between parties to consult with each other during the preparation of studies, proposals and evaluations (as above).

Dialogue - voluntary agreement to enter into a multi-party structured process of discussion and decision-making (e.g. regional planning, topical working groups).

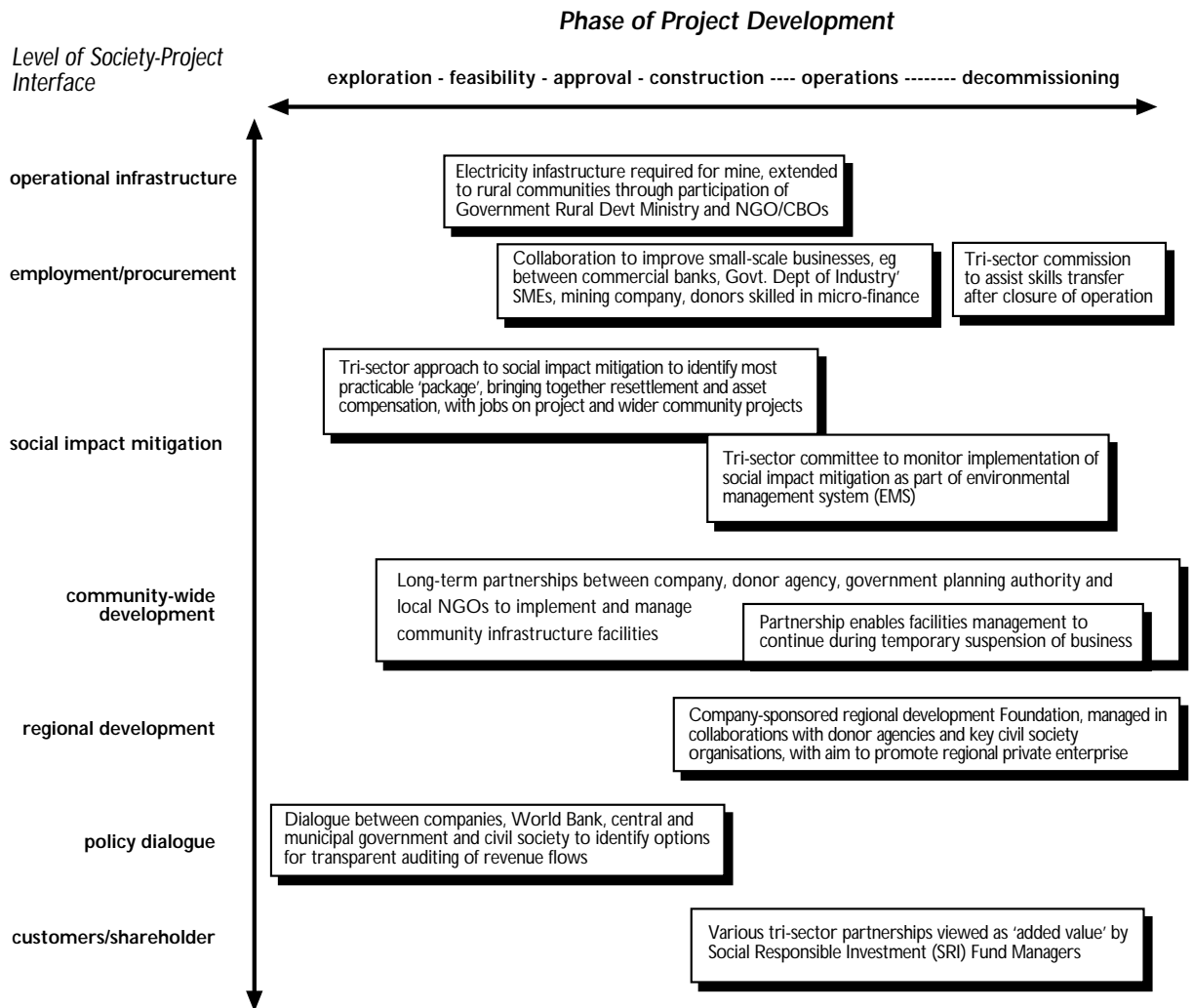
Informed Consent - voluntary agreement among the parties that any one party will not proceed with an action without prior consent by all parties, on the basis that each fully understands the implications of the proposed actions.

Contractual - voluntary agreement among all parties for one or more parties to provide services 'under contract' to another within the context of a broader joint workplan and governance structure (e.g. Project Partnering in the construction industry).

Shared Workplan - voluntary agreement among all parties for each to implement an independent set of tasks, that together with the tasks of others build towards a common goal. Accountability and responsibility rests with each party separately.

Shared Responsibility - voluntary agreement among the parties to share the overall responsibility for implementing tasks and to be jointly accountable.

Partnerships for Managing Social Issues in the Oil, Gas and Mining Sectors: *Examples*



Session 1 – Definitions

Aim

The aim of this session is for participants to understand that they already have significant experience working in partnership and can identify many of the characteristics that make partnerships successful. From this base the session explores the range of possible partnerships involving oil, gas and mining corporations working alongside government authorities and civil society organisations for the better management of social issues.

Learning Objectives

- to understand the key characteristics of voluntary partnerships; and
- to appreciate the diversity of tri-sector partnerships relevant to the management of social issues in the oil, gas and mining sectors and to understand what makes them different from other forms of partnership.



Guidance for Trainers

- 1. Partnership Characteristics** - In plenary, ask the participants to spend a few minutes talking with their immediate neighbour about what each considers to be the key characteristics of a successful partnership. Participants may **draw on any example** they choose (e.g. marriage, brothers/sisters, friends, work colleagues, neighbours, organisational collaboration, strategies business alliances, etc). Solicit the characteristics from the participants and develop these into a single list. Contrast this list with that given in *Handout 2.3*.
- 2. Partnership Types** - Still in plenary, having first copied onto flipchart paper the diagram in *Handout 2.4*, explain the diagram to the participants. Then distribute three 'Post-It Notes' to each participant. Have participants write on each note one example of how the operational unit of an oil, gas or mining operation has been, or might in the future, work in partnership with a civil society organisation or a government authority to better manage social issues. Encourage the participants to use the diagram as a prompt for identifying:
 - the **diversity of partnerships** possible throughout the life of an oil, gas or mining project at different levels of the project-society interface; and
 - the different 'types' of partnership involved (refer to the 'Typology of Partnerships' in *Handout 2.1*).

Gather together the Post-Its and slot each into its relevant home on the flipchart diagram. Debrief in plenary.

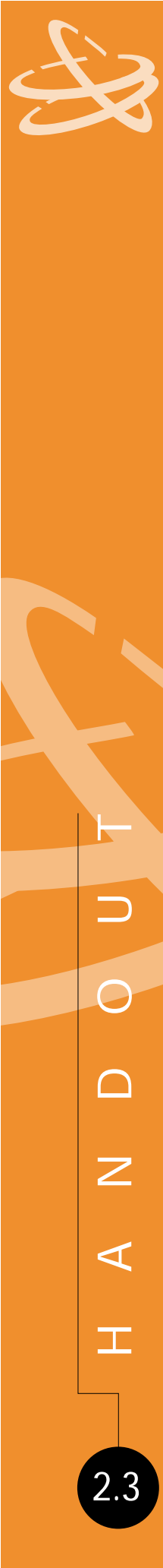
3. Benefits and Risks – Divide the participants into groups of three. Using the same flipchart diagram, *allocate each group one of the identified partnerships*. Ensure a spread of partnerships across the project-society interface. For each group, ask each member to *align themselves with one type of partner* (e.g. one member should adopt the business role, another a civil society role and the other a government role). Invite each group to identify the key benefits and risks/costs that, in their role, they would expect to

gain from working in the partnership. Differentiate between benefits accruing to different parts/levels of each organisation. Use *Handout 2.5* on 'benefits' to prompt the exercise. Allow about 20 minutes for the exercise. In plenary, capture the benefits and risks on flipchart paper. Compare results to *Handout 2.6* which is based on a case from Nigeria.

4. Tri-Sector Partnerships versus the Alternatives - To end the session, facilitate a group discussion which brings out some of the key 'differences' between a tri-sector partnership and other vehicles for delivering social programmes. Compare the participants' observations with the list given in *Handout 2.7*.



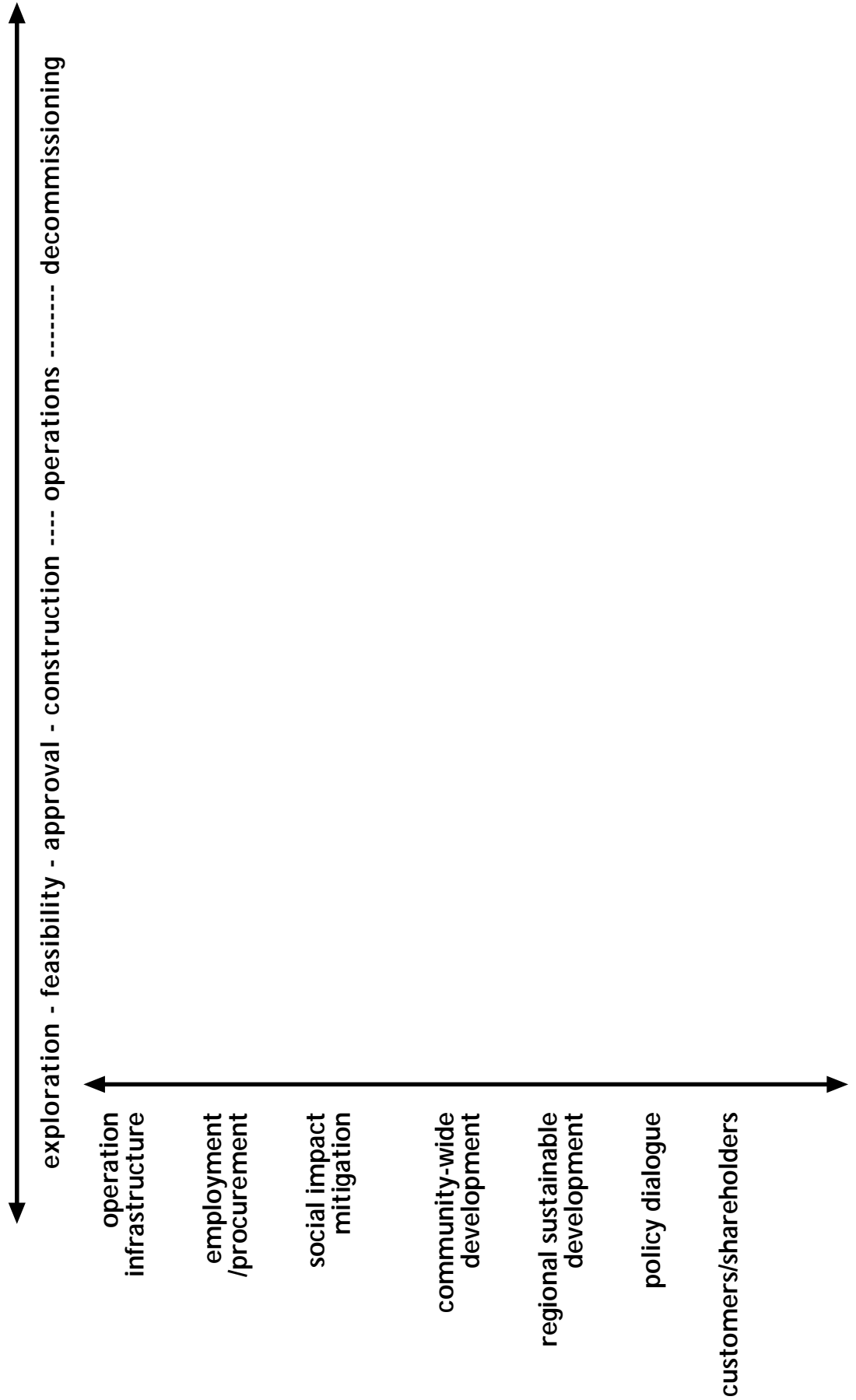
Building consensus for a Memorandum of Understanding (MoU) to govern social programmes involving business, civil society and government partners in the Sarshatali Coal Mining project, India, December 1999

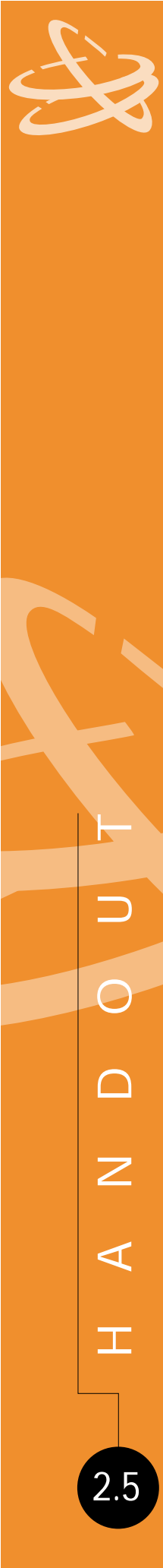


Characteristics Common to Voluntary Partnerships

- ▶ voluntary engagement
- ▶ mutual trust
- ▶ common vision
- ▶ jointly agreed objectives (shared and individual)
- ▶ complementary resources and skills
- ▶ share of benefits, risks and responsibilities
- ▶ balance of power
- ▶ added value to what each partner could achieve alone

Phase of Project Development





Some Benefits of Tri-Sector Partnerships

Oil, Gas and Mining Businesses

- greater efficiency of production (e.g. reduced delays, facility 'downtimes', security costs)
- greater (business) return on (social) investment (e.g. more robust social license to operate, better management of community expectations)
- meeting compliance requirements for social management
- direct cost savings in managing social issues
- enhanced local reputation and competitiveness
- evidence of competent management for shareholders and investors
- improved recruitment and staff retention

Government Authorities

- alignment of private sector infrastructure with government development plans
- greater visibility of government discharging its civic duties
- co-ordination between government departments
- cost-sharing, risk sharing
- improved capability (e.g. resources, equipment, etc.) to deliver development programs and political commitments

Civil Society Organisations

- more participatory design of community projects
- transparency and accessibility of company and government
- relevance of interventions closer to true livelihood needs
- greater sustainability of community projects

Benefits and Risks of Working in Partnership

Case-example from SPDC, Nigeria
Assessing a partnership approach to the design and construction of an oil pipeline extension.

Partner	Benefits	Risks/Costs
Operating Company	<ul style="list-style-type: none"> ➤ Enhanced social license to operate and good-will ➤ Reduced interruptions to production (less 'down-time') ➤ Improved community perception of company as integrated within society 	<ul style="list-style-type: none"> ➤ Due to greater 'visibility' of partnership, increased risk to global reputation if partnership fails.
Regional Government Authorities	<ul style="list-style-type: none"> ➤ New opportunity to implement environmental and social and policies ➤ Greater stability in local society ➤ Opportunities to spread government resources further ➤ More effective administration of environmental quality standards ➤ Prevention of disputes and conflict 	<ul style="list-style-type: none"> ➤ Loss of public image if partnership fails ➤ Cost of participation in process of partnership-building foregone if partnership fails (e.g. zero return on investment)
Non-Governmental Organisations	<ul style="list-style-type: none"> ➤ Access to financial resources ➤ Publicity ➤ More effective community development and poverty reduction ➤ Increased trust and credibility with community groups (e.g. 'seen' to be taken seriously by government and the company) ➤ More attractive to donors (as above) 	<ul style="list-style-type: none"> ➤ Loss of trust and reputation with communities, associated with 'more visibly' failing to protect community interests
Affected Communities	<ul style="list-style-type: none"> ➤ Recognition as legitimate stakeholder rather than victim or beneficiary ➤ Part of decision-making ➤ Payment for participation in partnership (e.g. courtesy payments) ➤ Greater awareness of environmental issues ➤ Greater weight of assurance that local environment will be protected ➤ Higher levels of social investment 	<ul style="list-style-type: none"> ➤ More 'points' for failure to occur ➤ May be required to play a role for which their skills, capacity or resources are insufficient ➤ Excessive time dedicated to partnership building process ➤ Complete loss of trust if partnership fails (e.g. "no where else to turn")

Are Tri-Sector Partnerships Distinctive?

- Bring together unique resources and qualities, including:
 - **government authorities** contribute: credibility to partnership arrangements; strategic co-ordination through local development plans, public investment, and can act as catalyst, broker and mediator.
 - **oil, gas and mining companies** contribute: employment and infrastructure opportunities, financial resources, capital equipment, a results-led work ethic, and attention to performance quality.
 - **civil society organisations** (unions, non-governmental organisations, community based groups etc.) contribute: local knowledge, a capacity to mobilise community participation and tools and methods to ensure relevance to local livelihoods.
- Offer a platform for **negotiating a new consensus** in society on the distribution of social responsibilities, costs, risks and benefits in the oil, gas and mining sectors.
- Provide a **new model of participatory development** involving:
 - **all** sectors in society;
 - not only in the design of social programmes and key decision-making, but also in **implementation**.

Session 2 – Navigating the Process – the ‘Route Map’

Aim

This session describes the Route Map. The map is to assist those involved in tri-sector partnerships to navigate their way through the complexities of partnership management.

Learning Objectives

- ▶ to enable participants to identify where they are with respect to the process of developing or managing tri-sector partnerships relevant to their own interests; and
- ▶ to enable each participant to identify the skills they themselves most urgently need to strengthen in order to facilitate or participate in a partnership.



BP oil production site, Casanare, Colombia

Guidance for Trainers

- 1. Partnership Phases** - In plenary, invite the participants to suggest the ‘key phases’ involved in putting together a partnership and maintaining it over time. Encourage participants to think about these phases in relation to partnerships that they themselves have been involved in through work, family, marriage, friends, neighbours or business alliances. Build a degree of group consensus and compare the results with the left-hand side of the Route Map in *Handout 2.8*.
- 2. Partnership Skills** - Referring to either the participants’ personal experiences of partnerships or the flipchart and ‘Post-Its’ diagram developed in the previous session, invite the participants to identify the key skills required to manage a process of ‘partnering’. Question whether certain skills might be more relevant to one of the partnership phases (exploration, building or maintenance) rather than another. Compare the participants’ responses with the skill sets listed on the right-hand side of *Handout 2.8*.
- 3. Partnership Activities** - If time allows, explore some of the specific activities that need to be undertaken to move the process of partnership management from exploration through partnership building to maintenance. *Handout 2.9* identifies some of these key activities.

4. Where Are You Now? - End the interactive part of this session by asking participants to identify where they consider themselves to be at this moment in time, in terms of:

- (a) the overall **phase** in the process of partnership management;
- (b) the **activities** undertaken or planned; and
- (c) the **skills** that need to be applied to move the partnership development process forward or maintain the partnership.

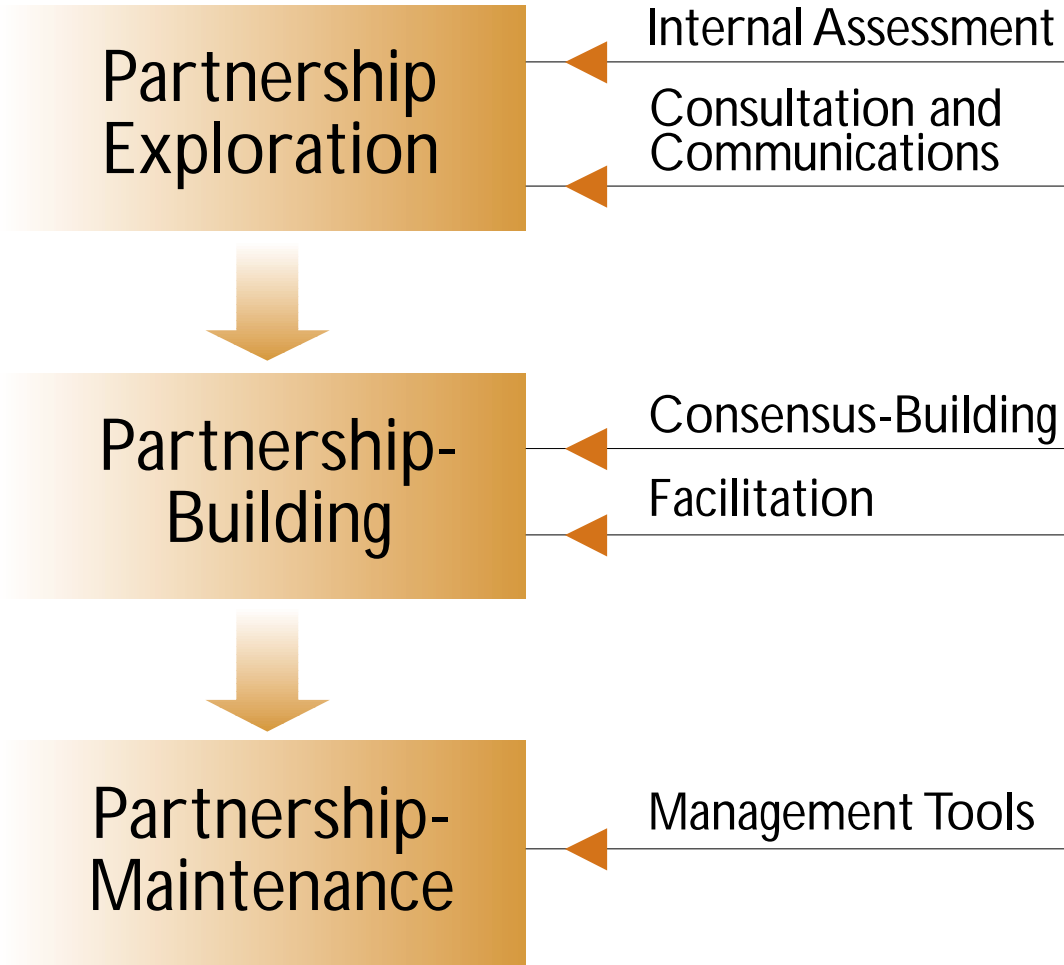
The participants may either refer to a partnership relevant to managing social issues in the oil, gas and mining sectors or to a more personal experience (e.g. friendship, marriage, etc.).

5. Training Modules – Make a short presentation on the contents of each training module using the *Handout i.2* given in the Introduction to this document.

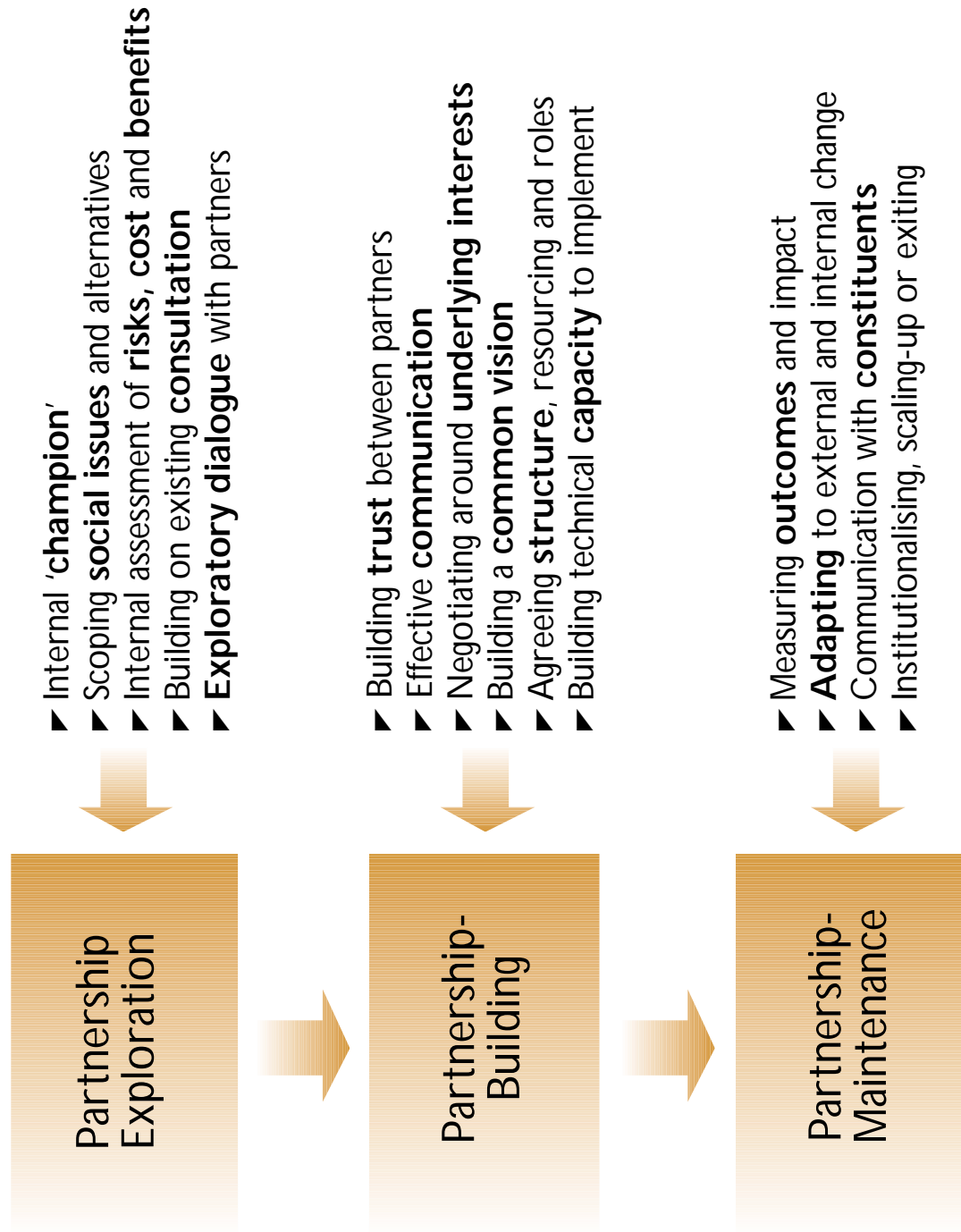


Health Centre, in Bolivar State Venezuela - constructed through a tri-sector partnership between the mining company (Placer Dome and CVG), regional government, local communities, NGOs and the army

Route Map



Activities in Partnership Management



Session 3 - Exploring Partnerships

Aim

Tri-sector partnerships will not be appropriate in every setting. This session is directed at providing the participant with a sense of realism about when and when not to pursue the partnership option.

Learning Objectives

- to appreciate the need for an upfront, systematic, assessment of the costs, risks and benefits of engaging in partnership; and
- to appreciate some of the emerging principles that underpin the exploration phase of partnership management.



Youth from a village affected by resettlement associated with mining activity in the 'Copper Belt', Zambia

Guidance for Trainers

1. Factors for Assessment - In plenary, invite participants to identify the 'key factors' that their particular organisation would need to assess prior to making a decision to work in a tri-sector partnership to deliver the organisation's social management objectives. Capture these factors on flipchart paper.

2. Costs and Risks versus Benefits and Opportunities - Break the group into pairs. Where possible each pair should comprise individuals from the same type of organisation, (e.g. either company, NGO, CBO trade association, government department or development aid agency). One from each of the pairs will be responsible for advocating that the 'costs and risks' of entering into partnership are too great for their organisation. The other will advocate that the 'benefits and opportunities' to the organisation outweigh the costs. Distribute to the participants their respective 'briefing note' (*Handouts 2.10 and 2.11*). Allow a few minutes for people to read the material. Do not allow the participants to share notes.

The briefings are designed to be relevant to any organisation (e.g. oil, gas or mining operation, government authority, development assistance agency, etc). Explain that the participants now have 20 minutes to

reach a joint-decision on 'whether or not' to proceed with further exploration of a partnership approach based on the new objectives of the Foundation. Those who elect to adopt the role of a business organisation should consider themselves to be the company that initially sponsored the Foundation.

Back in plenary, invite the participants to augment the initial list of factors that should be assessed prior to making a decision to form a partnership.

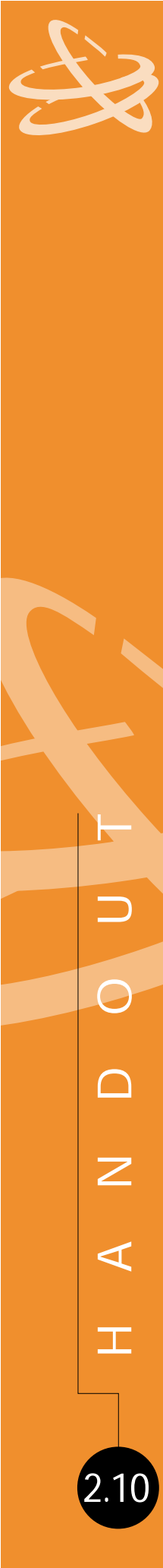
- 3. Consulting with Potential Partners** – Assume that a decision has been made to begin to consult with

potential partners about forming a tri-sector partnership. Invite the participants to identify how the consultation would be managed. In particular, ask: *how would the consultation be managed to ensure maximum 'buy-in' from potential partners?*

4. Principles of Partnership

Exploration – End the session by drawing from the participants five or six core 'principles' that underpin a process whereby an organisation 'explores' the viability of working in a tri-sector partnership for social investment. Compare the suggested principles with those given in *Handout 2.12*.





Risks and Costs

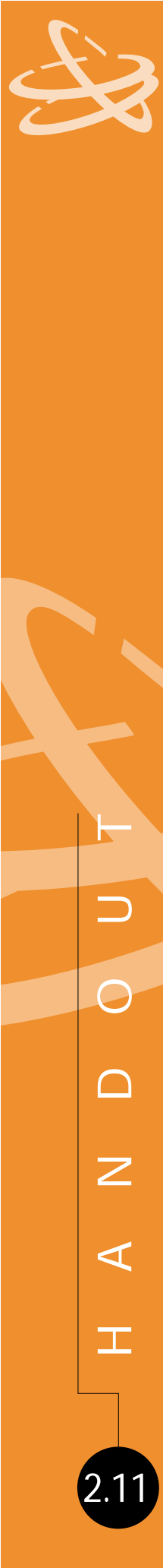
Many of the risks, costs, benefits and opportunities of working in partnership are the same whether the organisation is an operational unit, community group, development aid agency or government authority. The exercise below has been designed to be relevant to any organisation.

Background

A trans-national company has been operating in a remote upland region for the past 10 years. Early on the company established and now manages a **local Foundation** dedicated to the provision of micro-finance to stimulate local business initiatives. Over the years, the Foundation has been relatively successful in achieving its intended objectives, with a number of sustainable small-scale businesses operating in the local area. However, a recent independent review of the Foundation's work found that: (1) the number of direct beneficiaries was relatively small (only a few hundred individuals, mostly men); (2) there was poor recognition within local communities that the operations of the company were the source of funds for the Foundation; and (3) the geographical reach of the Foundation's activities was limited to the area immediately adjacent to the operational site. In response, the company is considering revisiting the initial Charter of the Foundation. The new objectives of the Foundation will be to: (A) extend the Foundation's activities beyond micro-finance; (B) significantly increase the number of direct beneficiaries; (C) create a more 'visible' link between the company's operations and the funding of the Foundation; and (D) extend the geographic reach of the Foundation to the wider region. Adopting this new mandate will require diverse skills and resources. Some in the company believe that these skills and resources might be more cost-effectively attained by forming some sort of partnership arrangement to manage the new Foundation with, for example, central or local government, non-governmental (NGO) or community based (CBO) organisations, trade associations, and development aid agencies.

Risks and Costs

As a member of one of the organisations likely to be involved in this new partnership approach to the Foundation, **you are worried that the costs and risks of the partnership outweigh the possible benefits**. You are particularly concerned that the new partnership will mean your organisation loses control over how its community development programmes are implemented. For example, who will hold overall responsibility for the new Foundation's success or failure, and who will decide on spending priorities? Equally alarming is that if the new Foundation is a success, your organisation's own past efforts in community development may be exposed as being less than previously claimed. The issue of cost is a further concern. You have heard that the meetings and workshops required to agree the charter for the new Foundation will consume valuable staff time. You may also be required to contribute to the costs of hiring 'workshop facilitators'. You wonder whether your organisation might prefer to redirect these resources towards a programme of 'in-house' training - one that would fill the very skill gaps that those advocating the partnership argue it would bring. As an organisation with a public reputation, you are also concerned that any achievements attributable to you during the period of the partnership might be hijacked by other partners. In addition, your organisation is periodically evaluated for its performance in promoting community development, and at the moment you are unaware that any of the established performance criteria relate to the notion of "working in partnership". Lastly, you foresee a range of reputational risks associated with heading down the partnership path: from public vilification in the media by the other members of the partnership if your organisation fails to perform to the escalating costs of participation if expectations are not met.



Benefits and Opportunities

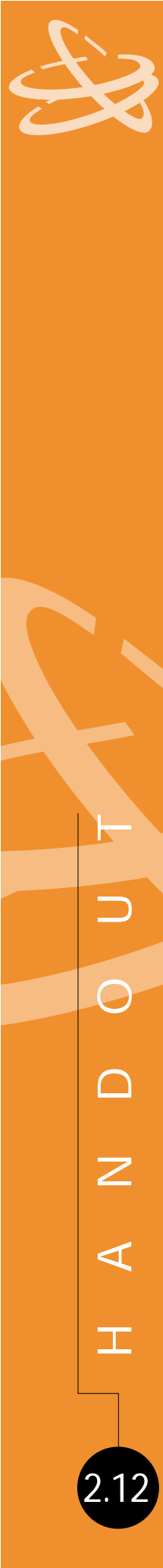
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Benefits and Opportunities

As a member of one of the organisations likely to be involved in this new partnership approach to the Foundation, **you are excited by the prospect of your organisation's objectives for community development being met more effectively.** You are particularly pleased that the partnership approach to the new Foundation will enable you to work with communities in geographical areas that up to now have been out of reach due to resource constraints. You believe the partnership will also provide access to skills and resources that are lacking in your own organisation. On this latter point, your organisation has been contemplating developing these missing skills through 'in-house' training, but are aware that this generally consumes valuable staff time and delivers results inferior to that which would be achieved by employing outside specialists. Looking wider, if the partnership works and your organisation is able to demonstrate that its objectives for community development have been met, not only will your personal reputation be enhanced but also the reputation of your organisation. Perhaps most important, in the longer-term, the pooling of expertise and resources that the partnership will bring is likely to deliver community development which is less dependent on outside assistance, more responsive to the true livelihood needs of the individual households and more cost-effective. Finally, you view this partnership as just the beginning. You firmly believe that the only way to tackle the complexities of community development in areas affected by oil, gas and mining projects is for such companies to work in collaboration with government authorities and civil society organisations.



Emerging Principles for *Exploring* Tri-Sector Partnerships

- progress with a partnership only when it is the 'best alternative'
- a partnership can be initiated by any sector in society (business, government or civil society)
- rather than re-judge the detail, develop simple socially-oriented 'themes' that will gain broad support and 'buy-in' across society
- before consulting with potential partners, know you own negotiating interests and what resources/skills you can contribute
- build on your existing relationships and any current process of stakeholder dialogue or public consultation
- consult widely with potential partners and other interested parties and maintain communications with all those contacted
- manage expectations by delivering a consistent message that emphasises 'roles and responsibilities' as well as 'benefits' for those wishing to enter the partnership

Session 4 – Building and Maintaining Partnerships

Aim

This session introduces participants to some of the principles involved in building consensus between partners and managing tri-sector partnerships over time.

Learning Objectives

- to be able to identify the broad process and key principles of multi-party consensus-building;
- to practice the art of consensual negotiation; and
- to be able to describe the structural components of an effective tri-sector partnership for managing social issues in the extractive industries.



Guidance for Trainers

- 1. Rapid Negotiation** – Ask the participants to divide into pairs and spend 5 minutes 'bartering'. By the end of the five minutes the pair should have *agreed on two items that they are willing to swap*. These items might be material, information, labour, etc. In plenary, invite the participants to identify which of the four principles of consensus-building identified in *Handout 2.13* they had (a) observed most closely, and (b) was most lacking from their discussion. Ask the participants to keep these principles in mind when carrying out the next exercise.
- 2. Role Play Negotiation Exercise** - Divide the participants into groups of four and allocate each group to one of the following roles:
 - Chief Planning Officer,
 - Social Development Advisor to Mining Enterprises International Limited,
 - Director of the Foundation for Social Advancement; and
 - Leader of Indigenous Communities.

Ask the participants to read through their briefs twice (*Handouts 2.14, 2.15, 2.16 and 2.17*). Explain that the task before them is to *reach a mutually acceptable agreement on a tri-sector partnership that will contribute to health provision in Bella Vista District*.

Each team should conclude with:

- ▶ a short (25 word) *Vision Statement* outlining the joint goal of the partnership; and
- ▶ the *key ingredients of the agreement*, in particular, the resources (financial or otherwise) that each partner will bring to the partnership and the roles that each partner will take.

Allow about one hour for the participants to negotiate their agreement. Instruct one from each group to act as a recorder. At no time should the participants show each other their written briefs.

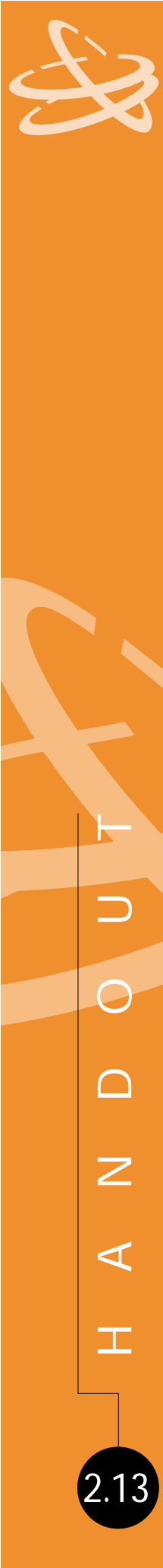
- 3. Process of Negotiation** - Back in plenary, ask each recorder to present the Vision Statement and key ingredients (or to explain why no agreement could be reached). Capture these on flipchart paper. Invite comments on the process of negotiation. To what extent did participants follow the principles laid out in *Handout 2.13*?
- 4. Partnership Structure** - Refer the participants to *Handout 2.18*. This lists some of the structural components of a tri-sector partnership. Solicit from the participants new ideas for meeting some of the elements of the structure that have so far been omitted from the agreements. End by asking whether certain structural components are missing all together.
- 5. Partnership Building and Maintenance** - Shift the discussion to the principles that underpin the process of partnership building. Begin the

discussion by inviting each participant to identify one further 'principle' that each believes is critical to building a robust and effective partnership. Once the participants have exhausted the principles of partnership building, widen the scope of the search to the process of 'partnership maintenance'. Ask, for example:

- ▶ "What principles are involved in enabling parties from different sectors and cultures to be able to work together on an *equal-power* basis?";
- ▶ "What principles might be involved in transforming a structural agreement into action?"; and
- ▶ "What principles might be involved in adapting a partnership to 'events', such as a change in personnel?"

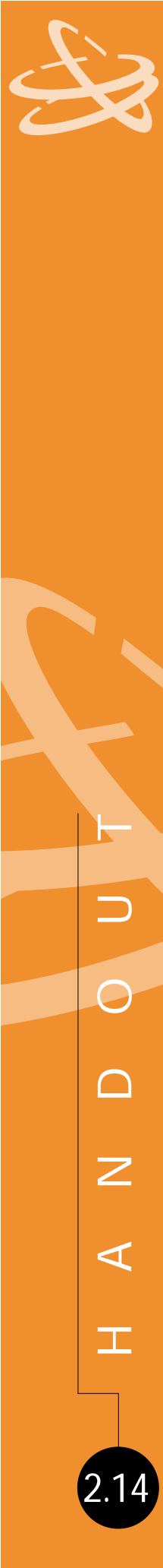
Compare the outcomes of this exercise with the list of emerging principles for partnership building and maintenance in *Handouts 2.19* and *2.20*, and invite comment.

- 6. Returning to the Route Map** - Close the day's work by returning to the Route Map *Handouts 2.8* and *2.9*. Discuss with participants how they see their efforts in assessing, building or maintaining partnerships in relation to the skill-sets that are in most demand.



Four Principles of Consensus-Building

- ▶ build trust through mutual understanding and meaningful communication
- ▶ focus on underlying interests/motivations rather than immediate positions/demands
- ▶ widen the options, be creative and think laterally
- ▶ reach agreement that adds value for all parties



Negotiating a Tri-Sector Partnership For Rural Health Services

Briefing for Dr. Gomez,
Chief Development Planning Officer, Zamoro Province

Overview

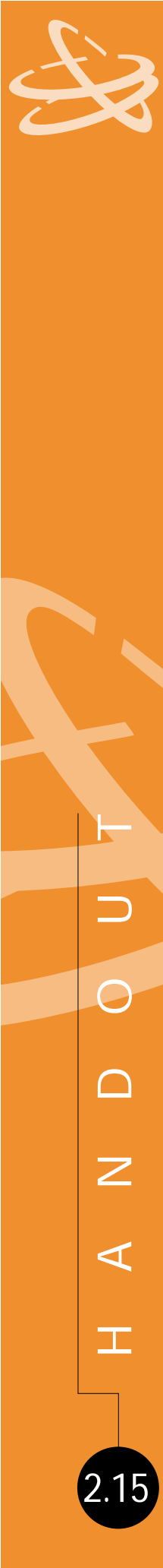
A major overseas mining corporation (Mining Enterprise International Limited) recently announced that its exploratory activities in the Bella Vista District of Zamoro Province had been successful. Preparatory construction activities will commence in six months. Mindful of its new internal policy for Corporate Social Responsibility and social investment, the corporation has begun to look for ways to work in partnership with regional government and civil society organisations. It is hoped that in this way the corporation can contribute to sustainable local and regional development that not only accords with the policies of government and the aspirations of the local communities, but also reduces the likelihood of disruption to business operations and improves the corporation's reputation both locally and in its domestic market. The proposed mine site is located in the center of Bella District, a remote, rural region of the country, home to 10,000 indigenous people spread across five dispersed settlements.

Briefing

You are Dr. Gomez, Chief Development Planning Officer to the Governor of Zamoro Province. You and your team recently prepared a five year regional development plan covering the three districts that comprise Zamoro Province. The development plan for Bella Vista District includes proposals for the construction of five new health centers (designed to the highest standards), one in each of the five main settlements. The anticipated cost is K40,000 each, consisting of: K25,000 for the building, K5000 for five years medical supplies and K10,000 for five years worth of salaries (for all doctors and nurses). The Governor's budget for new health services is currently limited to K80,000, a sum that would meet the costs of only two of the desired five centres.

The Governor recently made a number of speeches in which he stressed that improving rural health care for all the people of Zamoro Province was a key policy objective. He particularly singled out Bella Vista District as an area in desperate need of better services and promised to ensure that the five new health centres proposed in the development plan would be implemented. The Governor is to stand for re-election in three months time. You are aware that your next promotion is likely to be closely linked to whether you are able to deliver on the Governor's promise.

You are about to join a meeting at the city office of Mining Enterprise International Limited. Your primary reason for agreeing to attend is that you hope that the corporation will provide funds to pay for the three other health centers. As far as possible, these additional funds need to be seen by the public as part of the Governor's own initiative on rural health. You were not at all pleased to learn that a community development NGO (The Foundation for Social Concern) would also be present at the meeting.



Negotiating a Tri-Sector Partnership For Rural Health Services

Briefing for Craig Samson,
Community Affairs Advisor to Mining Enterprises International Limited

Overview

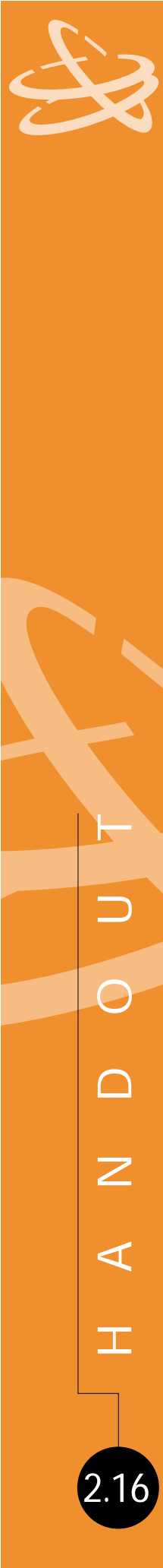
A major overseas mining corporation (Mining Enterprise International Limited) recently announced that its exploratory activities in the Bella Vista District of Zamoro Province had been successful. Preparatory construction activities will commence in six months. Mindful of its new internal policy for Corporate Social Responsibility and social investment the corporation has begun to look for ways to work in partnership with regional government and civil society organisations. It is hoped that in this way the corporation can contribute to sustainable local and regional development that not only accords with the policies of government and the aspirations of the local communities, but also reduces the likelihood of disruption to business operations and improves the corporation's reputation both locally and in its domestic market. The proposed mine site is located in the center of Bella District, a remote rural region of the country, home to 10,000 indigenous people spread across five dispersed settlements.

Briefing

You are Craig Samson, Community Affairs Advisor to Mining Enterprise International Limited (MEIL). You have just completed a draft Community Development Plan. This outlines how your company will engage with the people of Bella Vista District over the next five years. To inform the preparation of this plan you hired a team of consultants to undertake a process of public consultation. During the consultations, when asked what was needed most urgently, many local people requested better access to health services.

The commercial viability of the mine is not good and is expected to return less profit than previously anticipated. This is due in part to a recent fall in the mineral price, and in part to the proposals (not yet public) for an increase in future royalty revenues to be paid to central government. The government's new decentralisation policy means that a proportion (K200,000 per year) of this prospective increase will pass to the provincial government. As a cost cutting measure the Community Development Plan proposes that the company fund a single mobile health center. This center (a converted bus) will travel around all five settlements in the District. Although the company has no funds to staff the center, it will pay for the bus (K15,000) and provide medial supplies for a five year period (K10,000), the latter a sum calculated to meet the needs of all five settlements.

You are about to join a meeting which you have convened at your city offices. Your new policy for Corporate Social Responsibility requires you to consult before implementing new community initiatives. You have therefore invited the Chief Development Planning Officer (Dr. Gomez) from the Governor's office and the Director of the most active NGO in the project area (Ms. Maria Piedad). You have heard that Ms. Maria Piedad is rather naïve and you do not anticipate her to contribute much of substance. She certainly has no experience with the business constraints faced by a modern mining operation. Dr. Gomez, however, comes highly recommended, but you remain concerned that his department lacks the capacity to deliver community services efficiently. What you are most afraid of is that if responsibility for health care in the District is left in the hands of the Governor's office then nothing will actually get done.



Negotiating a Tri-sector Partnership for Rural Health Services

**Briefing for Maria Piedad,
Director of the Social Concern International**

Overview

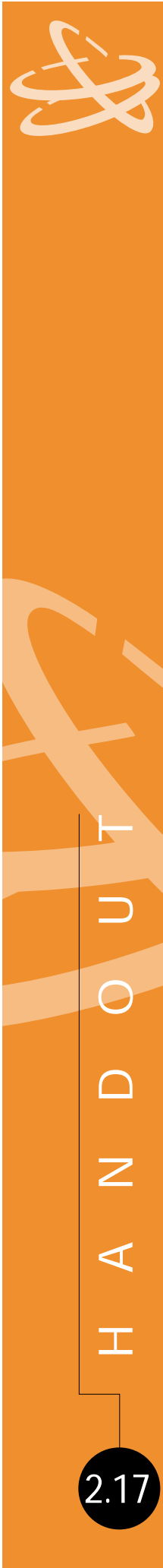
A major overseas mining corporation (Mining Enterprise International Limited) recently announced that its exploratory activities in the Bella Vista District of Zamoro Province had been successful. Preparatory construction activities will commence in six months. Mindful of its new internal policy for Corporate Social Responsibility and social investment, the corporation has begun to look for ways to work in partnership with regional government and civil society organisations. It is hoped that in this way the corporation can contribute to sustainable local and regional development that not only accords with the policies of government and the aspirations of the local communities, but also reduces the likelihood of disruption to business operations and improves the corporation's reputation both locally and in its domestic market. The proposed mine site is located in the center of Bella District, a remote, rural region of the country, home to 10,000 indigenous people spread across five dispersed settlements.

Briefing

You are Ms. Maria Piedad, director of a local affiliate of the nationally active NGO called Social Concern International. Your organisation of ten staff has been working with the people of Bella Vista District for the last three years on various community projects and has promoted a 'participatory' approach to project design and implementation. Your recently completed strategic planning exercise across the five settlements shows an urgent need for better access to medical services. The study concluded that five new medical centers were needed, one in each settlement. This conclusion was reached through a protracted process of community participation and the proposal has wide endorsement from both formal and informal community leaders. As a consequent of the planning exercise there is an air of excitement and anticipation in the district that the Foundation for Social Concern will soon deliver on its promises.

Over the years, Social Concern International has developed a partnership arrangement with the local training hospital in the country's capital city. The NGO and the hospital collaborate to find places for newly graduated doctors and nurses in rural health centers for one year. The hospital pays for the costs of the doctors as part of their training. Although your NGO has no funds to build the five centers in Bella Vista District or to stock it with medical supplies, you are confident that through the hospital link you will be able to find doctors in sufficient numbers to staff each of the centers for the next five years.

You are about to join a meeting at the city office of Mining Enterprise International Limited. Your primary reason for agreeing to attend is that you know full well that you have generated expectations within the settlements of Bella Vista District that health centers will soon be built. Thus, although you are highly suspicious of the corporation's motives for the invitation, you hope that they will be true to their new policy on Corporate Social Responsibility and provide you with the funds necessary to construct the health centers and pay for medical supplies.



Negotiating a Tri-sector Partnership for Rural Health Services

**Briefing for Chief Honcho,
Leader of the Indigenous Peoples of Bella Vista District**

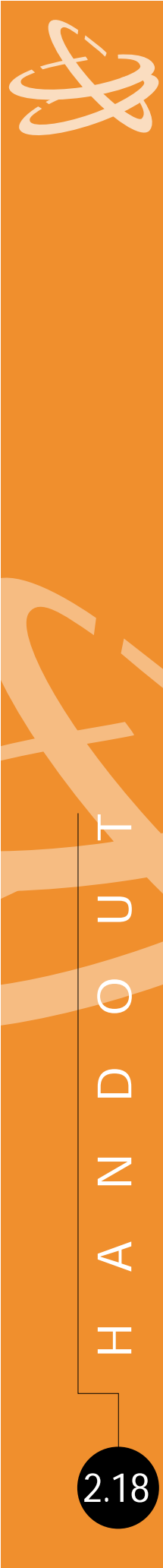
Overview

A major overseas mining corporation (Mining Enterprise International Limited) recently announced that its exploratory activities in the Bella Vista District of Zamoro Province had been successful. Preparatory construction activities will commence in six months. Mindful of its new internal policy for Corporate Social Responsibility and social investment, the corporation has begun to look for ways to work in partnership with regional government and civil society organisations. It is hoped that in this way the corporation can contribute to sustainable local and regional development that not only accords with the policies of government and the aspirations of the local communities, but also reduces the likelihood of disruption to business operations and improves the corporation's reputation both locally and in its domestic market. The proposed mine site is located in the center of Bella District, a remote, rural region of the country, home to 10,000 indigenous people spread across five dispersed settlements.

Briefing

You are Chief Honcho, leader of the indigenous peoples of Bella Vista District. In the last year you have been visited by representatives of both the company and Social Concern International. You offered them your friendship and encouraged the villagers of the five settlements under your charge to give their time to answer the visitors' questions. The interviews went on for days and many families delayed the planting of seeds to spend time with the guests. Both sets of visitors promised to return at a later date to assist with the health care needs of the District. Health care is an important issue for the communities. The rainy season will begin again in two months and last year forty families suffered deaths from Malaria. Despite the promises, nothing yet has happened. Many of the villagers blame you for raising their expectations. They are saying that the power and influence of the Chief is declining and that someone new should be appointed.

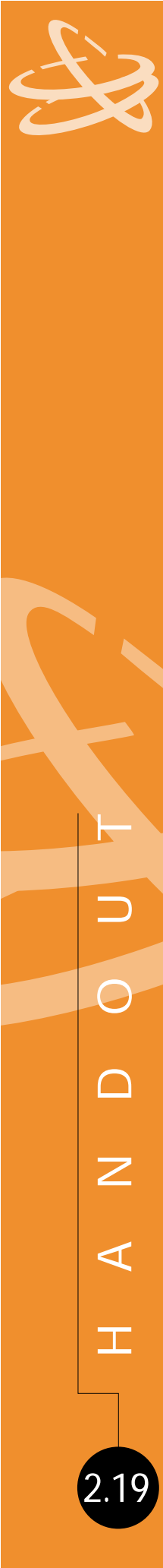
You are about to join a meeting at the city office of Mining Enterprise International Limited. You are not altogether sure what the meeting is about but the last visit by a representative of the company explained that you would be asked to help mobilise community participation in attending a mobile clinic, in return for outside assistance from the company, NGO and Governor. In recent years the whole system of 'Chiefs' has been attacked by different community groups. You see this meeting as an opportunity to silence your critics by returning home with a programme of health care that will be immediately visible in all five settlements.



Partnership Structure

As with any adaptive organisation, tri-sector partnerships need both flexibility and structure. The key difference between a partnership and many other forms of human organisation is that the structure (i.e. rules, responsibilities and modalities) are established (and changed) by mutual consent. A generalised set of structural components for effective partnerships follows:

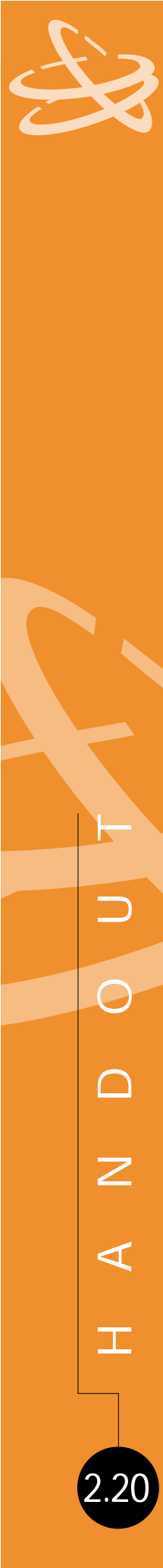
- the **partner organisations** and the legitimate representatives, negotiators, decision-makers and constituents of each;
- the geographic **boundaries** and/or **target population** of the partnership's social management/community development activities;
- a common **vision** for the partnership captured as a short 'vision statement';
- the partnership's **objectives**, both the shared objectives and those specific to individual partners (based on the underlying interests of the partners);
- the workplan for meeting these objectives including:
 - the key **activities** and tasks expected of each partner, captured as workplans, schedules and performance indicators;
 - the **skills** and **resources** committed by each partner to implement each activity, including both 'tangible' resources (e.g. finance, human skills, etc), and 'intangible' (e.g. access to vulnerable community groups, credibility with senior government officials, critical information such as surveys or databases, increased efficiency, etc.);
 - the division of **roles** and **responsibilities** for each activity; and
 - agreement on the principles for decision-making;
- a **grievance mechanism** to resolve disputes between parties;
- mechanisms for on-going **transparency, communication and administration** among partners, and between partners and their constituents;
- how to ensure partners have **adequate capacity** to deliver on commitments;
- measures to mitigate the various '**threats**' to the **partnership** (e.g. changes in key personnel, changes in commodity prices, political elections, etc.); and
- an agreed **monitoring and learning** mechanism (e.g. periodic progress reports and reflection workshops).



Emerging Principles for *Building* Tri-Sector Partnerships

The process of building partnerships should:

- be 'purpose-driven' - develop an agreed 'vision' early on
- adapt to the cultural norms of the partners
- be clear who is the negotiator and who is the decision-maker
- recognise the importance of 'perception'
- strengthen partner's 'capacity-to-negotiate'
- know your own best 'alternative' to the partnership option
- develop trust and confidence between the partners
- focus on satisfying underlying interests and motivations rather than demands and positions
- exploit the synergy involved in 'joint problem-solving'
- be creative and widen the available options
- facilitate a mutually acceptable agreement that adds value for all parties
- test the agreement for its political, financial, technical and social feasibility



Emerging Principles for *Maintaining* Tri-Sector Partnerships

The process of maintaining partnerships should:

- ▶ ensure that each partner fully understands their specific roles and responsibilities
- ▶ ensure that each partner has the 'capacity to implement' its commitments
- ▶ agree clear workplans that identify each partner's activities and performance indicators
- ▶ maintain communications among partners
- ▶ maintain communications between each partner and their constituency (e.g. senior managers, colleagues and other interested parties)
- ▶ periodically re-visit the partnership vision and modalities
- ▶ build capacity for the partnership to adapt to internal and external 'events'
- ▶ measure outcomes and 'added value'
- ▶ pause to reflect and learn from experience

Key Lessons for Participants

This module has introduced participants to the concept of tri-sector partnerships and provided a means – the 'Route Map' - to guide potential partners through what is a complex process of assessment, consultation, consensus-building and management. Some of the key lessons of the module are as follows:

- Tri-sector partnerships are a special type of business-related partnership, involving a **re-negotiated consensus** in society of the costs, risks and benefits of managing social issues in relation to the extractive industries.
- Tri-sector partnerships can come and go throughout the **lifetime** of an oil, gas or mining operation, and can develop at and among different levels of the **project-society interface**, from the operational to policy level.
- At any point in time, it is important to understand (a) where one's organisation is in the overall **process** of exploring, building and maintaining partnerships, and (b) which **skill-sets** need to be applied to move the process forward (e.g. assessment, consultation, consensus building, third-party facilitation or project management).
- It is important to **systematically assess** the advantages and disadvantages of a partnership approach before entering into a partnership. Part of this assessment should be 'internal' to each organisation, and part undertaken in 'consultation' with potential partners and other interested parties.

Further Reading

Cormick G. et al (1996). Consensus-Building for a Sustainable Future: putting principles into practice, National Roundtable on the Environment and the Economy, Ottawa, Canada

Natural Resources Cluster (1999). Overview of BPD and the Natural Resources Cluster, *Working Paper No. 1*, London: Natural Resources Cluster, Business Partnerships, c/o CARE International UK

Warner, M. (2000). Tri-Sector Partnerships for Social Investment within the Oil, Gas and Mining: An Analytical Framework, *Working Paper No 2*, London: Natural Resources Cluster, Business Partnerships, c/o CARE International UK

Murphy, D, and Bendell, J (1997). *In the Company of Partners: Business, Environmental Groups and Sustainable Development post-Rio*. The Policy Press, Bristol University.

Picciotto, R (1998). *The Logic of Partnership: A Development Perspective*. World Bank unpublished paper, Washington DC, The World Bank Group.

The World Bank (2000). *Partnerships for Development*. The Creative Communications Group, Washington DC, The World Bank Group.

Frankental, P, and House, F (2000). *Human rights – is it any of your business?*. Folium, London.

Useful Website Links

Natural resources Cluster of Business Partners for Development - <http://www.bpd-naturalresources.org>

Aspen Institute's Initiative for Social Innovation through Business (ISIB)- <http://www.aspeninstitute.org>

The Boston College Center for Corporate Community Relations - <http://www.bc.edu/cccr>

More Useful Website Links

The Prince of Wales Business Leaders Forum -
<http://www.pwblf.org>

<http://www.intrac.org> Website of the International NGO Training and Research Centre (INTRAC), Oxford, UK.

www.praxis.ca/praxis/articlespapers.html
Website with a number of downloadable articles on public involvement as well as links to a number of other key sites.

www.iaia.org This is the Website of the International Association for Impact Assessment

www.pin.org This is the Website for the International Association for Public Participation Practitioners.

<http://neo-humanista.org/IAFWEB/index.htm>
This is the Website for the International Association of Facilitators.