

Partnerships between the private sector and non-governmental organisations can be quite a balancing act to ensure both organisations, as well as local communities, get the value they are looking for. **Nick Cottam** discovers that a sound strategy where all parties learn from each other is the only way forward.



# THE BALANCE OF PARTNERSHIPS



CARE/NICOLE TOBIN

**L**ife is rarely black and white and the relationship between business and the NGO community is no exception. On one end of the scale, a company and an NGO may have different objectives that put them in direct opposition to each other over a particular project proposal. At the opposite end is a constructive and co-operative NGO business relationship based on agreement and common cause, where concerns are aired and shared interests bring about real and lasting value on the ground. Finding the balance can be extremely beneficial to both sides.

Anglo American's productive relationships with the NGO community have demonstrated that the most interesting interactions come where there are collaborative attempts to solve problems. Notable in this respect are the still-evolving relationships Anglo American has forged with aid agency

CARE International UK and conservation group Fauna & Flora International (FFI), both of which have developed into strategic partnerships off the back of limited but successful initial projects. The company's newest partnership, announced this January, with conflict prevention and peace-building organisation International Alert will allow Anglo American to promote human rights and further its own understanding of conflict issues.

"In our view," says Anglo American's international social and community development manager, Jon Samuel, "a good partnership of this kind should set out to achieve something that just can't be managed through a commercial transaction. In the case of biodiversity, for example, we have introduced a requirement for Biodiversity Action Plans, and FFI has been instrumental in helping to ensure that we have got both the structure and the content right."

**ABOVE** Anglo American funded CARE International's Kupfuma Ishungu project in the drought-prone densely populated Chivi district of Zimbabwe. The project worked to cushion families from both soaring inflation and the shocks and stresses of the HIV/AIDS pandemic by creating local savings and loans groups

**INFLUENCING WIDER INDUSTRY**

What began two years ago with FFI reviewing Anglo American's Biodiversity Action Plans at operations in South Africa, Brazil, Namibia and the UK has turned into a three-year strategic commitment on biodiversity and conservation. In practice, this means finding areas of mutual geographic interest – in Brazil, for example – identifying projects that fit the overall model and then working together to do more and better conservation.

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**01** Marcelo Vilela Galo (left), sustainable development manager at Codemin and Barro Alto – which form part of Anglo American's Nickel business – and CARE International UK chief executive Geoffrey Dennis during a visit to rural entrepreneurs in Brazil

**02** A Fauna & Flora International (FFI) Biodiversity Action Plan team at Anglo American's Mogalakwena platinum mine in South Africa

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**“Good partnerships should set out to achieve something that can't be managed through a commercial transaction. We're inclined to see them as a way of helping solve problems.”**

**JON SAMUEL, ANGLO AMERICAN'S INTERNATIONAL SOCIAL AND COMMUNITY DEVELOPMENT MANAGER**

HELEN YOUNG/FFI

As an example, FFI was asked to review the biodiversity performance standard that was included in the recently issued Anglo American Environment Way.

### PROBLEM-SOLVING IN THE COMMUNITY

According to Hugh Elliott, Anglo American's international government relations manager, "We can be a multiplier for what an NGO like FFI or CARE wants to do. As an example, Anglo American controls around 100,000 hectares of land, and a priority for FFI is to help ensure that we manage land in such a way that it supports biodiversity."

This could cover everything from the macro goal of improving forest conservation and resource use to creating a nature reserve as part of the rehabilitation of mining land in South Africa. A big challenge for any broad-based, non-commercial partnership, believes Elliott, is to be as specific as possible about deliverables.

This is evident when you look at some of the projects that have emerged from Anglo American's now formalised Memorandum of Understanding (MoU)-based partnership with CARE International UK. In the past six years or so, Anglo American has made funding available for projects to develop technical colleges for rural entrepreneurs in Brazil, reduce HIV/AIDS in Lesotho and support emergency cholera and wider healthcare relief in Zimbabwe, to name a few.

"These days, we're much more inclined to see our relationship with NGOs as a way of helping solve problems," says Jon. "In the case of CARE, it wants to understand more about our business and the way it can impact positively on what it does."

All parties agree that relationships such as those Anglo American has with FFI and CARE go much further than simply dishing out money.

"What's working particularly well is the way we can learn from each other about community-engagement issues," says Tim Bishop, who heads up private-sector engagement for CARE International UK. "This means trying to be more holistic in areas such as project funding, shared learning and social development. Among other things, we help Anglo American facilitate discussions to better understand the priorities of local communities."

As one of the world's three largest aid agencies, with a mission to fight poverty and injustice in more than 70 countries, CARE International is well qualified for the task. Like some of the most enduring marriages, the relationship between CARE and Anglo American began informally – in this case, around a single project at the beginning of 2004 – before slowly developing into the strategic partnership it is today. A key milestone came at the end of 2007, when the two parties signed a global Memorandum of Understanding, leading to annual



### ON ALERT FOR A NEW PARTNERSHIP

Anglo American's new partnership with International Alert will allow the mining company to enhance its focus on safety in the environments in which it operates.

Chief executive Cynthia Carroll and International Alert secretary-general Dan Smith (pictured) signed a Memorandum of Understanding in January 2011, marking the start of a three-year collaboration to promote and implement conflict-sensitive business practice.

"We take our responsibilities seriously – to prevent conflict and promote human rights – and have developed systematic processes to achieve this," Carroll said. "However, we always have more to learn and we are delighted to be able to draw on the expertise of such an experienced NGO as International Alert"

One of the world's leading conflict prevention and resolution organisations, International Alert this year marks 25 years of working with governments, international institutions and the private sector in many of the world's trouble spots to agree and implement policies and practices for sustainable peace.

"Our work across Africa and South America has shown us how difficult it can be to undertake mining activity without a negative impact on local communities," said Smith. "We are encouraged by Anglo American's commitment to learning more by working with us"

work plans and a raft of new projects in such countries as Brazil, Lesotho, Peru and Zimbabwe.

Unlike a conventional marriage, the CARE-Anglo American partnership hasn't set out to be exclusive – Anglo American works with other NGOs on a variety of country-by-country projects – but it is a strategic first in its field, just like the partnership with FFI.

"From CARE's point of view, it's a priority to ensure we have an engagement strategy," says Bishop. This applies not only to Anglo American, but also to other high-profile CARE business partners such as Barclays, Cadbury, Diageo and

Starbucks. In each case, CARE assesses the public commitments of the business concerned – for example, Anglo American’s involvement in the Extractive Industry’s Transparency Initiative (EITI) – and, adds Bishop, “we have turned companies down who don’t meet the criteria”.

By the same token, he continues, CARE will learn from a business partner wherever it can. South Africa, for example, is a key market where Anglo American has the biggest free HIV workplace testing and treatment programme in the world and “there’s a lot we can learn from this as an NGO”.

**01** Mark Aken (background), Anglo American’s manager – sustainable development standards, and FFI staff inspect a snake found while reviewing Nickel’s Jacaré exploration site in Brazil. FFI staff have since trained Anglo American employees on how to catch and safely remove snakes from the site

**02** Anglo American’s senior environmental specialist – biodiversity, Shelley Currin (left), Thermal Coal environmental co-ordinator Godfrey Magamola Thema (second right) and environmental officer Galaletsang Mosetlho (far right) during a visit to Thermal Coal’s New Denmark colliery with FFI’s director of business & diversity programme Pippa Howard (not in picture) and programme manager Helen Nyul

**SUPPORT FOR SCHOOLS AND NEW BUSINESSES**

For its part, Anglo American didn’t exactly approach the CARE partnership from a standing start. Faced with some extremely challenging community issues in a variety of different arenas, the company developed its Socio-Economic Assessment Toolbox (SEAT), which was launched at the end of 2003 following pilot projects in South Africa, Brazil and Australia. What SEAT does is look at the company’s operations in the context of the host community, assessing key impacts before drawing up a plan designed to benefit all parties. The process, which is repeated every three years, has inevitably provided a strong basis for moving the CARE partnership forward.

While SEAT comes up with the impacts and an outline plan, there may then be an opportunity for CARE to provide further insight into what is feasible on the ground. This has been the case in Brazil’s rural Goiás state, where the new Barro Alto nickel operation is one of Anglo American’s four near-term strategic growth projects. Anglo American would be the first to admit that a project the size of Barro Alto – with mineral resources of 123 million tonnes at a grade of 1.5 per cent nickel – can be



HELEN NYUL/FFI

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disruptive to a local economy if active steps are not taken to ensure that local communities are able to benefit from the economic opportunities. The challenge at Barro Alto has been to combine a massive investment in infrastructure with the right support for people in the form of education, training and, where appropriate, access to finance to support new business.

“Because of its scope, the Barro Alto project has led to a broadening of the relationship,” says Bishop.

A key focus, he says, has been the partnership’s support for youth enterprise, with considerable emphasis placed on technical training and entrepreneurship, along with help for small start-up businesses and access to micro-credit loans. Thanks to CARE’s support programmes, some 250 entrepreneurs have so far been trained in both rural and urban areas, while hundreds of schoolchildren have been given additional help with reading skills and supported to take part in cultural activities.

With communities like those around Barro Alto on board, there is now a big communication job to do, concludes Elliott. “What we are trying to show is that good practice is not damaging to the business, but beneficial. In other words, people need to understand that different issues in different parts of the world can suddenly turn into roadblocks for major projects if they are not handled properly. By the same token, they can open doors and drive progress – and that’s increasingly down to the right partnerships.”

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PIPPA HOWARD/FFI

## CASE STUDY COMMUNITY SUPPORT AT BARRO ALTO

Inevitably, with an operation the size of Barro Alto, there are challenges for both the company and for the local community as its population and economy grow rapidly. Meeting those challenges and working with host communities to build lasting economic prosperity has been a priority for the Barro Alto team.

A three-year programme has been put in place to support the town of Barro Alto and the surrounding area. The programme involves working with CARE Brazil and a number of other NGOs on a range of projects – everything from capacity building and support for local entrepreneurs to lessons on sexually transmitted diseases and female empowerment and helping local farmers increase milk and honey yields.

In fact, milk is the main product of this rural community, and in recent months there has been significant progress in improving both the quality and the quantity of the final product. Using technical consultants employed through CARE, the programme has addressed factors such as hygiene, milking rotas and overall farm management to achieve lasting improvements. “It has also been a question of meeting with farmers to discuss how they do things and what will work for them in terms of changes,” says Juliana Rehfeld, Anglo American’s head of sustainable development for the Nickel business unit.

The Barro Alto programme, which is more than two years old, is intentionally diverse in order to focus on the region’s various priorities. Anglo American has invested heavily in social and community

infrastructure, including schools, water and sanitation, and by building a technical training institute and providing a new hospital. This has been complemented by the company’s work with CARE to deliver refresher training for teachers, micro-credit loans, capacity building for the local municipality and support to hundreds of local entrepreneurs and schoolchildren.

Other NGOs are playing their part. Fauna & Flora International has completed a detailed survey of the area’s biodiversity, but there have also been important contributions from Agenda Publica – which is helping to focus on the United Nations Millennium Development Goals – and Repro Latina, which has been supporting efforts to increase awareness around HIV and other sexually transmitted diseases.

**03** Liomar Silva Rocha Vidar, a community relations manager for Anglo American, learns first-hand about the Projecto via Lactea milk-farm scheme in Brazil

