



Global miners improve policies on community consent, while oil and gas lag

As conflicts with local communities are a problem for oil, gas and mining companies around the world, a new report from international relief and development organization Oxfam finds that the number of mining companies with commitments to “Free, Prior and Informed Consent (FPIC)” has almost tripled since 2012. While positive, this trend masks a number of weaknesses related to protecting the rights of local communities and indigenous people near large-scale projects.

The 2015 Community Consent Index examined policies regarding community rights and community engagement of 38 oil, gas, and mining companies, including ExxonMobil, Chevron, Shell, Anglo American, CNOOC, Petrobras, BHP Billiton, RioTinto, Total, Vale, and BG Group, among others. The Index found that extractive industry companies are increasingly seeing the relevance of FPIC to their operations, but the oil and gas sector is lagging and companies are struggling to implement FPIC as clearly defined by international bodies and law.

“As demand for resources increases, the potential for negative impacts on communities and social conflicts also rises,” said Raymond C. Offenheiser, president of Oxfam America. “Communities are calling for a greater voice in the development of their natural resources, and companies are recognizing the business case for meaningful engagement. But companies need to strengthen their policies on engaging with communities in order to protect their human rights and avoid negative outcomes.”

Oxfam defines Free, Prior, and Informed Consent (FPIC) as the principle that indigenous peoples and local communities must be adequately informed in a timely manner about projects that affect their lands, free of coercion and manipulation, and should be given the opportunity to approve or reject a project before any activity starts.

Although many companies have strengthened their FPIC and human rights policy commitments

in recent years, much needs to be done to ensure the protection of the human rights of people in affected communities. Oxfam's report outlines recommendations for industry and governments: Those companies that have not yet done so should adopt an explicit and unambiguous policy commitment to FPIC and develop publicly available implementation guidelines. All companies should conduct thorough and participatory monitoring and evaluation of FPIC processes being implemented. Companies also need to recognize the gender-specific effects of oil, gas, and mining projects on women and ensure they have policies to better engage with women and prevent negative results.

Oxfam recommends that all local communities facing potential significant adverse impacts from oil, gas, and mining projects should have the opportunity to access full information, participate meaningfully in impact assessment and negotiations, and give or withhold their consent to project development.

The key findings of the report include:

Fourteen mining companies now have public commitments to FPIC.

No companies offer unequivocal commitments to withdraw from a project if a community decides to withhold consent.

No companies reviewed have made public commitments to uphold FPIC for all affected communities, beyond indigenous peoples.

Oil and gas companies lag far behind their mining company peers on public commitments to FPIC, with no oil and gas companies making public commitments to FPIC.

Gender was not a strong focus for the majority of the companies reviewed. Of the 38 companies included, most had very little to no mention of gender (or the importance of engaging with women) in any of the publicly available policy documents or guidelines.

“Companies must respect the rights of all project-affected communities to be informed about projects and have the opportunity to participate in decision-making processes that affect them,” said Offenheiser. “FPIC processes will help to safeguard human rights and reduce the risk of social conflict.”

FPIC serves as an invaluable risk management tool for extractive companies. Ensuring that projects begin with free and fully informed community consent helps protect against the high cost of future tension and conflict. A recent study by the Corporate Social Responsibility Initiative (CSRI) at Harvard Kennedy School in the US and the Centre for Social Responsibility

in Mining (CSRM) at the Sustainable Minerals Institute at The University of Queensland in Australia found that a world-class mining project stands to lose approximately \$20 million per week in lost productivity as a result of production delays stemming from social conflict.

Source: Mining.com [July 23, 2015](#).