

2014



Corporate Social Responsibility the Role of the Private Sector in Benefit Sharing

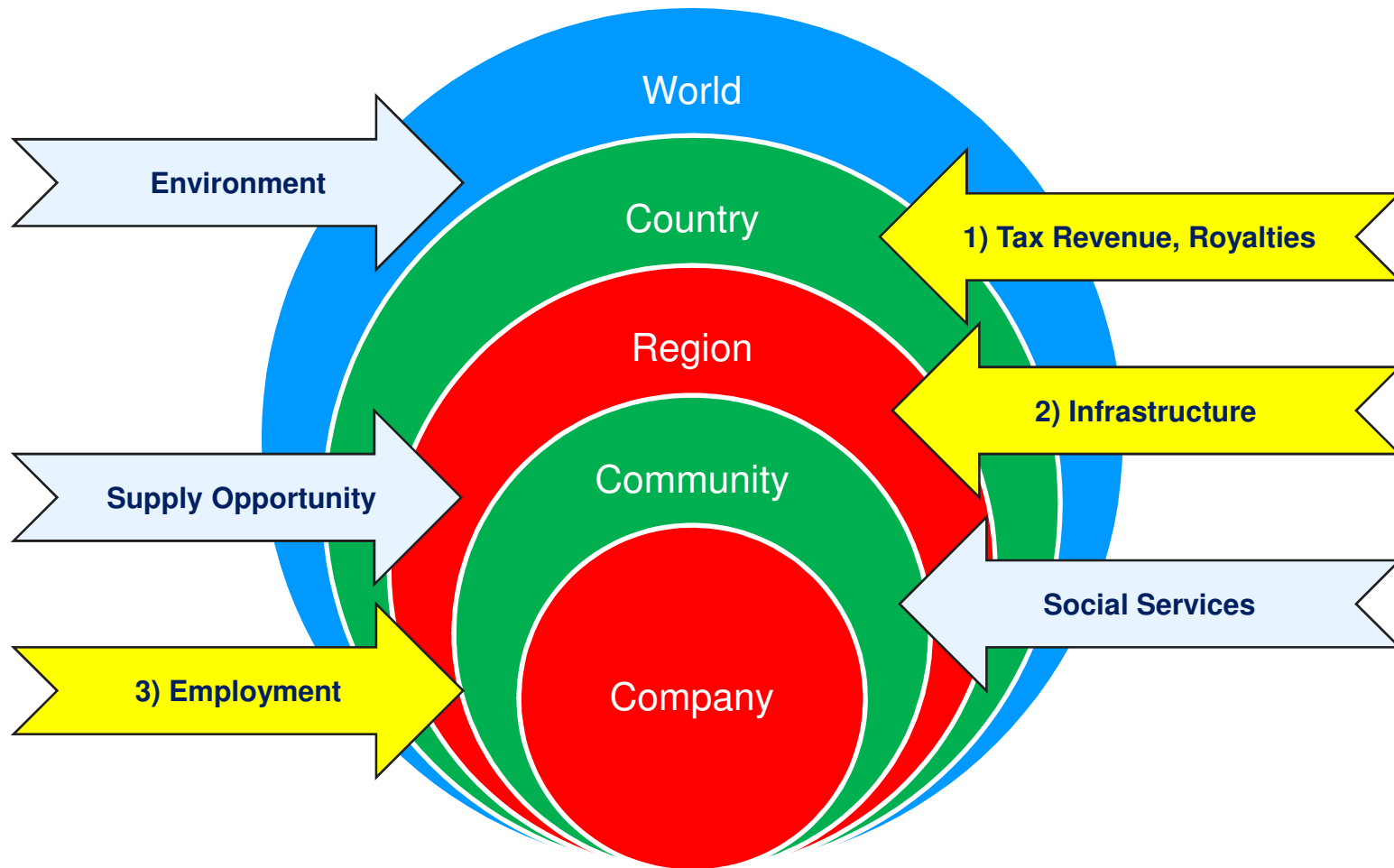


Foreign Affairs, Trade and
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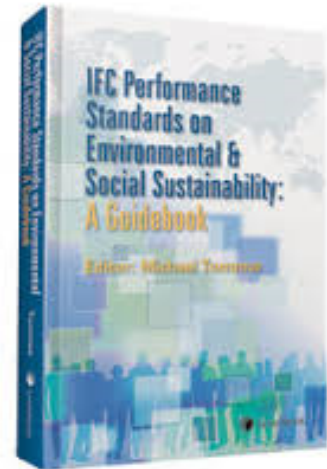
Value Creation Opportunities from Mining



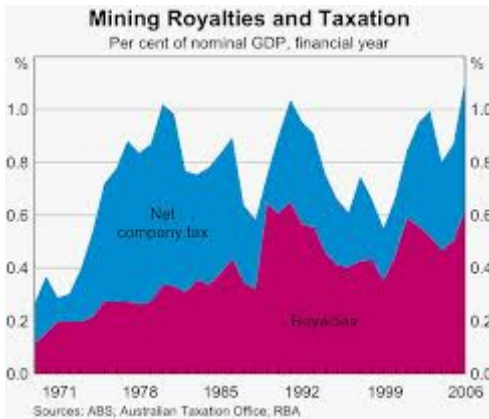
When is Value Maximized?

- 1) Government (federal and regional) has the capacity to manage and enforce mandatory requirements
- 2) The private sector is proactive in implementing voluntary standards
- 3) Communities and local populations have adequate skills and competencies to engage effectively
- 4) Stakeholders are working together





WHAT IS CSR ?



WHAT IS CSR?

“CSR is generally defined as the **voluntary** activities undertaken by a company to operate in an economically, socially and environmentally sustainable manner”

Foreign Affairs, Trade and Development Canada; CSR Strategy for the Extractive Sector 2009

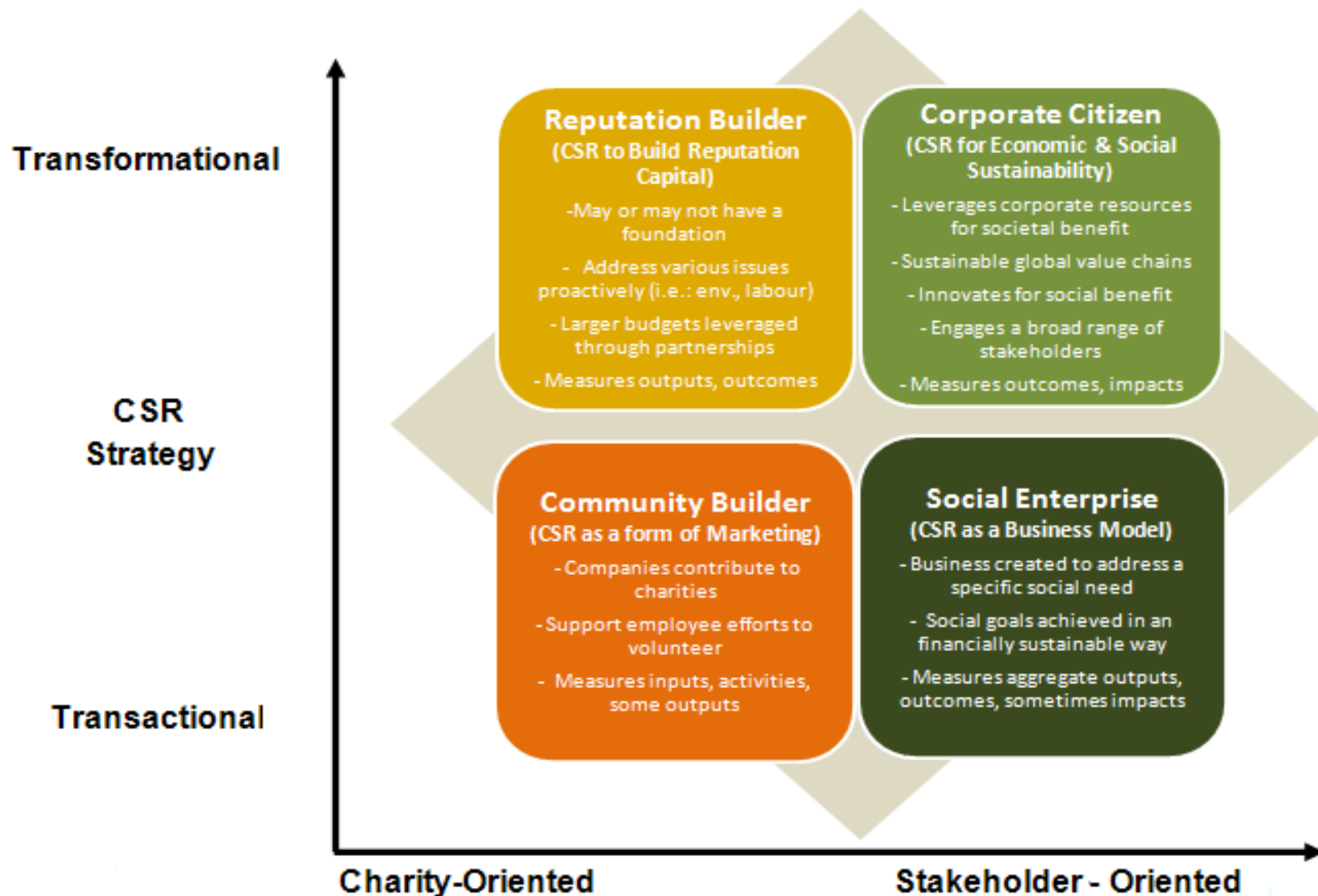


VOLUNTARY VS MANDATORY

Dimension of Value	Examples of Mandatory Regulation	Examples of Voluntary CSR Frameworks/Standards
Fiscal	Fiscal policies and tax laws	EITI Standards
Infrastructure	Mining Agreements	ICMM
Employment	Mining Agreements/local content laws	Africa Mining Vision
Local supply	Mining Agreements/Local procurement plans	Africa Mining Vision
Social	Mandatory CSR funds, Labour laws, resettlement guidelines, etc.	IFC Standards, Equator principles, UN Global Compact, E3Plus, ICMM, UN Guiding Principles for Human Rights, Voluntary Principles on Security and Human Rights, OECD guidelines
Environmental	Environmental laws	IFC Standards, Equator principles, UN Global Compact, E3Plus, ICMM



Maturing of Corporate Social Responsibility





Community Builder



Reputation Builder



Social Enterprise





Corporate Citizen



Stakeholders recognize that elements of a better SDG should include trust and local development. Photo: Stefan Brunnmeier



What does this mean for mining in Ethiopia?

- Mining companies are becoming more and more proactive in implementing CSR.
- However, some are more proactive than others.
- The decision to impose mandatory regulation vs. a reliance on voluntary standards should take into consideration local realities and company maturity with respect to CSR.



Studies Key Recommendations

Canada conducted three studies to provide some recommendations on how local value can be enhanced from mining activities.

- CSR Study
- Education for Mining
- Mining Supply Chains

THANK YOU



Study Recommendations: Local Employment

- Support technical training and curriculum development for mining-related technical occupations and consider a national vocational centre dedicated to mining sector education in key mining regions.
- Develop formal training for artisanal miners through TVETs focused on topics such as entrepreneurship, safety and health, environmental protection, technical training, etc.).
- Upgrade the facilities and installations of higher-education institutions including laboratories, with priority given to geology departments
- Support the creation of links and networks involving the private sector and foreign organizations with universities.
- Develop critical skills and knowledge among CSO and local community stakeholders to build a common understanding of key issues related to community leadership, gender awareness, environmental protection, and respect for human rights.



CSR Study: Environment and Social Impact Recommendations

- The Government of Ethiopia could consider benchmarking its legislation and standards against the International Finance Corporation's Performance Standards
- The Government of Ethiopia could request large scale gold mines operating in Ethiopia to become signatories to the Cyanide Code.
- Regional governments should implement participatory stakeholder approaches to support the preparation and implementation of community development projects with mining companies.
- Clear guidance could be issued on the financing of closure provisions. It could draw on other governments' lessons in this regard and resources such as the ICMM's work on Financial Assurance for Mine Closure.





Determinants of Value

