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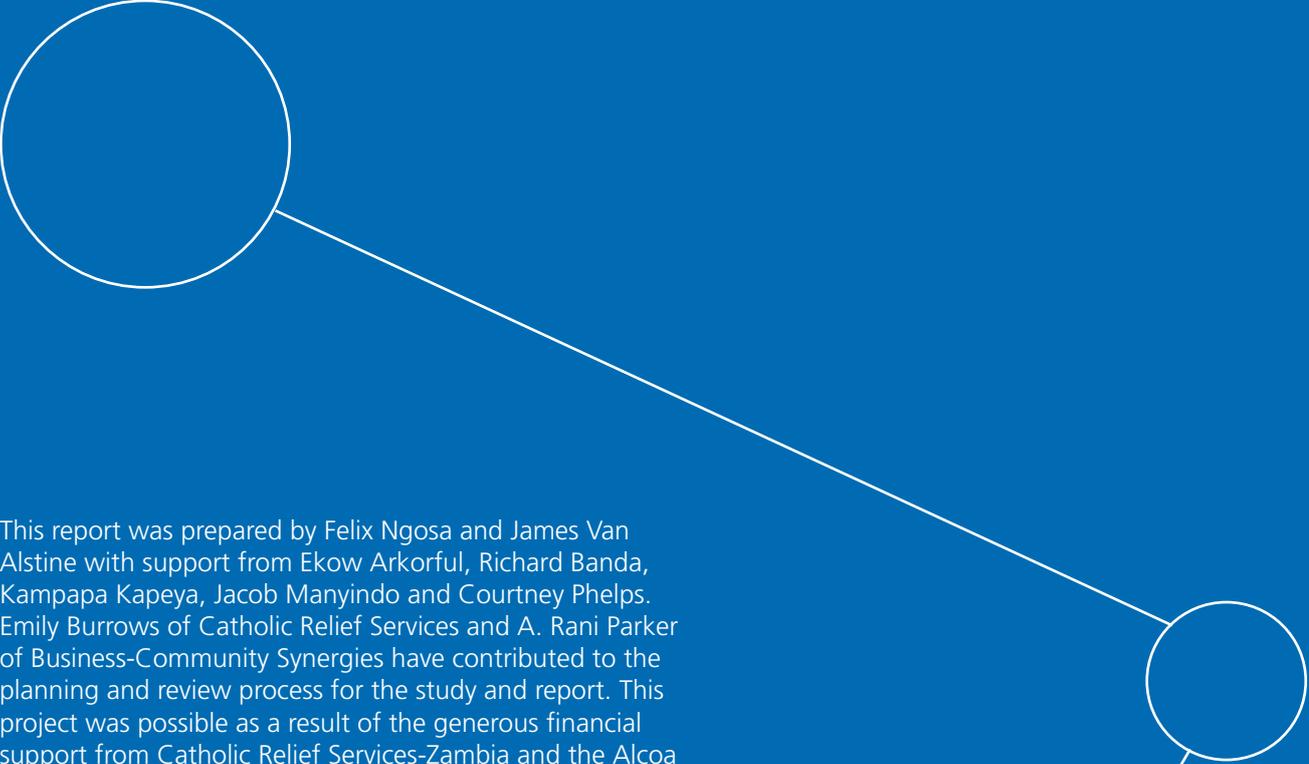
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Seeking Benefits and Avoiding Conflicts: *A Community-Company Assessment of Copper Mining in Solwezi, Zambia*



This report was prepared by Felix Ngosa and James Van Alstine with support from Ekow Arkorful, Richard Banda, Kampapa Kapeya, Jacob Manyindo and Courtney Phelps. Emily Burrows of Catholic Relief Services and A. Rani Parker of Business-Community Synergies have contributed to the planning and review process for the study and report. This project was possible as a result of the generous financial support from Catholic Relief Services-Zambia and the Alcoa Foundation through the London School of Economics, the University of Leeds, and Business-Community Synergies. The authors remain solely responsible for the content of this report, and the views expressed herein do not necessarily represent the views of the organizations they work for.

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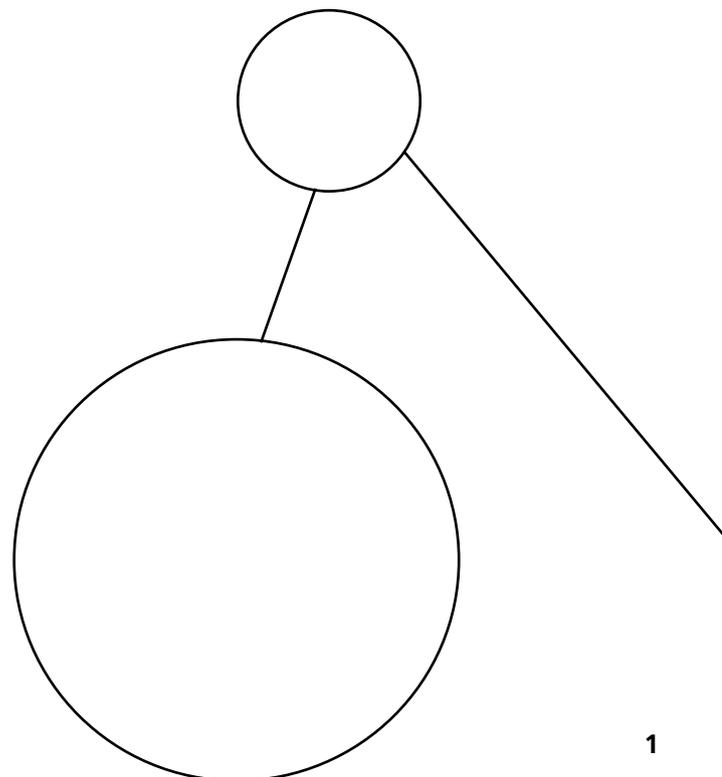
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Cover photos (top to bottom): Digger loading ore onto a haul truck at Kansanshi mine; Interviewing women vendors at Zambia market; Pure copper cathode being washed for packing and shipping to overseas customers; and Kikombe Basic School pupils in Solwezi celebrate the gift of a new classroom block donated to them by Kansanshi. Cover photo sources: Kansanshi Mining Plc and the Research Team

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List of Abbreviations

ADC: Area Development Committee
APELL: Awareness and Preparedness for Emergencies at the Local Level
BCS: Business-Community Synergies
CCA: Community-Company Assessment
CHAMP: Community HIV/Aids Mitigation Project
CL: Community Liaison
CRS: Catholic Relief Services
CSOs: Civil society organizations
CSR: Corporate social responsibility
DDCC: District Development Coordinating Committee
DRC: Democratic Republic of the Congo
ESIA: Environment and social impact assessment
FQM: Fist Quantum Minerals
FQMO: First Quantum Mining Operations
IFC: International Finance Corporation
KM: Kilometres
LSE: London School of Economics and Political Science
MNCs: Multinational corporations
NGOs: Nongovernmental organizations
PDCC: Provincial Development Coordinating Committee
RDCs: Rural Development Committees
UK: United Kingdom
US: United States
ZCCM: formerly Zambia Consolidated Mines Ltd
ZMK: Zambia Kwacha

Executive Summary

Over the last decade, there has been significant investment in Zambia's copper mining sector as a result of rising copper prices driven by demand from emerging markets and limited growth in supplies. Even after the global recession of 2008/2009 the copper price rebounded to be at its highest ever and more multinational companies (MNCs) continue to invest in the copper rich country. The boom of the mining industry has raised expectations of jobs and economic growth within communities and the population at large. The increased investment and discoveries of new sites for copper mining present opportunities for economic growth and transformation of the country, yet given Zambia's history and the experiences of many other countries exploiting natural resources, particularly in Sub-Saharan Africa, there are considerable challenges to realize the benefits presented by the extractive industries.

In November 2010, a research team consisting of individuals from the University of Leeds and the London School of Economics (LSE) in the UK, Catholic Relief Services-Zambia and members of the Catholic Diocese of Solwezi in Zambia conducted a study to assess the relationship between Kansanshi Mining Plc and communities within and in proximity to the company's current operational area in Solwezi District, North-Western Province. Although the social, environmental and economic impacts of mining in the Copperbelt are well documented, little research has been undertaken to date in the North-Western Province (which has been coined the New Copperbelt). This study, a Community-Company Assessment (CCA), aims to develop shared understanding among companies, communities and government officials, so that the extraction of natural resources results in net benefits to people living in and around the areas of exploitation.¹

We intend for this research to inform how communities in the Solwezi District can engage more strategically and effectively with the mining industry, and how companies operating in this region can address community concerns. We also intend to inform central and local governments on interaction between companies and communities, the emerging issues for consideration, and the management of community and other stakeholder expectations with respect to the industry. Ultimately, we hope that this process will strengthen capacities so that the benefits of Zambia's natural resources extend to the country as a whole and specifically to the communities where operations may disrupt livelihoods.²

1 The CCA is both a methodology and a process, which aims to build trustful relationships. Shared understanding is achieved when each party recognizes the legitimacy of the others' perspectives. The CCA was developed by Business-Community Synergies (BCS) as a way to strengthen relationships between large companies and the communities where they operate. The CCA has been applied successfully in many extractive industries and contexts around the world. For more information on the CCA, see www.bcsynergies.com

2 The study is part of a larger research programme based at LSE and University of Leeds which aims to increase understanding about the extractive industries and enhance community capacities to negotiate more effectively with the extractive industries for sustainable local benefits (see: www.lse.ac.uk/communitycapacities). Country case studies include: Uganda (oil and gas), Ghana (oil and gas), Brazil (bauxite), Zambia (copper) and Ireland (oil and gas)

The findings and recommendations of the study are described in this report, which is divided into nine chapters. Chapter 1 begins with an introduction and background to the project. Chapter 2 describes the study's methodology and CCA process, followed by the presentation of our findings from the perspective of the communities in Chapter 3, company findings in Chapter 4, and the local government in Chapter 5. Chapter 6 discusses the spectrum of community-company engagement which was presented at the study's validation workshop, and Chapter 7 highlights community, company and government recommendations. Chapter 8 presents the core team recommendations, and we conclude in Chapter 9 with specific suggestions to continue the process of developing shared understanding among corporate, government and community stakeholders.

The research team includes detailed recommendations in Chapter 8 for the company (Kansanshi Mining Plc), communities/civil society, government, media and contractors. Summarized below are the seven core themes: employment; Kansanshi staffing and senior management training; community engagement and communications; governance of the Kansanshi Foundation; resettlement of Israel; monitoring, evaluation and advocacy; and local government responsibility, transparency and accountability.

1. Employment: The community and company representatives highlighted a number of issues related to employment, such as variations between recruitment policies of Kansanshi and its contractors, and the use of labour brokers and bribes in the hiring practices by some contractors. In addition, safety inductions are only conducted in English for all employed workers. To address these issues and increase the hiring of local skilled and unskilled labour, Kansanshi should:

- Move from encouraging to monitoring and enforcing labour/hiring policies and practices with contractors;³
- Encourage sourcing of as much casual labour from local communities as possible by expanding their local hiring programme (known as 'Lucky Dip') to all communities adjacent to the mine and require contractors to participate in the programme;
- Organize more opportunities to provide skills training and mentoring opportunities for local contractors; and
- Conduct inductions and safety briefings at the mine in local languages (i.e. Kaonde) in addition to English.

2. Kansanshi staffing and senior management training: Kansanshi's Community Liaison team is understaffed, which provides significant challenges for effective community-company engagement. To this end, Kansanshi should:

- Develop a specific community engagement/social enterprise department with a dedicated Community Liaison Manager

3 Kansanshi informed the research team, after reviewing the draft report in August 2011, that it will investigate any information that it receives regarding 'cash for jobs'. However, the company clarified that few people are willing to formally come forward, even though it allows complaints to be made anonymously, which makes it very difficult to verify these claims.

at the same level of seniority as the Environment and the Public Relations Managers.⁴

It was also highlighted through interviews with Kansanshi staff that the community engagement strategy needs buy-in from the highest levels of management at the mine. Therefore, it would be beneficial for Kansanshi to:

- Develop staff training for Kansanshi board members and senior executives on community engagement.

3. Community engagement and communications:

From the myriad of projects, initiatives and engagement processes it appears Kansanshi is approaching its community engagement/investment haphazardly. Kansanshi takes a predominantly top down approach to community initiatives, which underestimates the potential for community politics to block benefits. Kansanshi should take a more strategic approach to community engagement by:

- Engaging communities from the bottom up to find out what they want and need, e.g. by moving beyond traditional donor-recipient relationships to actual collaboration and empowerment;
- Ensuring that there are no language barriers at quarterly stakeholder meetings; and
- Making certain that the Project Committees set up by the company (e.g. irrigation canal committee, poultry committee) do not undermine or conflict with the Area Development Committees, which are set up by the local council.

In addition, Kansanshi established a formal grievance mechanism in 2010 where community members must fill out a form which is submitted directly to a Community Liaison Officer. However, in order to get communities to utilize the grievance mechanism more frequently, Kansanshi should:

- Move the grievance mechanism closer to communities and make it anonymous.

An area of ambiguity for individuals in communities is the distinction between company and government responsibility. The report therefore recommends that Kansanshi:

- Publicize corporate contributions to council (in multiple languages) through the Kansanshi newsletter, local newspapers and radio; and
- Publish its corporate social responsibility (CSR) budget.

After reviewing the draft report in August 2011, Kansanshi confirmed that it will be looking for ways to strengthen its stakeholder engagement processes.

4. Governance of the Kansanshi Foundation: A key theme that emerged from the research is limitations with

regards to the Kansanshi Foundation.⁵ In order to clarify the Foundation's purpose and improve its governance, Kansanshi should consider:

- Redefining the principles of the Foundation to make it an autonomous charitable organization which has board members and stakeholders representative of the community it is meant to serve.

To this end:

- A separate board should govern the Foundation, which has representation from Chiefs, government and community representatives. Ideally, a multi-stakeholder group with knowledge on project implementation would scrutinize applications to the Foundation.⁶

The Foundation is currently headquartered in Kansanshi's Solwezi Town Office. Most interviewees did not know about the Town Office or where it was located, thus Kansanshi should:

- Enhance the visibility and accessibility of the Foundation.

5. Resettlement of Israel: Israel was resettled in 2005; however, it appears little was done to follow 'best practice' International Finance Corporation (IFC) and World Bank resettlement guidelines. Thus, given the concerns and accounts of community members in New Israel, the research team recommends that Kansanshi:

- Ensures the Israel resettlement plan is revisited to adhere to IFC's Performance Standards, and that this assessment is externally audited.

6. Monitoring, evaluation and advocacy: Nongovernmental organizations (NGOs) and civil society organizations (CSOs) have a role to play in monitoring and evaluating Kansanshi's projects and programmes. For example:

- There should be NGO/CSO monitoring and evaluation of Kansanshi's resettlement and compensation scheme for New Israel and Kabwela, to ensure that the mine has/is following best practice, e.g. IFC resettlement standards.

In addition, communities should be able to direct specific requests to the company. There is a need for NGOs/CSOs to reconsider advocacy strategies to engage with companies:

5 The Foundation, which was founded in 2006, channels funds to infrastructure projects in Solwezi. During the economic crisis (2008-09) the Foundation was inactive, but it has recently reopened with a new manager. The Foundation was allocated US\$1 million for projects when it was founded, and since 2006 has embarked on various infrastructure projects. The Foundation now receives requests for projects from community groups, and then goes to the board to decide which ones to fund. The board is made up of the same people on the Kansanshi board. The original idea was for the Foundation to have its own board, and participation from people outside Kansanshi, e.g. Chiefs, government and community representatives.

6 Kansanshi in fact confirmed to the research team, after reviewing the draft report in August 2011, that it will be putting in place an engagement mechanism for the Kansanshi Foundation that ensures local stakeholders decide upon local development priorities and that stakeholders evaluate and shortlist Foundation projects for approval by the board.

4 After reviewing the draft report in August 2011, Kansanshi confirmed that it has recruited a number of staff members in the field of corporate social responsibility in the last year, and that it is in the process of recruiting a Monitoring and Evaluation Officer.

- More coercive means should be employed as a last resort, not at the beginning of the advocacy process.

CSOs can also play an important role in assisting communities to direct their expectations/needs to the right organization/institution, thus:

- CSOs should facilitate the linkages between New Israel and Kabwela communities in order that they communicate regularly and share lessons about resettlement and compensation; and
- CSOs should help establish an organization or forum to allow communities around the mine to share experiences, lessons learned, and effective engagement strategies with the company and government.

The dynamics between a democratic local government system and a less participatory traditional system is complex and potentially problematic. The fact that companies initial entry into a community is through the Sub-Chief or Group Leader, it is assumed they represent community concerns, but the way they came to power may have little to do with community interests. During this study the team encountered numerous complaints about traditional authorities/leaders, i.e. to what extent they represented local interests. To this end:

- Communities need to hold their leaders to account; and
- Kansanshi needs to employ participatory approaches when engaging the communities.

7. Local government responsibility, transparency and accountability: The local government needs to take up its role, instead of seeing blame apportioned to the wrong institution/organization. By being more proactive with its responsibilities the local council and Kansanshi may be able to find common ground:

- The local government should not abnegate its responsibilities to the company; otherwise the council will get criticized by the community and company.

In addition, there needs to be transparency and accountability in council budgeting processes. Stakeholder engagement in the local council budgeting process is in their by-laws, but has not been fully implemented. Therefore:

- Budget information should be communicated through the media to local stakeholders, and space should be made for community participation in the budgeting process.

The government (particularly at national level) is seen to be “in cahoots” with the company. The government needs to demonstrate that it represents community concerns. Thus, there is need to enforce existing laws at the national and local levels. To this end:

- Government should fully implement section 136 of the 2008 Mines and Minerals Development Act - a policy that stipulates how royalty revenues sent to central government can be distributed to communities.

The research team proposes the following way forward:

The CCA is both an assessment and the beginning of a process by which community stakeholders, the company(ies), and government engage with each other to achieve mutual benefits. The next steps of this process will be to hold a multi-stakeholder meeting, get stakeholder commitment to follow-up on recommendations with an action plan, and implementing at least part of the action plan. The research team will work with communities and civil society in Solwezi District to develop their capacities to hold themselves, corporate, and government authorities accountable using participatory monitoring and evaluation tools that promote multi-directional accountability and help reduce corruption at the local level.

In order to facilitate this process, the research team seeks to:

- Identify longer term funding to continue the CCA process;
- Develop capacity within local CSOs to negotiate and potentially partner with Kansanshi from a position of strength, for example to monitor and evaluate Kansanshi’s projects and programmes, and in particular, the implementation of agreed CCA action plans;
- Instigate a CSO-led process or forum to allow communities around the mine to share experiences, lessons learned, and effective engagement strategies with the company and government; and
- Develop linkages between local CSOs and national/international NGOs to build capacity and learning networks to facilitate knowledge transfer on relevant issues.

There is an interesting opportunity to carry out CCAs in other areas in Zambia impacted by large-scale mining operations, particularly in the North-Western Province (e.g. Lumwana), to compare and contrast community-company relations in various extractive contexts. This comparative research can provide important insight into best practice in community-company engagement, and build linkages between CSOs/communities living in close proximity to large-scale mining operations. In addition, it may be beneficial to make the CCA in Solwezi District, conducted by trained local CSOs, a repeated or regular exercise to continuously inform industry, government and communities.

Introduction

This study is a collaboration between the University of Leeds and London School of Economics (LSE) in the United Kingdom, Business-Community Synergies (BCS) in the United States, and Catholic Relief Services (CRS) and Catholic Diocese of Solwezi in Zambia. It is part of a larger research programme based at the University of Leeds and LSE, which aims to increase understanding about the extractive industries and enhance community capacities to negotiate more effectively with the extractive industries for sustainable local benefits.⁷ The research seeks to find constructive and peaceful solutions to divergent community and company perspectives, and is conducting the Community-Company Assessment (CCA) in multiple contexts. Country case studies include: Uganda (oil and gas), Ghana (oil and gas), Brazil (bauxite), Zambia (copper) and Ireland (oil and gas). This study was funded by Catholic Relief Services-Zambia and the LSE/Leeds research programme supported by the Alcoa Foundation of the United States.

1.1 Overview

Over the last decade, there has been significant investment in Zambia's copper mining sector as a result of rising copper prices driven by demand from emerging markets and limited growth in supplies. Even after the global recession of 2008/2009 the copper price rebounded to be at its highest ever and more MNCs continue to invest in the copper rich country. The boom of the mining industry has raised expectations of jobs and economic growth within communities and the population at large. The increased investment and discoveries of new sites for copper mining present opportunities for economic growth and transformation of the country, yet given Zambia's history and the experiences of many other countries exploiting natural resources, particularly in Sub-Saharan Africa, there are considerable challenges to realize the benefits presented by the extraction of minerals in Zambia.

One aspect that needs attention is the extent to which communities whose livelihoods are disrupted by the extraction process are compensated and able to benefit from minerals extraction. Trustful relationships based on legitimacy and shared understanding between mining companies and communities within and around areas of mining activity are critical for mutual benefit. The relationship between companies and communities, if not guided by some trust and respect, could result in conflicts between parties. Misconceptions, misunderstandings and unrealistic expectations are often the triggers of conflict in mineral/oil producing areas. It is important to understand the dynamics between communities and mining companies in order to avoid, mitigate and/or adequately compensate for negative impacts and to maximize benefits toward equitable development. Therefore, in November 2010, a research team consisting of individuals from the University of Leeds and LSE in the UK, Catholic Relief Services-Zambia and members of the Catholic Diocese of Solwezi in Zambia conducted a study to assess the relationship between

Kansanshi Mining Plc and communities within and in proximity to the company's current operational area in Solwezi District, North-Western Province.⁸

This study, a CCA, aims to develop shared understanding among companies, communities and government officials, so that the extraction of natural resources results in net benefits to people living in and around the areas of exploitation.⁹ The goal of this study is to enable communities to negotiate with large companies from a position of strength. We intend for this research to inform how communities in the Solwezi District can engage more strategically and effectively with the mining industry, and how companies operating in this region can address community concerns. We also intend to inform central and local governments on interaction between companies and communities, the emerging issues for consideration, and the management of community and other stakeholder expectations with respect to the industry. Ultimately, we hope that this process will strengthen capacities so that the benefits of Zambia's natural resources extend to the country as a whole and specifically to the communities where operations may disrupt livelihoods.

1.2 Background

North-Western Province is one of Zambia's nine provinces. It covers an area of 125,826 km² and has a population of 706,462. It is the most sparsely populated province in the country. Solwezi is the capital of the North-Western Province of Zambia. It has approximately 140,005 households at an elevation of 1235 meters above sea level.¹⁰ Kaonde is the largest tribe represented in Solwezi. The primary industry is copper mining at the Kansanshi mine (about 10 km to the north) and Lumwana mine (100 km to the west). Kansanshi Mining Plc, a First Quantum Minerals (FQM) subsidiary, owns 80% of Kansanshi mine, while the remaining 20% is owned by ZCCM (formerly Zambia Consolidated Copper Mines Ltd). FQM is a Canadian-based company listed on the Toronto and London stock exchanges.

Kansanshi mine is one of the oldest mines in Zambia, if not in the whole of Africa, as it dates back to the 4th century AD when the local people were digging ore from the ground and using direct smelting methods to produce copper.¹¹ In the year 1899, the mine was "rediscovered" by Mr. George Grey, a man from Scotland. It is said rediscovered because the local people had already discovered the ore deposit and were busy smelting copper when Mr. Grey arrived in Solwezi. For about 100 years from that time, the mine produced a

8 'Kansanshi Mining Plc', 'Kansanshi', and 'the mine' are used synonymously throughout the report.

9 The CCA is both a methodology and a process, which aims to build trustful relationships. Shared understanding is achieved when each party recognizes the legitimacy of the others' perspectives. The CCA was developed by Business-Community Synergies (BCS) as a way to strengthen relationships between large companies and the communities where they operate. The CCA has been applied successfully in many extractive industries and contexts around the world. For more information on the CCA, see www.bcsynergies.com

10 2011 Census of Population and Housing Preliminary Report, 2011.

11 Kansanshi Copper-Gold mine Bulletin, Inside Kansanshi Volume 1: September 2010

7 For more information see: www.lse.ac.uk/communitycapacities

total of about 80,000 tonnes from both underground and open pit operations. From the 1970s up to 1997, the mine was operated by ZCCM. However, with the privatization of 1997, a foreign company known as Cyprus Amax bought Kansanshi mine, but later sold it to Phelps Dodge, another foreign mining company, in 1999. Both these companies did a lot of exploration and feasibility studies but decided not to develop the mine any further. FQM then bought the business from Phelps Dodge in the year 2001 and carried out a feasibility study of the mine that resulted in the business decision by FQM to re-open the mine and start producing copper and gold. Actual construction began in 2003 and was complete in 2005, such that Kansanshi was able to produce its first copper cathodes on 23rd March 2005. From that time production of copper and gold has steadily increased over the years.¹²

Kansanshi is now the world's 8th largest copper mine and the estimated life of the mine is from 13 to 20 years (from 2009) depending upon the quality of estimated mineral reserves and the economics of mineral extraction.¹³ The mine produced about US\$1.65 billion in revenues in 2010, and an expansion project is now underway to expand annual copper production capacity from the current 250,000 tonnes to 400,000 tonnes of copper in 2015.¹⁴ Mining is carried out in two open pits and Kansanshi has a very competitive average cash cost of production.¹⁵ The mine in total employs about 4000 persons; 1500 are employed directly by Kansanshi Mining Plc, while the rest are employed through contractors. For example, First Quantum Mining Operations (FQMO), another subsidiary of FQM and a contractor to Kansanshi Mining Plc, employs about 1500 workers.¹⁶ The other largest contractor is Teichmann, which employs over 500 persons. Local labour is unionized through the Mineworkers Union of Zambia and the National Union of Allied Workers. According to union leaders, just over 1000 employees working for Kansanshi and FQMO are members of the two unions.

In preparing for this research it was evident that much has been written about the social, environmental and economic impacts of mining in the Copperbelt¹⁷, but comparatively little has been discussed in relation to the development of new and old copper mines in the North-Western Province. However, some of the issues which have been reported in

the press related to socio-economic impacts of the mining industry in and around Solwezi include:¹⁸

- Low skill-level of locals and in-migration resulting in the majority of jobs going to people from outside Solwezi;
- Strain on basic social services and infrastructure in Solwezi due to in-migration caused by the economic boom related to the re-opening of Kansanshi and the start of the Lumwana mine; and
- Increased poverty, HIV/AIDS, health and educational deprivation due to the influx of people to the region.

Although there is little material available about policies and practices within Kansanshi Mining Plc on the Internet and FQM website, one news article did cite the Kansanshi public relations manager, Godfrey Msiska, stating:¹⁹

"The Kansanshi Mining Plc philosophy is to enrich the environment and the communities in which we operate. This is in line with the FQM group ethos of adding value to the communities in which it operates."

Indeed, FQM has published Sustainability Reports for 2008 and 2010 and has articulated a group Sustainability Strategy. The Sustainability Strategy has specific objectives for employee responsibility, corporate ethics, governance and risk management, employee responsibility, environmental and social performance, security, and transparent operations.²⁰ As articulated in its Sustainability Reports, FQM takes a project-based approach to socio-economic development for its "employees, families and immediate communities".²¹ The broad categories for corporate social investment include: health care, staff housing, enterprise development, infrastructural development, and education.²²

As will be discussed in Chapter 4, Kansanshi has undertaken a wide variety of social investment projects and programmes in Solwezi and the rural communities adjacent to the mine. It also has a Foundation, which was founded in 2006, to channel funds to infrastructure projects in Solwezi. During the economic crisis (2008-09) the Foundation was inactive, but it has recently reopened with a new manager. The Foundation was allocated US\$1 million for projects when it was founded, and since 2006 has embarked on various infrastructure projects. The Foundation now receives requests for projects from community groups, and then goes to the board to decide which ones to fund. The board is made up of the same people

12 'Kansanshi Copper-Gold mine Bulletin, Inside Kansanshi Volume 1: September 2010

13 Kansanshi Fact Sheet, First Quantum Minerals Ltd, available at: http://www.first-quantum.com/i/pdf/Kansanshi_Factsheet.pdf

14 Kansanshi Fact Sheet, First Quantum Minerals Ltd, available at: http://www.first-quantum.com/i/pdf/Kansanshi_Factsheet.pdf

15 FQM Website, n.d., see: <http://www.first-quantum.com/s/CEOLetter.asp> (accessed 15 June 2011)

16 This contractual relationship between Kansanshi and FQMO is confusing to understand in practice, as both are subsidiaries of FQM. This relationship will be discussed in the Company findings section of the report.

17 See e.g.: Fraser, A. and Lungu, J. 2009, For Whom the Windfalls? Winners and Losers in the Privatisation of Zambia's Copper Mines, Civil Society Trade Network of Zambia, Lusaka; and Fraser, A. and Larmer, M. (Eds) 2010, Zambia, Mining, and Neoliberalism: Boom and Bust on the Globalized Copperbelt, Palgrave Macmillan: Basingstoke

18 See e.g.: Times of Zambia 2009, Mining Activities Change North-Western Province's Social Landscape, 11 August; available at: <http://allafrica.com/stories/200908110241.html>

19 Times of Zambia 2009, Mining Activities Change North-Western Province's Social Landscape 11 August; available at: <http://allafrica.com/stories/200908110241.html>

20 FQM Website, n.d., see: <http://www.first-quantum.com/s/SustainabilityStrategy.asp> (accessed 15 June 2011)

21 FQM 2009, Corporate Sustainability Report 2008, First Quantum Minerals Plc, p. 16. Available at: <http://www.first-quantum.com/s/SustainabilityReport.asp>

22 FQM Website, n.d., see: <http://www.first-quantum.com/s/Social.asp?ReportID=134525> (accessed 15 June 2011)

on the Kansanshi Mining Plc board. According to Kansanshi staff, the original idea was for the Foundation to have its own board, and participation from people outside Kansanshi, e.g. Chiefs, government and community representatives; however, this governance structure has not been implemented as of yet (see section 8.4, Core Team Company Recommendations, for more discussion about the Foundation).

1.3 Organization of the Report

This report begins with an introduction and background to the project in Chapter 1. Chapter 2 describes the study's methodology and CCA process, followed by the presentation of our findings from the perspective of the communities in Chapter 3, company findings in Chapter 4, and the local government in Chapter 5. Chapter 6 discusses the spectrum of community-company engagement, and Chapter 7 highlights community, company and government recommendations. Chapter 8 presents the core team recommendations, and we conclude in Chapter 9 with specific suggestions to continue the process of developing shared understanding among corporate, government and community stakeholders.

2 Methodology

As discussed below, the research team prioritized Solwezi District because of the new mining development and relatively little research that has been done on community-company relations in the region. The seven person research team conducted a CCA from the 16-25 November 2011, with a focus on those areas directly impacted (i.e. closest) to Kansanshi's operations. As discussed in section 2.3, the research team met with a wide variety of community, company, union, contractors, and local government representatives during the CCA process.

2.1 CCA process

The CCA is a process by which the relationship between companies and the communities where they work is assessed, measured and developed over time. Data are collected and analyzed using grounded theory, a qualitative research approach which begins with generative questions that guide the research but are not limited or confining. Thus, as data are gathered, core concepts and themes are identified, coded and linkages are developed. A central feature of this approach is that the respondents themselves and not the researchers identify the important themes that emerge in the study. The interview is carried out more in the form of a conversation with the respondent selecting the topics to discuss, and, with probing, the respondent provides the detail and depth to the topics discussed. The interviewer's role is to keep the conversation linked to the broad theme of the industry and its effects on personal and community life, and to document what is said.

The CCA is distinct from many other research-based approaches in the following ways:

1. The subject matter is not pre-determined. Rather, the focus of the assessment arises from discussions with communities

and company personnel. A protocol with open-ended questions ensures that themes that emerge from the data are identified by respondents and not the interviewers.

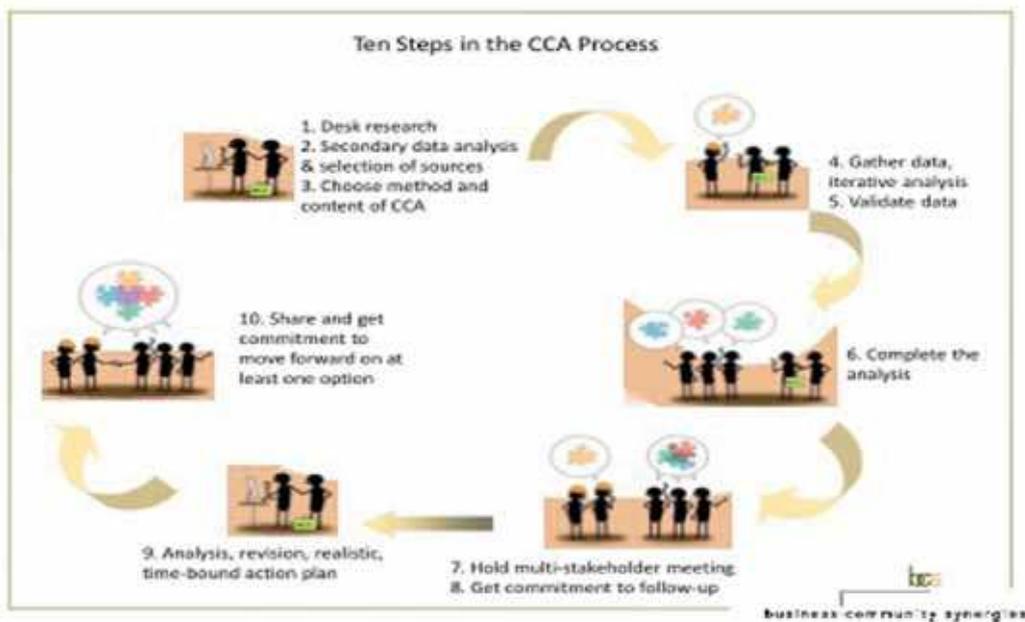
2. Data are reviewed and coded on a daily basis.
3. The assessment team summarizes and presents findings back to a sample of the data providers (company and community), who in turn are asked to review and validate the data, to change it or to strike out anything that clearly looks incorrect. This process ensures that the researchers' understanding of the meaning of what was said is as intended.
4. Emphasis is placed on understanding and documenting what is said regardless of whether or not the perceptions and opinions may be factually correct from the interviewer's point of view.
5. Both communities and companies provide data, and their responses are compared and analyzed to generate the assessment. The gap in company and community perspectives is the space for building relationships. The overlap is the space from which shared understanding and trust are generated.
6. Different levels of government, donors and other actors are also solicited for their inputs, and their views are incorporated into the team's analysis and recommendations.
7. Power relations among the different groups of actors, their interests, priorities and capacities are also analyzed.
8. The results of a CCA are twofold: net benefits to communities and companies; and trustful relationships between companies and the communities in their areas of direct impact. Intermediate results are strong community capacities to negotiate for their priorities, to monitor agreements, and to advocate on their behalf in an effective way.

Four principles guide and underlie the CCA process. In order to build trust, it is crucial for the research team:

- To respect each stakeholder's knowledge (scientific and non-scientific), logics (or ways of seeing and thinking about the world) and languages (ways of expressing themselves);
- To make significant effort, even before the intervention begins and on an ongoing basis, to understand the histories, diversities and local-national-global power relations, as well as the full spectrum of livelihoods that characterize the communities and regions impacted by extraction;
- To consider local history, diversities and past relationships within and among communities, as well as with international actors; and
- To ensure that all interactions with stakeholders creates shared understanding, i.e., recognition of the reality of the many perspectives on natural resource extraction in each context and accepting the legitimacy of those perspectives.

The steps of the CCA, as noted below, draw heavily from principles of participation. The ten steps are detailed in Figure 1.

Figure 1: The CCA process



For this study, steps 1 and 2 were carried out in the UK and Zambia through internet correspondence between University of Leeds and CRS-Zambia representatives. Steps 3 to 6 were carried out by the research team in Zambia. Three validation exercises (step 5) were conducted in Solwezi, Zambia, one by bringing together representatives from the six communities where we conducted interviews, one with government departments and one with Kansanshi Mine staff.

An important step in the CCA process is the validation of data. This requires that a sample of data providers from communities, government and company review the summary of data they themselves provided and verify its accuracy. The validation step is critical not just because it confirms the research team's understanding of what was said, but also because it reveals the degree of receptivity to the data and implications for action. The team is able to note the following: Are there gender/ethnic/age differences within and among the communities in terms of their view of the data? Where do we see the greatest consensus and where can we anticipate resistance to change? In some validation exercises, participants may substantially challenge and change what people in their own community or company said. This is an indicator of divisions within the company or community. It may also be a misunderstanding on the part of the team – one reason why it is essential to have teams that bring both local and international perspectives and experience to data interpretation. The research team also completed its own analysis of the validated data (Step 6).

The next steps of this process will be to hold a multi-stakeholder meeting (Step 7), get stakeholder commitment to follow-up on recommendations with an action plan (Step 8 and 9), and put at least part of the action plan to the test (Step 10).

2.2 The questions asked

Central to the CCA approach is to hold conversations using generative questions and allowing the respondents to identify the topics of interest and concern to them. Thus, the content of the data emerges from the individuals interviewed rather than from the research group. (See Appendix 1 for the protocol used in this study). The purpose of the interview is to hear and understand what the respondents think and to give them voice, so their voice and perspective can come through independently of the interviewer's perspectives. The team also used some group interviews, which enabled the researchers to explore perceptions, opinions and beliefs in a group setting, where the participants actively interact. Here insights arise from the shared language/responses (or not) established by the group. The observation of participant interaction can also lend insights into community and company power dynamics.

We introduced every conversation with community, company and government representatives using the same four themes:

1. To enable each person interviewed to describe in his or her own language the nature of their contact/interaction with the company or community;
2. To state whether and to what extent the communities have benefitted from the presence of the mine;
3. To offer their perspectives on the barriers to community benefits; and
4. To provide an ideal scenario from the interviewee's perspective. What would they change if they could and how?

2.3 Data sources

In light of the limited time available for the CCA, the research team prioritized Solwezi District for the reason that Solwezi is a new development in mining and little research has been done in the areas of assessing the impact of the mines on the local communities. In these areas, the team focused on the directly impacted areas, i.e. those areas closest to Kansanshi's operations.

The seven person research team conducted fieldwork in the communities of Kimasala, Zambia compound, Mushitala, Kabwela, Kyafukuma and New Israel (see Figure 2 and 3 for maps of the area). The entire team visited each of these communities for one day and spread out, conducting concurrent interviews, small group and focus group discussions.²³ Community stakeholders interviewed included women and youth groups, elders, marketers/business people, farmers and local leaders. The team also interviewed senior management and community relation officers at the Kansanshi mine, and various government departments in Solwezi District.

Figure 2: Map of Zambia showing the location of Kansanshi Mine and Solwezi



Figure 3: Map of Kansanshi Mine and adjacent communities



A total of 106 individuals were interviewed in one-on-one interviews, small group and focus group discussions. We aimed for stratified random sampling, but given the time constraints of the research team, we also used some snowballing²⁴ to ensure that we included hard-to-reach groups, such as women. Of the total interviews, 13 were conducted in groups. Out of the interviewees, 58 were male and 49 were female.

Table 1: Stakeholders interviewed

Stake holders	Numbers Interviewed (Excludes numbers in focus group discussions)					
	Total	Male	Percentage	Female	Percentage	Groups
Community	85	47	55.3%	38	44.7%	7 mixed, 2 male, 4 female,
Mine Companies	6	3	50%	3	50%	0
Union/ Contractors	9	3	33.3%	6	66.7%	0
Central/Local Government	6	5	83.3%	1	16.7%	0
Total	106	58	55%	48	45%	13

²⁴ Snowball interview technique is when the interviewed persons are asked to recommend additional people that could be asked to give information on the topic. Ideally, this process is continued until the data saturation point is reached, i.e. little new information or perspectives are elicited from the interviews.

²³ See Appendix 2 for details about the research team

Figure 4: Overall gender participation in the CCA conducted in Solwezi District

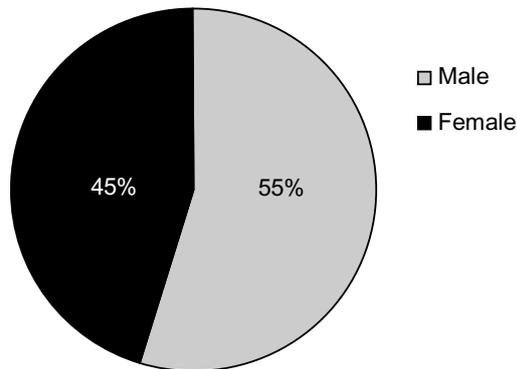
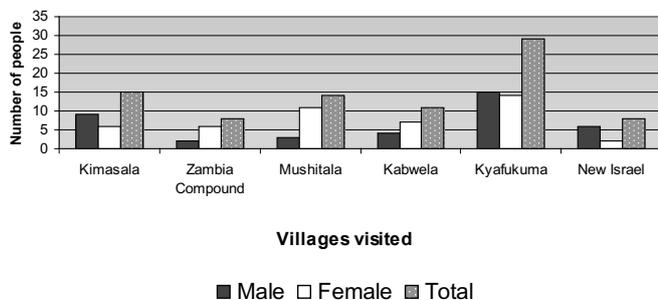


Figure 5: Gender participation across the villages covered in the CCA



2.4 Limitations

The major limitation to the CCA was the time available. Typically, a CCA of this nature covering one company and six villages that are relatively far apart would require more time than the 10 days available to the team. Ideally, the CCA would cover a more systematic sample of community members, additional villages in the district, and a wider diversity of national and sub-national stakeholders.

There are also limitations to the use of such open-ended methods. For example, the influence of the researcher in the interview/group discussion process may be significant, which raises questions about the validity and credibility of the research results. Several steps were taken to mitigate against these biases:

1. We conducted substantial and detailed secondary data review;
2. The team included multiple local NGO personnel with extensive inter-disciplinary and specialized expertise and familiarity with the industry and the local context;
3. The team combined local knowledge with extensive international experience;

4. Team members received training in the CCA prior to the study,²⁵ and additional training and practice immediately before starting the field work;
5. Daily summaries of interview data, in addition to daily coding and discussion during the data gathering phase facilitated the iterative nature of grounded theory-based approaches, such as this one;
6. Researchers worked in teams whenever possible (one as primary interviewer the other as note taker) so that consistency of research findings was maximized; and
7. Finally, validation workshops were held for community, local government and company representatives to ensure that their views and perceptions were captured appropriately.

Despite these limitations, the information generated during the study exhibited a high degree of consistency within and across the different groups, thus we have confidence in the research findings. Where there were inconsistencies and uncertainties, they were noted during the validation exercise and are recorded in this report.

With respect to the accuracy of community and company perceptions, the validation exercise helped ensure we had documented these perceptions accurately. The validation process permitted company, local government and all communities (each validation group represented someone in leadership) to ensure the data did indeed represent their perspective.

3. Community findings

In this chapter the findings for Kimasala, Zambia Compound, Mushitala, Kabwela, Kyafukuma and New Israel are discussed. What follows is a summary of data per community for the first three themes of the CCA interview protocol: community-company interactions; the extent to which communities have benefitted from the presence of the mine; and barriers to community benefits.

3.1 Kimasala and Zambia compound

Kimasala and Zambia Compound were analysed as one location in this study because of their proximity to each other and to the mine. Zambia Compound is located southwest of the mine and Kimasala to the west of the mine. There is no direct access to the mine from either of these townships, as direct access to the mine is through Solwezi Town. There are very few economic activities in the two townships. Zambia Compound is more urban and populated than Kimasala as it is located closer to Solwezi main town. Kimasala is peri-urban. The most visible economic activities were at the market in Zambia compound.

Community-company interactions

Community members from Kimasala noted significantly more interaction with Kansanshi than did Zambia Compound. In Kimasala, Kansanshi officials attended the official opening

²⁵ A five-day workshop held by the Leeds and LSE project was co-sponsored with the World Bank's IFC, and facilitated by BCS in 2009

of the Youth Development Centre, started working with the orphanage, Lusa Home Based Care, in 2009 and have had ongoing contact with the orphanage since then. Mine officials have also visited Kimasala about sponsoring a poultry production project roughly in August 2010. The mines also interacted with the community when they brought Christmas gifts for the children and took the orphans and vulnerable children and women for a fun day in 2009. No direct interaction was highlighted by Zambia Compound community, however indirect interaction was highlighted for Kimasala and Zambia Compound through radio programmes sponsored by Kansanshi. Community members highlighted negative perceptions of Kansanshi's interaction with the public:

"Kansanshi, they seem to be so stiff. It is not a good mine. It isn't open to the public, not even government sometimes. A minister tried to go in and couldn't because had not made an appointment. It is not a listening company. It is just here to get whatever they want, make a profit and leave."

"The mine should be flexible and open to the public. Even if we have the mine, we can't go there."

When asked about interaction with the Kansanshi town office in Solwezi, one community member responded:

"We only think it is their office, we do not know it is open to the public."

Benefits and barriers

Community representatives from Kimasala and Zambia Compound also recognized a limited number of benefits from the Kansanshi mine. These included employment, indirect economic benefits, health campaigns, assistance for an orphanage and some infrastructure improvement.

With regards to employment, community members highlighted benefits from direct employment in the mine and indirect economic benefits from the presence of the mine. Community responses noted that some members have been trained and employed by the mine in various fields including security, technical work, driving, etc either through contractors or directly with the mine. One interviewee said that 20 people from Kimasala were employed by the mine (three with Kansanshi and 17 with FQMO). However, at the validation workshop community representatives from Kimasala and Zambia Compound stressed that the employed personnel were too few compared to the population of the communities.

It was also stated by community members that since the commencement of operations by Kansanshi in 2005, some of the local people, particularly in Zambia Compound, have been able to acquire assets such as farm land, houses, and vehicles for commercial and private purposes. Most of the beneficiaries have either been employed by the mine directly or through contractors, but indirect impacts of this increased economic and commercial activity in the communities were also noted by interviewees. As one Kimasala community member said:

"Employees from the mine buy chicken from here. They are giving us money, and we are giving them chicken, so we are benefitting also."

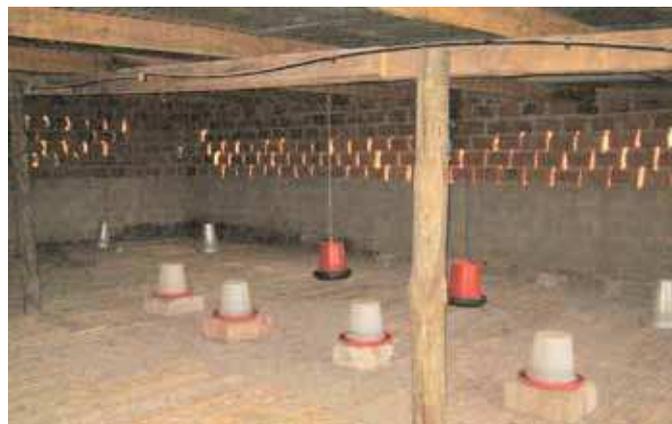
It was also highlighted that there has been improved business at market places, rentals have increased revenue, and theft by youth has been reduced due to employment in small businesses.



Meeting with staff at the orphanage Lusa Home Based Care in Kimasala

Another benefit identified by Kimasala and Zambia Compound community members was periodic health campaigns organized by Kansanshi in collaboration with the Health Directorate in Solwezi. There have been mobile counseling and testing for HIV/Aids in the communities as well as a malaria control programme. Kansanshi is also sponsoring the construction of a clinic in Muzabula (a neighbouring community), but community members questioned why it was taking so long to construct the clinic, and queried where and to whom the money had gone.

Also in Kimasala, the mine has assisted the orphanage, Lusa Home Based Care, in a variety of ways. Since 2009 Kansanshi has helped the orphanage repair its roof, provided building materials (bricks and cement), food items and beds (nine), facilitated indoor mosquito spraying, and provided 500 chicks to help start a poultry business. In addition, the mine took orphans and vulnerable children on a fun day (e.g. to a jumping castle and horse riding).



Poultry production facility sponsored by Kansanshi at Lusa Home Based Care

Responses also indicated that the communities have benefited from the mine through the improvement in the Zambia/Kimasala road (a road connecting Kimasala to Zambia Compound and Solwezi). This has enhanced easy movement of people, goods and services to and from Solwezi to the communities and other adjoining villages. However, it was also noted that some portions of the road were susceptible to flooding in times of heavy rainfall, and there was lack of clarity around further improvement of the road due to no direct interaction with the company.



Beds provided by Kansanshi for Lusa Home Based Care

With regards to barriers, both Kimasala and Zambia Compound highlighted issues related to communication with the mine, employment, indirect impacts of the mine on community cohesion, local government responsibility and infrastructure.

With regards to communication with the mine, many community members complained of having no direct contact with the mine, and if there was direct interaction it occurred at 'higher levels', e.g. through traditional or local authorities. As one community member lamented "mines do not share their plans." Thus, a lack of participation or even consultation between Kansanshi and the community appeared to be prevalent.

Employment was also highlighted as a considerable issue. One of the primary complaints was the lack of necessary skills to gain employment at the mine, and that most of the skilled workers were coming from the Copperbelt. However, if locals did succeed in getting low-skilled jobs, they were often paid low salaries working for contractors, as low as Zambia Kwacha (ZMK) 500,000/month (US\$111)²⁶. A lack of harmonization of salaries between those working directly for Kansanshi and those working for contractors was stressed, as one community member expressed: "There is no equal pay for equal work at the mine." Gaining employment was also contentious as community members noted issues of nepotism and corruption when seeking employment. For example employment brokers may ask for up to ZMK2million (US\$444) from their clients.²⁷ As one community member expressed:

"Kansanshi mine as a company is good, but the people they have engaged or worked with (e.g. the contractors and brokers) are the ones spoiling the company name."



The Kimasala Community Clinic

From the perspective of the communities, it is extremely problematic that the employed personnel are relatively few compared to the population.

Socio-economic knock-on effects of the mine were also highlighted. Due to in-migration and population increases in the communities, accommodation had become very expensive, there was increased pressure on infrastructure such as schools, and theft and prostitution were on the rise. Yet, by some it was noted that theft by youth had reduced due to increased employment in small businesses.

Other negative social impacts were noted, such as the careless use of money by those employed in the mine and the breakdown of community cohesion:

"Workers from Kansanshi, they are too much drinking beer. At the end of the month they will get drunk and be beaten. They end up grabbing the wives of their friends, because they have money, they can do whatever they want."

One interviewee highlighted how leaders in the community were not always allocating the resources donated by Kansanshi for their intended purpose. For example, cement, timber, metal sheeting and even food donated by Kansanshi may go 'missing', i.e. most likely sold on for personal benefit. Thus, community members highlighted the fact that local leaders were not always doing their work properly.

²⁶ Zambian Kwacha (ZMK) 4,500 is equivalent to 1 US dollar

²⁷ The issue of employment brokers is a contentious one. The company and contractors that the research team had engaged with were adamant that employment brokers were had been phased out. However, community members were equally as adamant that employment brokers were still functioning.



Interviewing women vendors at Zambia Market

In relation to local government, interviewees felt that politics affected the whole process. That government concerns were on elections, i.e. campaigning for elections to stay in power. There was a lack of accountability and transparency in the local government on management of resources from the mines. Government was not fighting for communities when they made requests to the company. Often there was a sense of confusion in community sentiments, not knowing whether to blame the company or the government for lack of benefits:

“We do not know if whether weakness is on the government or company itself. We do not know.”

Poor infrastructure was also perceived as a significant barrier. Examples included poor school infrastructure and sanitation, including no houses for teachers, lack of understanding about improvement of the Zambia/Kimasala road (due to no direct interaction with Kansanshi), the long wait to build the health clinic in Muzambula, and no shelters for the Zambia market. Finally, related to development issues, community members lamented that the only agricultural project which has been implemented in the area is the poultry production at the orphanage in Kimasala. Much of this criticism hinged on the perception that the mine was not finishing or completing projects it had promised and/or started.

3.2 Mushitala

Mushitala is a peri-urban community south of the Kansanshi mining area. It is located on either side of the main access road to the mine. It also borders the Kansanshi golf course and senior staff housing estate to the north and east.

Community-company interactions

The residents of Mushitala have interacted with Kansanshi on a number of occasions and at various levels. In 2005, Kansanshi had its first meetings with Mushitala residents to compensate them for crops lost as a result of fencing off and constructing the golf course.

“The fence says a lot about the community’s interaction with the mine. The mine reception is 500 meters from its offices.”



Classroom block at Mushitala Basic School

In 2007, Mushitala Basic School submitted an application to the Kansanshi Mine Foundation for construction of a classroom block, support for electricity supply, and construction of staff houses. This letter was misplaced by Foundation staff and it was not until late 2009, early 2010 that the Foundation responded to the application and started partial support to the school’s requests.

In 2009, Kansanshi held a community meeting to assure residents of Mushitala that their proximity to the mine would result in benefits. Since then, they have continued to interact with the community: primarily through the Group Leader²⁸ and through the projects they have supported or initiated. Kansanshi also held a community meeting after its perimeter fence bordering Mushitala was vandalised. A particularly one-sided form of interaction was noted by various community members:

“Group Leader can’t call a meeting with Kansanshi. It is not like the mine is at our disposal. The mine is always having us at their disposal.”

“Only appointment we can get is when they come to us and they need people” (e.g. for employment).

Benefits and barriers

The Mushitala community acknowledges a number of benefits they have received from Kansanshi, the most important of which are related to support for education in the community. For example, Kansanshi has built a classroom block, wired the school and teachers’ houses in preparation for government’s supply of electricity, supported a one hectare jatropha garden, and provided free maize seed and fertiliser at Mushitala Basic School. Kansanshi has also constructed two science laboratories, a hostel, and repainted and renovates Solwezi Technical School annually. Kansanshi has constructed dormitories, installed electricity, and provides bursaries and food for the Makole Community School, a local orphanage.

²⁸ The traditional authority structure in the North-Western Province includes Chiefs, Sub-Chiefs, Group Leaders and Headmen in order from most wide-ranging to local in terms of spatial representation.



One hectare jatropha plantation at Mushitala Basic School

Other benefits Mushitala residents acknowledge they have received from Kansanshi include: three boreholes, demarcation of 1,000 plots for distribution to residents by Solwezi Municipal Council, and indoor spraying of mosquitoes two times a year. They also consider the resurfacing of the Chingola-Solwezi road and the Mitech-Mushitala road to benefit the community.

Residents of Mushitala also highlighted employment at the mine as a benefit, although they felt very few people in the community had actually been employed at the mine:

"The people who work there benefit but others don't."

"Yes, job opportunities, but none for us."

A high expectation of benefits was also noted by a number of community members given Mushitala's close proximity to the mine:

"We are supposed to benefit a little more looking at our proximity to the mine."

"Being closest should be most people benefitting..."

"Residents of this area should be first. This area should see development in a rapid way more than other areas."

"The mine has helped but not to people's expectations."

Mushitala residents believe their benefits from Kansanshi have been limited for several reasons. One is the fact that there are several other communities around the mine demanding support and assistance from the mine. Therefore, Kansanshi is unable to meet all their demands all the time. They believe they have seen little of the benefits Kansanshi suggested they would see at the community meeting in 2009.

Another major barrier mentioned by community members is related to employment. They believe it is not enough – less than 5% of the community has benefited from employment at the mine. For example, although 320 people from

Mushitala are registered under 'Lucky Dip'²⁹, only 10 to 15 have been employed. They are convinced that people from outside Solwezi have benefited more from employment opportunities than they have.

"They are getting the people from Lusaka. They say you should go for induction tomorrow, then they say they have gotten people from other places."

This is partly due to their limited education and skills, but also due to the recruitment structure and policies of Kansanshi and those it sub-contracts. For example, as some community members highlighted, contractors are mainly from outside Solwezi and they recruit workers for the mine from their areas of residence and Kansanshi has no influence over this. Additionally, officials within Teichman and FQMO responsible for recruiting workers demand a bribe of ZMK500,000 (approximately US\$100) from all men. Teichman officials demand "sexual favours" from women as a condition for employment. One resident of Mushitala employed at the mine stated that employees feel no freedom to express their dissatisfaction with their employers.

"The Kaonde stand no chance of employment at the mine: they have no skills, no money to offer bribes, and no relative in the mine. If you see someone working at the mine, know they have got their job through bribery or nepotism – without these two, you are out of the system."

Residents of Mushitala also mentioned their local leaders as a barrier to more benefits from the mine. They believe some Solwezi Municipal Council members block projects the community could receive from Kansanshi. For example, of the 1,000 plots Kansanshi demarcated and handed over to the Council, 400 have yet to be allocated because of corruption in the Council. Also, Group Leaders do not provide feedback to community members after the meetings with the Solwezi Municipal Council, nor do they brief them after their meetings with Kansanshi. They believe Mushitala has poor leadership.

"Government doesn't care about communities around the mine. They give false reports about company impacts."

The Mushitala Group Leader doesn't communicate with this part of the village, it is too far from the Group Leader."

Other barriers to additional benefits listed by Mushitala residents include: increased incidence of theft due to in-migration, lack of access to the hospital at the mine, contamination of their wells with acid from the tailings dam, compensation of community property lost as a result of fencing the golf course is still incomplete, limited distribution of jatropha seedlings, three of the five boreholes

29 Lucky Dip is a process used by Kansanshi to employ low skilled members of the communities around the mine. Communities are visited and names of able bodied community members names written on pieces of paper and then put in a box where names are picked randomly. See section 4.1 for more details.

constructed are not functioning, no maintenance of roads in the community by mine companies, and transport is only offered to mine workers and not community members.

3.3 Kabwela

Kabwela is a rural community heavily dependent on crop farming for their household incomes. The community is located on the eastern section of the mine and north east of Solwezi on the road leading to the DRC. It is a fairly homogenous community made up of mostly Kaonde with few migrant Bemba. The inhabitants of Kabwela are mostly subsistence and commercial farmers. The community is located on the eastern border of Kansanshi mine with most of their farm lands displaced within the mining zone. Currently, their existing farm lands have also been earmarked for the construction of the alternative tailings dam for the mine. The community is just about 5 km from Solwezi.

Community-company interactions

The first direct interaction in Kabwela was in 2005 when the mine came to speak to the community about general information and development support. A year later, the community was engaged by the mine to assess uncompensated claims for households which had crops on Kansanshi's side of the fence. Since 2005, there have been quarterly interactions with company officials and also ad hoc meetings relating to projects such as jatropha planting.

Meetings with Kansanshi staff have also been called to discuss issues regarding functions of the various committees formed to handle sectoral projects in the community, e.g. for an HIV/AIDS project. An Area Development Committee (ADC)³⁰ was formed in 2009, which meets with Kansanshi every three months at different venues.

The Group Leaders also call meetings with company officials and attend meetings in Solwezi where company representative communicate to local communities and other government stakeholders regarding the state of the mine, its plans, and community support initiatives.



Kabwela Community

Benefits and barriers

Community members noted some benefits from the mine but the sufficiency was questioned by some individuals who felt

they should be getting more with respect to their proximity to the mine. Most of their primary benefits have been in the area of education, agriculture and health.

Kansanshi has assisted the Kabwela community in promoting and improving the level of education. This has been made possible due to the construction of a new classroom block for the community and the provision of school support facilities, e.g. 40 desks for the school and construction of the foundations for the teacher houses. The company has trained adult literacy educators and has provided three footballs for the youth within the community.



New Classroom Block Provided by Kansanshi Mine (blue and white building)

As a rural community where the majority depends on agriculture for their livelihoods, Kansanshi introduced jatropha seeds for the production of biofuel and maize seeds and fertilizer for food production. Community members also felt the road diversion around the mine enhanced accessibility to the community (whereas Kyafukuma considered the diversion a barrier, as it extended their travel to Solwezi). The mine also assisted the community with the provision of four boreholes.

Kansanshi has also supported major health improvement campaigns in Kabwela. Although there is no health facility in the community, the mine has trained 15 HIV/AIDS peer educators, conducted mobile voluntary counseling and testing for HIV/AIDS twice, and provided a regular supply of condoms. Also, the community has been supplied with mosquito nets and chlorine for individual households to reduce the spread of malaria and waterborne diseases.

Many of the barriers highlighted by community members were related to unfulfilled promises that the company had made. These include the provision of electricity, text books, desks, and a borehole specifically for the school, sporting uniforms for the youth, and that the provision of free maize and fertilizer had been stopped. It was also noted that promises to construct a second classroom block and staff houses were made, but have yet to be fulfilled. For example, the company has not supplied building materials for teacher's houses for almost a year. Community members alleged that materials were diverted by Foundation officials to other sites, and yet the Kabwela School has one teacher for 412 students, and the teacher lives 15 km away from the community.

30 Area Development Committees and Rural Development Committees are multistakeholders groups formed by the local council to determine the course of development in a rural or residential area.



The road to Kabwela, Kyafukuma and New Israel which follows the mine's perimeter fence

The issue of compensation was also raised as a barrier. A farmer highlighted that there has been no compensation for farmers within the fence of the mine. Before the mine became operational in 2005, the community had large acreages of farm land where the mine is presently situated. Although the farms have now been displaced as a result of the operations of the mine, compensation packages for the assets never occurred. Currently, given Kabwela has been earmarked for the construction of a new tailings dam, the situation regarding lack of information about compensation is causing significant concern within the community:

"Agreement on displacement has not been reached yet but they have already taken action of measuring our fields for a dam, we are worried because we don't know where we will be displaced to..."

"The communities were displaced, and again we are about to be displaced. Where do we go next?"

Community members also expressed frustration with the inability of Kansanshi Community Liaison Officers from Zambia to convey community concerns to mine managers. On the other hand, community members indicated that Gemma, a Kansanshi Community Liaison Officer who is a foreigner, has been able to provide tangible benefits to the community. Community responses also indicated that HIV/AIDS peer educators lack the resources to carry out their responsibilities effectively within the community. High expectations of community benefits may also be a barrier, as indicated by the following quotations:

"We are lacking sensitization so the mine has taken advantage of us to deny us of some of the things we should be enjoying."

"As neighbours to the mine, we are suppose to have decent homes, we are suppose to have good roads, and most importantly we have no transport here, we have to walk miles to get transport, we have no clinic if one is sick you have to walk or ride a bicycle 16 km to Solwezi".

In terms of employment, the community expressed dissatisfaction with the frequency of Lucky Dip. In 2010 Lucky Dip occurred only twice, and those who are recruited for unskilled labour work for a few weeks or months only. Community members also highlighted that those who recruit casual labour for the mine are not from local communities; they hire their relatives from other provinces, who eventually become company employees.

"They employ us for two weeks, and then they dismiss us and employ 'special people' from other provinces to do the same work."

"The people they bring from other provinces sometimes graduate from casual labourers to employees with 3-year contracts."

3.4 Kyafukuma

Kyafukuma is located approximately 30 km from Solwezi to the north of the mine. The inhabitants are mostly subsistence crop farmers with few others engaged in fishing, poultry and plantation farming. The community members are primarily of the Kaonde ethnic group.

Community-company interactions

It was evident from stakeholders' responses in the community that there has been some level of interactions between the Kyafukuma and Kansanshi Mine, which has been in operation since 2005. These series of interactions began in 2009 and, like other local communities, the point of entry was the Sub-Chief for the community. The main purpose for the initial community meeting (four years after the mine was in operation) was to ask community members about their project interests, to listen to community concerns, and to discuss with them about employment, safety and security. The first meeting was a public gathering which took place in the Kyafukuma community school.



Kyafukuma Community School

Since the first meeting in 2009, there have also been quarterly meetings between community members and the mine and sometimes more frequent meetings (e.g. every two weeks) with project groups. However, community members expressed dissatisfaction that these meetings are only project-related and that no prior notice is given, which limits the ability for

community members to prepare. Also, there is some direct interaction between the community leaders and the mine, as community members noted that the Group Leader is sometimes invited to meet with Kansanshi at the mine, and the Sub-Chief has had five meetings with the company, one of which was a stakeholders meeting.



Research team engaging with women focus group in Kyafukuma

Benefits and barriers

Although there were mixed responses concerning the engagement processes between the community and Kansanshi, some benefits were noted. These included the provision of vegetable seeds (e.g. tomato, onion and cabbage) both to sustain the community and to sell for profit, and the provision of herbicides and fertilizers to control weeds and boost harvests. Kansanshi also repaired part of the irrigation canal to support crop cultivation and initiated a process of poultry farming with the community. The mine provided a poultry house and feeders, drinkers and feed for the birds.

Three fish ponds were also filled with fish. The community had dug the fish ponds and filled them with water, and when the mine came to visit they requested fish for the ponds, which the mine provided plus feed. Originally the fish ponds were for certain groups in the community, but when the mine provided fish, they decided it would be for the whole community. As of yet the fish have not been harvested, but future profits will remain in the community.



The beginning of the irrigation canal rehabilitated by Kansanshi Mine

Other benefits included beginning an adult literacy programme by training three adult literacy instructors, building a staff house for the school, and providing building materials for teacher's houses in the community.



Staff house for school provided by Kansanshi

With regards to future benefits, community members stressed that they would like the Kyafukuma-Solwezi road upgraded, which during the raining season can be impassable. Respondents were also optimistic of attaining benefits such as: construction of boreholes; construction of an additional classroom block and staff houses for the Kyafukuma School; and the provision of power supply through either electricity or solar energy.

Yet, a variety of barriers preventing community benefits were also noted. As one community member, comparing existing community benefits to the presumed revenue base of the firm, said:

"...Kansanshi mine projects in our community are a drop in the ocean".

A variety of the barriers identified were related to lack of clarity on the procedure the company uses to select community projects (e.g. they were not sure if it was "first come, first serve."), and little or no project follow up. For example, the trained adult literacy instructors are not well facilitated and resourced, only 100 meters of 1500 meters of irrigation canal has been rehabilitated, the poultry house is without chickens, and there is no training for the poultry and vegetable projects. Community expectations have been raised but the company has not fulfilled them.

Community respondents noted that absence of a resident community liaison officer blocks benefits, as does the Sub-Chief; the Sub-Chief allegedly blocks and/or delays projects. For example, with regards to the poultry project, the community wants the project, but the Sub-Chief has refused to endorse the application to the company. Thus, politics within the community also block benefits as well as company processes. There is also a language barrier at the quarterly stakeholder meetings. English language is the only language used (e.g. not Kaonde, the local dialect), thus some Group Leaders do not understand and therefore do not convey information to communities. It was also felt that because the ward councilor from Kyafukuma is an employee of the company, he represents company not community interests.



Poultry house provided by Kansanshi



Poultry house with no chickens

A variety of barriers were noted in relation to transportation. For example, some respondents stressed that maintaining the road around the mine is not good enough:

"...we don't want Kapushi road, we want our road that passes through Kansanshi mine, it is a short cut to town. If not they should assist in transportation in terms of providing lifts from time to time because they have prolonged the road."

Originally the road to Solwezi was much shorter because it went directly through the mine. Now the road is rerouted along the perimeter of the mine fence. Community members complained that the road is much longer and in poor condition, that there is no public transportation on the longer alternative road, and company vehicles refuse to give them rides when they pass them on the way.

Lack of employment was another significant barrier. Respondents lamented that because of inadequate education for skilled jobs there are few employment avenues in the mine for members of the community, as one respondent highlighted:

"The actual beneficiaries are from other provinces and not us."

Issues were also raised that employment brokers for the mine do not consider Kyafukuma, because the brokers are based in Solwezi and normally ask for bribes between ZMK500,000 (US\$111) to ZMK1,000,000 (US\$222).³¹

Other barriers were highlighted, including blasts and dust from the mine which respondents felt were causing cracks in the houses and health problems. However, Kansanshi noted that seismic tests had been carried out, which demonstrated that the blasts were not causing undo harm to the houses.

³¹ Although Kansanshi and other contractors claim that employment brokers are not used, respondents from different communities highlighted the wide spread use of brokers.



House with crack allegedly from mine blasting

3.5 New Israel

Community-company interactions

The Israel community is the first, and currently the only community to be resettled by Kansanshi. It was originally located within the current fence around Kansanshi Mine. Kansanshi staff first visited the Israel community in 2005 to inform them that they would be relocated for safety reasons due to their proximity to mining operations.

Sub-Chief Mulonga was given two options by Kansanshi where they could be resettled. One option was Kipijimpanga and the other was Mulonga. Sub-Chief Mulonga visited Chief Kipijimpanga's area first and his assessment was that it lacked sufficient water for his community. A visit to Chief Mulonga's area revealed that it was a more suitable option for the Israel community because of the more fertile soils and the proximity of River Kifubwa.

Originally, there was little enthusiasm within the Israel community to relocate about 40 km north of where they lived, especially since there was limited health, education and transport facilities at the new location in Chief Mulonga's area and it was about 60 km from Solwezi Town. When Kansanshi provided a resettlement allowance, several members of the Israel community chose to relocate to Solwezi Town and other communities closer to their original homes. However, four men and five women made the initial decision to relocate to Chief Mulonga's area. Eventually, 27 families relocated to Chief Mulonga's area. They were later followed by other families and the Israel community in Chief Mulonga's area now consists of 42 families.

The interaction between Kansanshi and the Israel community in Chief Mulonga's area currently consists of monthly meetings with Kansanshi Community Liaison Officers and quarterly stakeholder meetings attended by the Sub-Chief and the ADC Chairperson. Kansanshi staff sometimes make impromptu visits to the Sub-Chief's home.

Benefits and Barriers

The Israel community listed a number of benefits from their

interaction with Kansanshi. For example, they expressed appreciation for the resettlement allowance that was provided by Kansanshi that ranged from ZMK700,000 (US\$156) to ZMK11,000,000 (US\$2,444). Kansanshi also provided them with eight bags of fertilizer per household per year for two years as agreed prior to their resettlement. Currently, they receive four bags of fertilizer per household per year.

The construction of a bridge over Kifubwa River, the annual donation of maize and jatropha seed, the construction of five water wells (another two are being constructed), the distribution of 30 bicycles within the community, and the bee-keeping project are some of the benefits the Israel community believes it has received from Kansanshi over the last five years.



The Kifubwa River Bridge and a well under construction in New Israel

Other benefits include support for vegetable growing, such as two herbicide spray pumps, construction of the Sub-Chief's house, iron roofing sheets and reading material for Kansanshi Community School, first aid kits, a regular supply of condoms, mosquito nets, chlorine to improve the quality of their water wells, and six footballs.

The Israel community also believes there have been barriers that limit the benefits they received and continue to receive from Kansanshi. One such barrier was the high bus transport cost they experienced when relocating to Chief Mulonga's area, which consumed a substantial share of the resettlement

allowance provided by Kansanshi. Another barrier was the initial costs associated with the lack of health, education and transport facilities associated with their initial relocation to Chief Mulonga area.

"We used to live near a school and clinic. Even the hospital in Solwezi Town was close. This place is far from anything. Even the school we have we have struggled to construct as a community, except for the iron sheets provided by the mine."



New Israel Community School with iron roofing sheets donated by Kansanshi

Five years after relocating to Mulonga, the Israel community still has to walk five hours to the nearest clinic. The majority of child births in the community are delivered by one of three traditional birth attendants, who wish they had material support such as bicycles and first aid kits dedicated for their work.

"When we first came here and when we fell sick we walk for 8 km to the main road; if we found a car on the road it would charge us ZMK10,000 (US\$2). If we didn't find a car we would walk to Solwezi Town. I have walked 5 times to Solwezi Town."

They said Kansanshi expects them to clear the land where the new community school and clinic will be constructed, but they were not provided with tools to clear the land and they were preoccupied with cultivation during the current rainy season. However, Kansanshi officials revealed that the community asked for employment opportunities during construction of the new school and clinic, and Kansanshi was paying the community to clear the land in response to that request.



Brick house waiting for iron sheets from Kansanshi

The community also lists a number of unfulfilled promises that were made to them by Kansanshi, which include: Kansanshi's commitment to build houses and provide each family with iron roofing sheets, build a clinic, provide a hammer mill to process their maize produce, provide herbicides for their vegetable spray pumps, install a sign post at the road to Solwezi showing where they have been relocated to, and offer a truck to carry farmers' produce to the market twice a week.

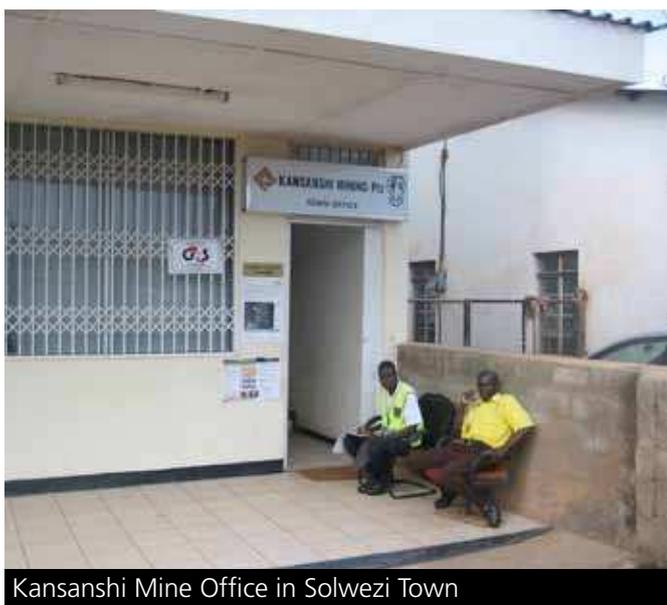
"In 2009 they promised us iron roofing sheets for each home, if the community put up the brick structures. Up to now we have received nothing and the brick structures we constructed are beginning to collapse."

The Israel community also considered the distance from New Israel in Chief Mulonga's area to Solwezi, and the fact that public transport is scarce, as a major barrier to greater benefits from Kansanshi Mine. The fact that their road to the main road to Solwezi is virtually impassable on some days during the rainy season was also considered a major barrier.

Other barriers that were raised by the Israel community include: none of their residents were employed at the mine, their lack of or limited skills to take advantage of meaningful job opportunities in the mining industry, community first aid boxes that had no medicine, and lack of markets to sell their agricultural produce.

4. Company findings

This data summary represents the responses from six Kansanshi Mining Plc staff members. These included the Environment Manager, Human Resource Manager, Public Relations Manager, Commercial Manager, Foundation Manager, Social Development Officer, and Community Liaison Officer.



Kansanshi Mine Office in Solwezi Town

4.1 Company-community interactions

There are a variety of direct interactions Kansanshi has had with communities. One of the first interactions the mine had with local communities is through the resettlement of Israel in 2005 (see the section on New Israel for more information). There was also direct interaction with community members through compensation by the mine and the Solwezi Local Council for Kabwela in 2005 (for crops and some houses enclosed within the mine perimeter fence) and the establishment of the golf estate in 2006. The company also established a town office in Solwezi in 2005.

Kansanshi utilizes its office in Solwezi Town as a direct point of contact with the residents of Solwezi and surrounding communities. The town office is staffed by four people: the manager of the Kansanshi Foundation³², a community safety officer, an assistant community liaison officer and a receptionist.

In addition, Kansanshi staff meets with local communities on a quarterly basis through stakeholder meetings hosted at various venues in Solwezi. Communities are represented by their Group Leader (or Sub-Chief depending on the community) and ADC³³ chairperson or secretary. In addition to community representatives, Kansanshi invites other stakeholders to attend the meetings, including NGOs, government representatives, Chiefs and business people. Usually about 50-60 people attend. A presentation is given on

community projects, responses to grievances and community requests, donations, etc. The Kansanshi Mine Environmental Manager chairs the meeting, and other attending staff include the Public Relations Manager, Social Development Officer, Community Liaison Officer, Assistant Community Liaison Officer, Kansanshi Foundation Coordinator and Human Resources Manager.



Meeting with Kansanshi staff to validate data

In addition to the quarterly meetings, Kansanshi staff also directly interact with communities; however, the regularity of these visits varies. Much of this interaction is dependent on the frequency and nature of company activities. For example, Kansanshi Community Liaison Officers visit New Israel on a monthly basis in addition to the quarterly meetings, due to the number of ongoing projects. Kabwela also has more frequent engagement with Kansanshi given the ongoing environment and social impact assessment (ESIA) process in relation to the tailings storage facility. There are also monthly meetings with ADCs in Kabwela, Mushitala, New Israel and Kyafukuma, and Kansanshi is in the process of carrying out a household survey to assess the socio-economic baseline of surrounding communities in order to monitor changes over time.

There is some direct interaction through local recruitment processes. Typically, recruitment for vacancies at Kansanshi occurs through advertisements, either internally within the company or externally through newspapers. However, the Kansanshi mine recognized it was not getting local people for unskilled labour, so it instigated a community recruitment programme called Lucky Dip in May 2010 for Kabwela, Mushitala and through the Solwezi town office. Lucky Dip is run using a ballot system. The Community representative registers eligible participants from the community. When casual labour is needed at Kansanshi a number of names are pulled from a hat (e.g. ten names are pulled for a job that needs three employees). Those lucky individuals are interviewed and the actual employees needed are selected. There is a register of about 70 people in Kabwela and about 320 in Mushitala. There is also direct interaction with landlords for employee housing. As will be discussed in the barriers, housing is a significant issue in Solwezi. Kansanshi helps employees find housing, and thus has direct interaction with landlords.

32 The Foundation, which was founded in 2006, channels funds to infrastructure projects in Solwezi. During the economic crisis (2008-09) the Foundation was inactive, but it has recently reopened with a new manager. Foundation was allocated US\$1 million for projects when it was founded, and since 2006 has embarked on various infrastructure projects. The Foundation now receives requests for projects from community groups, and then goes to the board to decide which ones to fund. The board is made up of the same people on the Kansanshi board. The original idea was for the Foundation to have its own board, and participation from people outside Kansanshi, e.g. Chiefs, government and community representatives.

33 ADCs have been established by the local council in order for rural communities to feed into local and national government strategies. Members of the committee are chosen by the community.

There is also direct and indirect contact with Kansanshi staff through community projects and initiatives. These projects/programmes may be run by Kansanshi staff or through implementing partners. Examples include projects such as the jatropha outgrowers scheme, an adult literacy scheme, and beekeeping projects (see more on projects in the benefits section below). Kansanshi also provides emergency response training for some communities adjacent to the mine. This is called the Awareness and Preparedness for Emergencies at Local Level (APELL) programme, which is based upon best practice guidelines established by the United Nations Environment Programme in conjunction with other major mining companies. The programme will be expanded to focus upon road safety, e.g. how to respond to a road traffic accident that involves a chemical spill. Through this process, Kansanshi has begun to form voluntary Village Safety Committees within relevant local communities.

There is also indirect engagement through community health programmes sponsored by Kansanshi, which include implementing partners such as Community HIV/AIDS Mitigation Project (CHAMP), which manage Kansanshi's mobile health unit, and trained peer educators. These include HIV/AIDS sensitization, antiretroviral mobile unit, cholera prevention, voluntary counseling and testing, and the malaria roll back programme. Mobile road shows, which launch high profile projects such as workplace and community health programmes, are also sponsored by the company.

Other indirect interaction includes ongoing due-diligence for the ESIA in relation to the impacts of the tailing storage facility on the east side of the mine. Kabwela and Mushitala, in particular, have been engaged through a South African-based consultancy, Golder Associates, which is contracted by Kansanshi to carry out the ESIA. These include interviews, focus groups, and community meetings to gather and disseminate information.

Others forms of indirect communication include the company newsletter, Inside Kansanshi. The first issue was published in September 2010 in English. The newsletter's intended audience is Kansanshi employees, but copies are available at the Kansanshi town office for the public. Radio campaigns have also been used, both in English and Kaonde, to communicate information to the public about ongoing projects and campaigns. Through this variety of engagement, the company feels that communities are becoming more receptive to the company, i.e. that relations are improving.

In addition to communities, the company interacts with a variety of other stakeholders; these include traditional authorities, government authorities at multiple levels, and the business community in Solwezi. Kansanshi and traditional authorities have substantial interaction. The traditional authority structure in the North-Western Province includes Chiefs, Sub-Chiefs, Group Leaders and Headmen in order from most wide-ranging to local in terms of spatial representation. Every village has a Group Leader or a Headman. When entering a village, the initial point of contact is with the Group Leader or Sub-Chief. However the company also engages with Chiefs quite frequently

through courtesy calls, interaction at traditional ceremonies and formal meetings. There are ten Chiefs in the area, but interaction is most frequent with those closest to the mine like Chief Kapijimpanga, Chief Mulonga and Chief Mumena. The mine also engages with the Solwezi Chamber of Commerce, through presentation of purchase inquiries and safety briefings for onsite contractors. Local procurement is channelled through the Chamber. Seminars for small or micro businesses are also offered.

The mine engages with a variety of government representatives at multiple levels. For example meetings and 'courtesy calls' are made to the Provincial Minister (quite rare), the Provincial Permanent Secretary (once every six weeks), the Deputy Provincial Secretary (once every six weeks), the Protocol Officer, the Civic Town Clerk (quarterly or more), the District Commissioner, Provincial Health Officer and the District Health Management Team (as needed based on ongoing campaigns). There are also interactions with the highest levels of government. The General Manager and Public Relations Manager, for example, travel to Lusaka on a monthly basis, to submit reports on production returns to the Ministry of Mines and meet other relevant agencies.

4.2 Community benefits

The company highlighted a variety of benefits to communities and employees, including: employment, local procurement, education projects, employee and community health, and enterprise development.

Employment and business development: The mine employs over 4000 employees across the mine site. About 1500 are employed by Kansanshi, about 1500 by FQMO, a contractor to Kansanshi but also a company owned by the FQM Group, 526 by Teichmann Zambia, a contractor, and the additional amount is made up by other contractors. The relationship between FQMO and Kansanshi is difficult to understand as both are subsidiaries to FQM, but as one Kansanshi staff member put it:

"We look at First Quantum Mining as our contractor. They dig the ore, we process it."



Kansanshi staff at the validation workshop

In addition to salaries, Kansanshi employees receive production bonuses (up to 25%), an employee safety bonus (10%) and an employee attendance bonus (10%) if targets are met. Kansanshi staff stressed the positive impacts of the 'multiplier effect', that is how spending in town by mine employees provides business opportunities that can help drive the local economy in addition to helping support workers' families. As a Kansanshi staff member highlighted:

"Definitely, there are more people with money in their pockets."

Yet, another highlighted that, if not employed, it may be difficult for community members to see tangible benefits from the mine. At the moment, only the ones employed are the ones benefitting more from the mine.

This issue of barriers to communities experiencing benefits from the mine will be discussed in the following section. However, Kansanshi and its contractors stress that the large majority of workers are from Zambia. Indeed, FQM's 2008 Corporate Sustainability Report highlighted that 'local citizens' account for 90-95% of the workforce at company operations,³⁴ and Teichmann highlighted that out of its 526 employees only 2% are non-Zambian. However, a more difficult figure to quantify is how many workers come from the Solwezi area, as Kansanshi staff expressed:

"Getting locals (for employment) has been quite a bit of a challenge, who is a local? We try to encourage them (i.e. contractors) to hire locals, but if contractor comes from the Copperbelt, they come with their own workers."

As noted above, Kansanshi has attempted to hire low-skilled workers directly through the Lucky Dip programme in Mushitala, Kabwela and through the Kansanshi town office. In addition to tax payments and property rates (ZMK12 billion (US\$2,666,667) in last two years to Solwezi Local Council), it was stressed that Kansanshi encouraged banks and telecom companies to do business in Solwezi after the reopening of the mine. Given the growth of the Kansanshi and Lumwana mines and ongoing exploration in the region, the North-Western province is poised to be the centre of copper mining in Zambia in the future. It was stressed that this will bring local business development to Solwezi in the future.

Local procurement: Kansanshi personnel highlighted how local procurement can stimulate the local economy. For example the mining staff canteen is run by Cheshire Homes which looks after children with disabilities in the communities and one staff member noted how Kansanshi is supporting the local economy by buying community harvested maize. Purchase inquiries and the awarding of local contracts are sourced through the Chamber of Commerce and other local industry associations. Suppliers may be from Solwezi, Zambia or internationally-based. We were told that out of US\$540 million total spend on procurement, US\$430 million

is Zambia-based, i.e. originating from suppliers headquartered in Zambia. On the other hand, it was also noted that it is difficult to calculate how much of the Zambian procurement money actually stays in Zambia. Beyond salaries, much of the spend, particularly related to the mining and processing of ore, may be for supplies which cannot be sourced in Zambia.

Education projects: The Kansanshi team highlighted how communities have benefitted by infrastructure projects that the mine has implemented or plans to implement. With regards to education, Kansanshi-sponsored classroom blocks have been built in Israel, Kabwela, Kibijimpanga, Kikombe, Kimakilwe, Mushitala and Tumvanganai. At the Solwezi High School, the mine has refurbished and equipped laboratories, built a girls dormitory, and secured funding for new electrical cooking pots. The Solwezi training centre is being upgraded, a community school is planned to be built in Israel, and US\$5 million has been secured to build a high school for 1000 students in Solwezi. Other education-related initiatives include an adult literacy programme in Kabwela, Kyafukuma and Kamatete, and the training of peer educators in Kabwela. Staff identified a number of orphanages that have been assisted as well; these include a borehole, a girls and boys dorms, electricity and a gravity water tank at the Kilelabalanda Orphanage, repairs and a poultry project at Lusa Home Based Care in Kimasala and the Vision Community Orphanage.

Employee and community health: Health-related infrastructure and training has also been implemented. For example, the mine built a US\$1 million modern clinic for its staff and has trained a physiotherapist and a radiologist for the Solwezi General Hospital. It was also noted that a variety of health-related infrastructure projects are on the books for the future, these include upgrading the Solwezi General Hospital (US\$2.2 million), rehabilitation of infrastructure at various clinics in the area, including the Solwezi prison and a health post for New Israel. With regards to access to clean water, Kansanshi personnel also indicated that two water holes had been established at New Israel and five others in various locations of the communities around the mine.

A variety of health initiatives and projects were also identified by Kansanshi staff. For example, the mine has implemented an employee HIV/AIDS programme and a community HIV/AIDS project which employs a mobile unit (run by CHAMP) that carries out voluntary testing and screening and provision of anti-retroviral therapy for local communities. This programme is run in partnership with the Zambian Ministry of Health. Other health-related initiatives include measles campaigns, a water purification campaign which seeks to prevent cholera, condom distribution, and a malaria prevention programme which has distributed insecticide-treated mosquito nets to Kabwela and New Israel and assisted District Health Management through anti mosquito indoor spraying to reduce the cases of malaria in the district. Future health and safety training programmes include training for traditional birth attendants, community training in emergency response and road safety and Kansanshi security staff training on the UN Voluntary Principles for Security.

³⁴ FQM 2008, Corporate Sustainability Report, First Quantum Minerals Ltd., Vancouver, p. 13.

Enterprise development: Kansanshi has also engaged communities through a variety of enterprise development projects. These include bee-keeping projects in New Israel, Kamatete and Mutana, conservation farming in Mushitala and Muzabula, fish farming in Kyafukuma, poultry rearing in Mushitala, Kabwela, New Israel and Kyafukuma, vegetable farming in Kyafukuma, a jatropha outgrowers scheme and the distribution of maize seed and fertilizers to those households participating in the jatropha initiative. Finally, there are a variety of other infrastructure projects which have or will be undertaken. These include the construction of a bridge in New Israel, the construction of the Kyawama market in conjunction with Solwezi Council (US\$300), local road infrastructure, including resurfacing the Chingola-Solwezi road, extending and patching the Solwezi airport runway. In the future Kansanshi plans to construct pedestrian bridges next to the Solwezi River bridge, and improve the Kyafukuma bridge.

4.3 Barriers to benefits

Kansanshi staff also identified a variety of things that are blocking communities from benefitting from the presence of the mine. To begin with, there is a lack of ownership in communities of the projects which the Kansanshi mine pursues in the sense that community members do not fully embrace the projects. Kansanshi personnel highlighted this may be due to a lack of organizational ability and capacity in communities, and also a lack of time within the company to pursue more participatory approaches.

It was noted that working through community hierarchies may also block community benefits, as people (i.e. community leaders) in positions of power can usurp community projects, which may result in the marginal and vulnerable not being reached. Conflicting priorities among Chiefs were also cited. As one of the Kansanshi staff cites:

“Reaching out to Group Leaders does not mean reaching out to the right people.”

One staff member also said that communities do not understand the bureaucracy within companies, e.g. why projects take time.

“If a project is production related it takes precedence. Other projects are put on hold. Communities don’t understand these constraints.”

Kansanshi also highlighted a number of barriers to working with suitable NGOs as implementing partners. They identified a lack of NGOs willing to partner with the company, a lack of capacity in NGOs, and the lack of true partnership with NGOs given the traditional donor-recipient relationship between companies and NGOs.

“It is either lack of NGOs willingness to partner with us or lack of capacity within NGOs themselves, I don’t know what.”

“We have lots of ‘partnerships’ but I am not sure how many are true partnerships.”

Company personnel noted that the company in the past had a ‘traditional approach to community engagement’, thus there was a legacy of not being community-driven. A number of staff stressed that this was in the process of changing, however it was noted that the Kansanshi town office and grievance mechanisms were underutilized by community members.³⁵

“People are a bit more receptive with the company, but there is still an element of dependency with the company.”

“The Town Office has opened, but it does not get as many visits. Difficult to get them to come.”

Some Kansanshi staff expressed concern that the team responsible for engaging with the communities on social and environmental issues was understaffed. Indeed, there are only three primary staff members responsible for community engagement: a Community Liaison Officer, an Assistant Community Liaison officer and a Social Development Officer. As one staff member lamented:

“I would love to spend more time in the communities focusing on participation with groups, but I don’t have the time, which is a shame.”

A number of issues were also highlighted with the way the Kansanshi Foundation was managed in the past. For example, it was noted that there was previous mismanagement of funds through corruption, such as taking bribes from contractors. However, with the hire of a new Foundation Coordinator one staff member noted that “there is a new sheriff in town.” Other barriers related to communities include people who do not want to be resettled and land speculators seeking compensation from the company.

A number of barriers within the policies and institutions of traditional and government authorities were identified. For example there is a lack of freehold and long-lease land for small businesses, and there are difficulties for small businesses to access land due to corruption.

“Peasants cannot get freehold title, so can’t develop into bigger farms. They need to free up a hidden asset. The Chief holds land in custom. The reform of land titles would be of great help to the people as a whole.”

³⁵ Kansanshi implemented a grievance process in 2010. Community members must fill out a form and submit it directly to a Kansanshi community liaison officer. At quarterly stakeholder meetings Kansanshi responds to each complaint. Kansanshi has only received 21 complaints since its inception.



Company data validation process

Kansanshi also noted a number of barriers to doing business in Zambia such as high start-up costs for small businesses, high manufacturing taxes, and that local suppliers sometime give unrealistic quotations when doing business with the mine (e.g. for the construction of worker bus shelters in Solwezi). It was also suggested that the North-Western province was not maximizing its agriculture potential.

“Zambia is a business unfriendly environment; there is very little manufacturing. Manufacturing tax in Botswana is 15%, manufacturing tax in Zambia is 35%.”

“The biggest problem with the province is that agriculture is not common here. Slowly people can understand it is quite profitable and can offer a meaningful way of living.”

It was repeatedly emphasised how population growth and in-migration are putting stress on infrastructure in Solwezi. For example the roads are poor and there is inadequate housing in the city, which is exacerbated by lack of land for housing estates. Kansanshi noted there is a lot of ‘inertia’ within the local council which slows down infrastructure projects. For example it took the company three years to get a title to build its clinic. It was also noted that when the mine first opened the company offered physical planning assistance but the Municipal Council refused. Kansanshi staff lamented that the company is blamed for poor infrastructure and yet it pays taxes to government:

“The mine is paying a lot of money but it is not going into the right services”

The company also suggested that there is lack of accountability in the local authority. As one staff member asked:

“Kansanshi spent ZMK12 billion in rates to the local council over the last two years, where did the money go?”

Other issues highlighted by Kansanshi staff include employment and high expectations of community members. Indeed as noted above, most skilled workers come from the Copperbelt, and Kansanshi can only ‘encourage’ its contractors to source unskilled labour locally.

The legacy of ZCCM means that Kansanshi is constantly being compared with ZCCM:

“Under ZCCM operators were making US\$80-100/month, and ZCCM was losing US\$1million per day. Under Kansanshi, operators are making US\$1000-1300/month and minimum wage in Zambia is US\$60-70/month. That is forgotten.”

Yet staff were quick to highlight that much of the responsibility lies with government:

“That is where the major conflict is, the expectation of local people with capacity of government.”

Finally, Kansanshi personnel highlighted a number of social issues related to the presence of the mine. For example, in-migration is an issue because it leads to competition for jobs. In addition, workers lack accommodation which is putting pressure on housing prices in Solwezi, and broken mine worker families are not uncommon given family separation due to migrant labour.

“Most of employees are migrant workers, their families are elsewhere. When they come here of course, living in all sorts of places, because accommodation is a problem. Some get missed; some drink, and land in problems. Broken homes are rampant.”

5. Government findings

Solwezi District has three constituencies, Solwezi East, Solwezi Central and Solwezi West, and twenty wards as of October 2001. The Municipal Council is responsible for local authority administration of the District. The Town Clerk is the principal officer of the Municipal Council. The Mayor is the political head of the Municipal Council. The District Commissioner coordinates activities of all central government departments in the District, and is the Chairperson of the District Development Coordinating Committee (DDCC). All the Heads of Departments, Parastatal Heads, NGOs, Stakeholders, Faith Based Organizations and Community-Based Organizations are represented on the DDCC. Interviews were conducted with six representatives from the local and regional government authorities headquartered in Solwezi, including: three members of the Municipal Council, one from the District Commissioner’s Office, one from the Provincial Planning Unit and one from Community Development.

5.1 Government interactions with company and communities

This section will explore the interaction between government officials and the mine first and communities second. Critically assessing the responses from the provincial and local government officials, there have been interactions at multiple levels, although these started with difficulties, particularly with the local council.

“Kansanshi overlooked the Council in the past, the Council was nobody, even in their attitude to obligatory issues such as paying rates”

Interaction between the local government and Kansanshi Mine has been through the quarterly stakeholder meeting convened by Kansanshi Mine and the Kansanshi Foundation. It can therefore be said that both the provincial and local government interact with the mine through the various projects being implemented by the Kansanshi Foundation and Kansanshi’s Environmental Department. The mine also interacts with local government because the Municipal Council is the custodian of land. If the mine wants to build or construct anything they have to consult and get clearances from the local council. The local and provincial government and Kansanshi also interact through the DDCC and the Provincial Development Coordinating Committee (PDCC) which are planned to be held quarterly. The DDCC and PDCC are multistakeholder meetings involving a wide range of government departments and organizations; they are facilitated by the Municipal Council and District Commissioner’s office respectively.

The mine also interacts through elected officials in the 22 wards and three Members of Parliament and two local Chiefs who are consulted by Kansanshi mine when it is implementing projects in their areas. The elected representatives report back to the Municipal Council through the council meetings. Kansanshi also interacts indirectly with the local government through existing laws, such as the Rating Act, which requires the mine to pay taxes and levies to the local government. Other indirect interaction with Municipal Council and provincial government has been through meetings organised by other stakeholders in the district, like civil society organizations, to discuss developmental issues.

The Municipal Council and Provincial Government interact with the communities through various mechanisms, for example through developed structures such as active RDCs and ADCs, and different government departments such as the Ministry of Education and Ministry of Agriculture who are implementing local and provincial government projects.

Critically analysing the responses from the government, it was determined that no direct interaction occurs between the provincial government and the communities surrounding Kansanshi mine. Indirect interaction does occur through the distribution of reports during the Solwezi Municipal Council meeting, DDCC and PDCC, and other departmental reports on projects being implemented in various communities. The

provincial government also interacts through the elected officials in the district who represent the electorate to the council meetings.

The local and provincial government also interacts with communities through the Chief and regularly makes visits to communities to implement or monitor projects and to follow-up on complaints on various issues such as land disputes. The Provincial government has used the community radio station to communicate various government-sponsored projects. The local government also interacts with community members through individual visits to their public relations office and council chamber which is open to the public during council sittings.

5.2 Benefits and barriers

From the provincial and local government perspective, some of the most visible benefits from Kansanshi include the increased revenue for the Solwezi Municipal Council, who are getting over ZMK3 Billion (US\$666,667) in property rates, and the mine’s contribution to the national tax base. They highlighted that Kansanshi complemented government efforts in the area of education, health and other social amenities. The company constructed classrooms in Mushitala and the Solwezi High School, sunk boreholes in Mushitala, rehabilitated Vision School Orphanage, and constructed the showground pavilion and farmers stand, a new mortuary unit at Solwezi Hospital, housing units for miners, sports facilities in the districts and a house for the Chief in Israel. Kansanshi also financially and materially supported government programmes such as the international women days. The provincial and local government further highlighted other benefits to the communities surrounding the mine including bee keeping, vegetable gardening and jatropha growing projects.

The provincial and local government indicated that the presence of the mine has improved economic activities, which has brought auxiliary industries and more disposable income for people. In addition, the presence of Kansanshi has boosted business for small and medium-sized enterprises and small scale farmers who now have ready markets to sell their products. With a lot of people coming from the Copperbelt and other parts of the country to work or look for employment in the mine, the population and thus markets have increased. As an additional benefit, especially to those that own properties or build them, the mining activities have increased the value of property, demand for housing and rental charges. Government officials also indicated that the district was benefiting from Kansanshi rehabilitating some parts of the Chingola- Solwezi road.

However, the provincial and local government also identified a variety of things blocking the community from benefiting from the presence of the mine. To begin with, there are inadequate consultations with the stakeholders by the mine on the projects they are undertaking.

For example, the mine has built a golf course which has sports facilities but charges exorbitant membership charges of ZMK1 million, which most locals cannot afford, hence there

is limited access to the facility. Another barrier was that the RDCs and the ADCs, which are set through the local council to champion community development issues, do not function properly because the participants lack training. This can result in a mismatch between community and council expectations:

“There is a huge gap between the community and the council in terms of knowledge on what is expected from government”

The low level of education among community members was also cited as a barrier, which prevents local community members from getting high skilled jobs. In addition, the provincial government structures have inadequate financial and human resources to implement and monitor the various projects in the district.

Government officials highlighted that the development agreements between government and mining firms block people from benefiting because there is no participation of local government in the development agreements and the mine feels more obliged to deal with central government than the local government. Political interference was also cited as a barrier by the Municipal Council and provincial government, given the direct communication Kansanshi has with higher levels of government.

“When we try to engage the mine on issues, we are told... this has been discussed with the Minister”

Government officials also felt that Kansanshi’s structure was over centralized because it takes them a long time to respond to the needs of the community through the

Foundation or Environment Department, thus creating a barrier for communities to benefit from the mine’s CSR programmes. The conservative nature of local people was another barrier cited by government representatives. For example, community members are often fixated on getting employment with the mine and not benefitting in other ways. It was also noted that communities have unrealistic expectations of the mine, such as wanting a hospital and tarmac roads built.

When Kansanshi does not deliver, people complain of not benefiting from the mine, even when the demand is a responsibility of government.

6. Spectrum of community-company engagement

This project seeks to explore the nature and type of community-company engagement between the mine and adjacent communities. Table 2 highlights a spectrum of community-company engagement, ranging from nonparticipation to participatory decision-making. The extreme end of nonparticipation and distrust may be characterized by illegal activities such as hostage taking and industrial sabotage, or nonviolent direct action activities such as legal protests, demonstrations, and through legal means by which host communities can exercise their rights (e.g. Indigenous Rights and foreign direct liability claims). As will be discussed below, a participatory exercise utilizing this spectrum was incorporated into the validation workshops for community, company and government stakeholders.

Table 2: Spectrum of Community-Company Engagement

	Stereotypes	Disengage	Inform	Consult	Involve	Collaborate	Empower
Spectrum of actions	Violent tactics	Active disengagement	Access to information	More information	Seek participation	Work together	Participatory decision making and multi-directional accountability
By the company	Involuntary resettlement, destruction of livelihoods and environment	Barriers to avoid contact, ignorant about communities	Provide information about activities, mostly information giving	More open flows of information, some listening	Elicit information from and participation by community	Identify and work together on areas of mutual interest and complement-ary capacity	Joint responsibility and control to take decisions and change the context for mutual benefit
By the community	Sabotage, destroy property, hurt people	Refuse to negotiate, inaction arising from powerlessness or lack of information	Naming, blaming, shaming based on information given	Given more information, but limited in type and amount of information shared	Share perspectives and priorities, provide information about what is needed	Work with companies to bring local knowledge perspectives and skills to bear on issues, plans and actions	Joint control and responsibility to take decisions and change the context for mutual benefit

Source: Adapted from Parker et al 2008³⁶

³⁶ Detailed explanation of the Spectrum may be found in Extending Trust (BCS 2009); See also: Parker, A. R., Van Alstine, J., Gitsham, M., and Dakin, R. 2008, Managing risk and maintaining license to operate: Participatory planning and monitoring in the extractive industries, Washington DC: The World Bank Group

Access to information is often indicative of one-way communication, when extractive firms may have begun to inform and consult with host communities. Community leaders may react by using the information to 'name, blame and shame' industry actors and to highlight the limited nature of the information exchange. Participation in decision-making processes may begin when the company, host communities or even local government seeks involvement from multiple stakeholders (beyond simple information gathering) about what is needed. A community-company relationship is characterized by trust when both the company and community can identify and work together on areas of mutual interest and complementary capacity. A truly empowered relationship is one characterized by participatory decision-making and multi-directional accountability, where multiple actors (e.g. industry, community and/or local government) have joint responsibility and control to take decisions and change the context for mutual benefit. Of course there are limitations to this approach, as it describes 'community' as a cohesive actor. In practice, communities may be characterised by significant inequity and power imbalances, where marginalised voices (such as women) may not have access to decision-making processes and direct benefits. Through the CCA process it is intended that a process of shared learning occurs both within communities and companies, in addition to between these various actors.

6.1 Utilizing the spectrum during the validation process

At the validation workshops for communities, government and Kansanshi, we asked each individual to rank the relationship between community and company based upon the seven categories identified in the spectrum. The spectrum was introduced in English, and, in the case of communities, was translated to Kaonde. The image below illustrates the spectrum that the research team used for this exercise.



Spectrum of Community-Company Engagement used in validation workshops

34 members of the various communities attended the validation workshop which was hosted at Floriana Lodge on 23rd November 2010: 8 from Mushitala, 6 from Kabwela, 3 from Kyafukuma, 4 from Israel, 7 from Kimasala, and 6 from Zambia. Unfortunately more could not attend from Israel and Kyafukuma due to inclement weather on the morning of the workshop and significant distance to travel for the participants. Four representatives from Kansanshi's public relations, environment and community management team attended the company validation held at Floriana Lodge on 25th November 2010. Eight representatives from local and

regional government attended the validation at Floriana Lodge on 24th November 2010. These included 1 Municipal Council, 1 district commissioners office, 1 from Provincial Planning Unit, 1 from Community Development, 1 from the District Education Board Secretary's Office, 1 from District Health Management Team, 1 from the Permanent Secretary's Office and 1 from District Agriculture Coordinating Office.

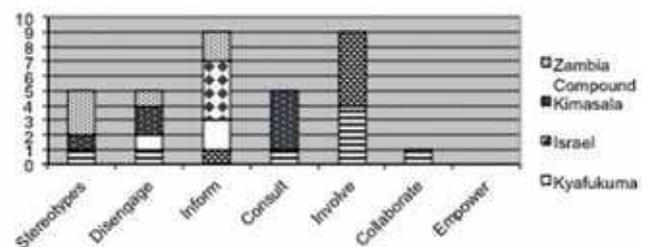
6.2 Community perception of level of engagement with company



Community spectrum

Some interesting patterns emerged from the way individuals from communities ranked themselves on the Community-Company Engagement Spectrum. The data summarized in Figure 6 demonstrates that community members from Zambia Compound and Kimasala ranked themselves towards nonparticipation and distrust in relation to Kansanshi, whereas a clear majority in Kabwela ranked themselves as being involved with collaborative decision-making with the mine. The majority from Israel were in the middle, leaning towards nonparticipation. They felt that only one-way communication was occurring between the community and company. Mushitala was somewhat unique in that perspectives were quite diverse, ranging from stereotypes and disengagement to involvement and collaboration.

Figure 6: Analysis of the community Spectrum





Community representatives identifying their position on the Spectrum

6.3 Company perception of level of engagement with community

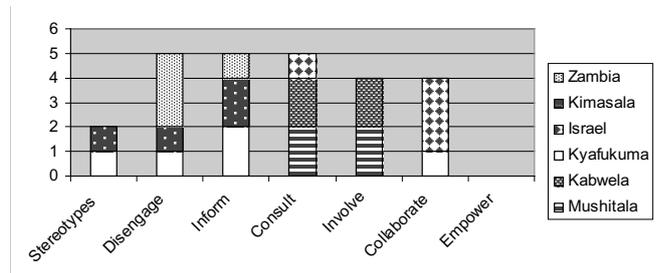


Company spectrum

Each of the four Kansanshi staff were asked to rank where they felt each community fell on the spectrum. Thus four rankings for each community are presented in Figure 7, with one notable exception, Kyafukuma, where there are five rankings. One staff member felt that 90% of Kyafukuma was in the collaborate category, whereas 10% was labeled as stereotypes. The company rankings are quite similar to the communities'. Kimasala and Zambia Compound were both towards the left of the spectrum, although the community perceptions from Zambia Compound were slightly further to the left when compared to the company's. Kyafukuma was quite similar, except for the one staff ranking which split 90%/10% on the extremes of the spectrum. Interestingly, Kabwela ranked its engagement with the company higher than Kansanshi did. This may indicate that Kansanshi's extensive engagement with Kabwela with regards to the ESIA and resettlement plan for the new tailings dam is having a positive impact on community-company relations. The company's ranking of Mushitala was grouped around 'consult' and 'involve' in the spectrum, whereas Mushitala did not have a consistent ranking. This indicates a wide range of perspectives within Mushitala, and a potential challenge for Kansanshi from an engagement strategy perspective. The only real outlier from the exercise was Israel. Kansanshi ranked

it significantly further to the right on the spectrum than did Israel community members. This indicates a disjuncture between Kansanshi's perception and individuals from Israel.

Figure 7: Analysis of the company Spectrum



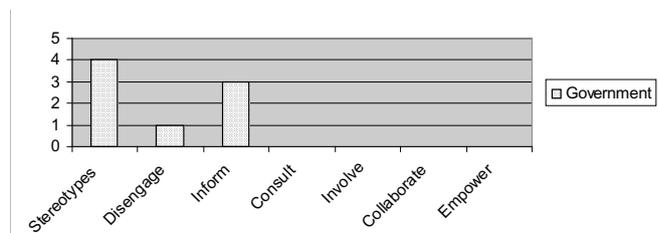
6.4 Local government perception of community-company engagement



Government spectrum

The analysis of the government spectrum (Figure 8) is quite interesting. The eight local government officials were given one vote to rank community-company engagement; thus, it was a generalized ranking. The officials ranked community-company engagement far to the left of the spectrum, thus indicating the prevalence of distrust, stereotypes, disengagement and information dissemination, as opposed to the building of trust through consultation, involvement and collaboration. This perception is remarkably different from the aggregate of community and company perspectives which are spread more towards the centre of the spectrum. The local government has a more negative picture of community-company engagement than do the majority of community and company representatives.

Figure 8: Analysis of the government spectrum



6.5 Summary

The spectrum analysis exercise has highlighted interesting patterns for each of the villages:

1. Kimasala and Zambia Compound's rankings are significantly to the left of the spectrum, ranked similarly by both the community and company, although Kansanshi may underestimate the negative sentiment in Zambia.
2. Mushitala did not have a consistent ranking. Its individuals indicated a wide range of perspectives. This disparity between community perspectives may pose a challenge for Kansanshi's engagement strategy.
3. Kabwela ranked its engagement with the company higher than Kansanshi. This may indicate that Kansanshi's extensive engagement with Kabwela with regards to the ESIA and resettlement plan for the new tailings dam is having a positive impact on community-company relations.
4. Kyafukuma's rankings were quite similar to those of Kansanshi – mostly in the 'disengage' and 'inform' categories. This indicates significant opportunities for improvement in community-company engagement.
5. A disjuncture emerged with Israel – Kansanshi ranked the community-company engagement as 'consultation' and 'collaboration'; whereas, Israel's community representatives ranked it as only 'inform'. This difference in perception may indicate a lack of regular contact with Israel by some members of Kansanshi's staff.
6. Local government representatives ranked community-company engagement further to the left than the average ranking by community and company representatives. This may indicate that local government has limited contact with its constituents, particularly those villages surrounding the mine. It may also indicate a lack of coordination and communication between the company and local government.

7 Community, company and government recommendations

As discussed in section 2.2 interviewees were also asked what they would change if they could and how. This chapter summarizes community, company, provincial and local government recommendations to ensure that local communities maximize benefits from the presence of the mine.

7.1 Community recommendations

To improve relationships with the mine and ensure local community benefits from mining activity a variety of recommendations were made by the individuals and groups interviewed in the six communities. These included issues related to interaction and communication, revenue management, provision of equipment, health and social services, infrastructure, education, employment and training, and agriculture and animal husbandry.

Interaction and communication

Kansanshi must fulfil their promises: The communities strongly recommended that Kansanshi fulfils its pledges to the communities. For example, New Israel claimed that Kansanshi had promised a truck to carry farmers' produce to the market twice a week, the installation of a sign post at the road to Solwezi showing where the village has been relocated, the donation of iron roofing sheets for their houses, and a hammer mill to grind maize.

Company should communicate with communities without going through Sub-Chief: Crucial for some community members was that future communications should not be channeled through the Sub-Chief who they considered a barrier towards projects for community interests. Future communications should be channeled through established project committee leaders within the community so that the Sub-Chief cannot delay or halt projects that will benefit the entire community. Community members also added that there should be honesty in communication to ensure trust between company and community representatives.

Community liaison officers need to articulate community concerns: Community representatives highlighted that the issue of communication between the company and community was crucial in sustaining good relationships and also as a means for community concerns to be addressed by the mine. Thus it was recommended that there should be effective Kansanshi Community Liaison Officers to work closely with the communities, so people can channel their grievances to mine officials. They believe that this will enhance the relationship between the community and the mine and prevent any vandalism of mine assets in the near future by the youth. In addition, community members expressed the need for more information about operations at the mine.

Company General Manager should visit and consult with the community: As with any engagement process, continuous consultation and information provision is paramount. In this regard, communities recommended that the Kansanshi General Manager should visit and consult with the community on issues regarding their development and vice versa. By doing so, communities will be aware and well informed of company actions and consequential effects on nearby communities. Community members highlighted that this will also enable Kansanshi Mine to understand community needs and aspirations for appropriate actions to be taken, instead of the current process where the company decides which areas to support in terms of development assistance with little or no consultation with beneficiaries.

Community groups should be proactive: To optimize the purpose for creating some of the development committees in the communities, it was recommended that committees need to be pro-active in their response to community concerns and following up on pending projects and improvements. For instance the irrigation canal committee, ADCs, etc. it was also recommended that there needs to be periodic updates by the committees on issues regarding community projects to the entire community through public gatherings.

Revenue sharing

Some revenue from the mine should be allocated to local communities: Community representatives indicated that communities around the mine should experience more tangible benefits from the mine because they receive the immediate adverse effects of mining activities. They therefore recommend that a percentage of revenue from the mine should be allocated to communities adjacent to the Kansanshi Mine. They also recommend that 20% of the employees at the mine should be residents of neighbouring communities such as Mushitala, Kabwela etc.

Provision of equipment

Provision of sewing machines: It was highlighted through discussions with women's groups that some of the women were trained in dressmaking. Rather than engaging in crop cultivation, some women would prefer diversifying their livelihoods by practicing and making profit to support the revenue attained from selling the excess of their farm produces. This will also build their capacities in training other members of the community who have no avenues for employment within the mine and other areas; hence the request for the provision of sewing machines.

Provision of water pumps for vegetable projects: As most of the communities interviewed are farming communities, a key area of interest was to improve agricultural productivity. The communities suggested that the provision of pumps for vegetable projects would help them increase agricultural yield. This would then increase revenue and help them support other community projects. For example, with the improved irrigation canal in Kyafukuma farmers noted that it would be easy and more efficient to improve cultivation with the availability of water pumps which save time.

Provision of sports equipment and uniforms: The youth in some communities recommended that the mining company support them with sports equipment and uniforms to keep them busy and engaged with sporting activities rather than sneaking into the mines operating corridors to vandalize equipments. Items like footballs, netballs, sports training kits (football boots, jerseys, socks, etc) and others were recommended by the youths.

Health and social services

Upgrade community clinic: The communities cited lack of access to proper medical facilities as a challenge and hence recommended that the mine can help in upgrading some of the community clinics. For example in Kyafukuma the only health facility in the community is understaffed with only two nurses serving the entire community and other nearby hamlets. As a result of the inadequate staff and lack of other relevant facilities, the community recommended that the mine assist them to construct more wards and help reduce the pressure on the two medical assistants by increasing their staff capacity. Also, provision of modern equipments and other respiratory drugs was considered important considering the health implications of the dust from the mine, which is about 10 km away.

Assistance for vulnerable and disabled persons:

Community members also highlighted that Kansanshi should provide support for widows, elderly, orphans and disabled within the surrounding communities. It was suggested that the disabled be provided with wheel chairs and other support equipment as well as periodic visits and organization of events to enable them to not be alienated.

Regular assessment of mining impacts on communities:

Particularly in Kyafukuma, it was noted that since they are in close proximity to the mine, there is the tendency of members acquiring respiratory diseases or other infections resulting from blasts and dust particles in the atmosphere. As a result, community members felt that the mine should regularly assess the degree of impact of mining operations on local communities, regarding health and even crop production where acid rains are most likely to be a hindrance to agriculture. This is to ensure that relevant and prompt measures are taken to mitigate any disorders that might occur.

Infrastructure

More tangible projects: It was mostly evident amongst the responses that the mine should engage in more tangible projects, such as through the provision of infrastructure facilities like roads, houses, boreholes, schools and clinics since these projects would help improve their standard of living. For instance, the community suggested that the mine should provide clean drinking water through the construction of an adequate number of boreholes at strategic areas within the community. This, they indicated, was to prevent any waterborne diseases that might affect the populace of the community. Community members also recommended that the road to Solwezi be fixed to facilitate market access.

Education

Improvement in education support: The communities recommended that the mine continues to support the level of education in the community through the construction of teachers houses and the employment of more teachers. For example in Kabwela there was only one teacher taking care of 415 students and New Israel only had one untrained teacher who was volunteering and paid a token of appreciation from the community. Community members also recommended that school kids receive bursaries as incentives for good performance. This they believe will help educate their wards and in the long run help them gain work in the mine. Community members also encouraged Kansanshi to provide electricity to the schools such as Kabwela Primary School, to enhance teaching and learning, and to supply laboratory equipment to Mushitala Basic School.

Employment and training

Group Leaders should suggest names for employment that go to a database that the mine can pick from:

Communities recommended the creation of a database where the names of each prospective employee will be kept so that the mining company and any other employment agency can pick when interested in employing members of the community. They indicated this process would be free and devoid of corruption and nepotism. By so doing, they were

optimistic that gradually, each community member would be employed, if not in the mine then in auxiliary avenues for employment. This recommendation is quite similar to expanding the Lucky Dip programme, which is next.

Employment in the mine should be through Lucky Dip: Communities also recommended that local employment should be carried out through the Lucky Dip which should be more frequent and inclusive. This they indicated will ensure that most of the unemployed youth in the community will have a chance to work in the mine and also minimize the chance of nepotism or corruption that some local recruiting agencies are associated with. Others noted that since the local communities around the mine suffer most, more people should be employed within these areas to make up for the lost properties.

Indigenous people should be included in mining management: For the sustainability of the mine, the community recommended that, it was important for indigenous people from around the mine to be part of the management of the mine since the resource belongs to them and not the mining company. This would ensure that the community gets involved in the mine's operations and also information dissemination would be improved. They added that although there are periodic stakeholder meetings, there should be more participation by community members in the day to day running of the mine to ensure that the right things are done.

General skills training: Also very key and cross-cutting in the recommendations from all the stakeholder groups interviewed was the suggestion of skills training for local community members. This includes areas such as training on best agriculture practices to increase productivity or training on processing of farm produce such as maize and cassava to add value to the produce. Community members also suggested training regarding sewing of dresses and the more technical skills required in the mine, which would provide community members several options to choose from when seeking employment.

Company to offer skills training to community for self employment: Indications were that, in order for local community members to be employed in the mine, there was the need for the individual to acquire skills and expertise. As a result, considering the low level of education, the community also recommended that the company should offer training on certain areas within the mine. This way they can offer their labour and earn decent standards of living to benefit their households and community at large. For instance Mushitala residents recommended empowering them with more skills such as carpentry, brick-laying, boiler makers, plumbing etc.

Capacity building to improve responsibilities of established committees: Community members highlighted that the mine should build the capacity of some established committees within the community with resources and training so that the committees could effectively deliver and carry out their responsibilities. Such committees include (but are not

limited to) the farmers committee, the HIV/AIDS committee and the sports committee.

Agriculture and animal husbandry

Improvement of food security around the mine: Community members also highlighted the importance of improving food security within the local communities around the mine, particularly related to farms and other farming rich lands which have been displaced by the mine. Kansanshi Mine was encouraged to provide fertilizers and insecticides as well as herbicides to control pests and weeds within farms. This will help ensure that the supply of food within and among communities is maintained and even improved. Loans and other financial support should be awarded to farmers to boost their capital base to expand farm sizes and farming inputs to maximize returns. For instance, New Israel recommended that Kansanshi donate a tractor and oxen for crop cultivation, construct a market in the community, and enlarge the bridge over River Kifubwa to allow access of large vehicles.

Support of animal husbandry projects: The mine was also encouraged to support community initiatives such as piggery and poultry as measures to diversify their main farming activities. This could provide community members with additional income and allow them to cater for their households and recover costs incurred during transport to Solwezi and other smaller towns around the region.

Other community recommendations included improving the golf course surroundings so that the contrast on either side of the fence isn't so glaring and preserving the cultural history around the mine.

7.2 Company recommendations

A number of recommendations were highlighted by Kansanshi staff. These can be separated according to issues internal to the company and external to the company, related to both communities and government.

Internal to Kansanshi

Recommendations internal to the company include building internal capacity and increasing community engagement personnel.

Build internal capacity: Kansanshi staff recognized the need to build internal capacity within the company, as one staff member highlighted:

"Kansanshi is going through a shift, from more traditional to more open and participatory. In the past this was a barrier to our approach to things, but now that is changing, particularly to get buy in from all staff."

The issue of community relations may be removed from the everyday experiences of senior managers, thus Kansanshi staff identified the need to sensitize senior level staff on community relations.

Increase staffing: Another area that came up in multiple interviews with Kansanshi staff is the need to increase corporate social responsibility and community engagement staffing. As of November 2010 there were three community engagement officers who report to the environmental manager.

Community-company relations

Recommendations made by Kansanshi in relation to community-company relations include: increasing company-NGO partnerships; utilizing the grievance mechanism; managing community expectations; and maximizing the life of the mine.

Increase company-NGO partnerships: Kansanshi staff highlighted the need to build capacity within communities through company-NGO partnerships. It was stressed, however, that these partners should be available to work with the mine not only for financing (i.e. donor-recipient relationship) but also for facilitation (i.e. true partnership). The importance of establishing 'true' partnerships was stressed in multiple interviews, thus moving beyond traditional donor-recipient relationships to actual collaboration and empowerment, as one staff member noted:

"It is much easier for NGOs to connect to the grassroots..."

Utilize the grievance mechanism: Kansanshi established a grievance mechanism in 2010. Community members must fill out a form and submit it directly to a Kansanshi community liaison officer. At quarterly stakeholder meetings Kansanshi responds to each complaint. Kansanshi has only received 21 complaints (as of November 2010) since its inception. As one staff member lamented: "It unnerves me, why aren't we getting more complaints?" Thus Kansanshi staff would like communities to complain more through the grievance mechanism.

Managing expectations: Kansanshi staff were also concerned about managing community expectations. They would like the community to understand what the company can and cannot do, for example, to clarify what responsibilities the local government has versus the company.

Maximize life of mine: Members of Kansanshi staff would also like to see that the production period of the mine to be maximized for the benefit of the local community.

Local and national government

Many of Kansanshi's suggestions were directed at local and national government. These included: better roads and transportation; improved health and education; land ownership for small scale farmers; stamping out corruption; providing a more favourable business environment; more revenue to Solwezi; and maintaining political stability.

Better roads and transportation: Kansanshi staff stressed that the government should provide better road infrastructure and transportation in and around Solwezi so that people can get to where they want to go.

Improved health and education: Staff highlighted that government should improve primary health care and make sure hospitals are well equipped. In addition, education facilities should be improved at all levels, including training institutions, and centres of excellence should be developed for higher education.

Land ownership for small scale farmers: Kansanshi staff noted that freehold titles on land ownership need to be available for small scale farmers.

Stamp out corruption: Issues related to corruption came up in Kansanshi interviews. It was stressed that if there was more accountability in communities and local government, the company would give out more money.

"When we give out money, it gets misused by almost everyone. We expect that money goes to communities, but it ends up in people's pockets."

More favourable business environment: It was also highlighted that it is difficult for small and medium sized businesses to flourish in Zambia, particularly in the manufacturing sector, because of high taxes. Thus, Kansanshi staff requested that the government provide a more favourable business environment for industry (e.g. lowering taxes for manufacturing) in Zambia.

More revenue for Solwezi: Kansanshi staff suggested that Solwezi should have more money coming back from central government in the form of royalties and taxes.

Maintain political stability: Finally, particularly in comparison with the DRC, Kansanshi staff stressed the desire to see political stability in Zambia, so that the communities could receive the benefits of the mining industry in Solwezi. As one staff member highlighted:

"I want to see this stability maintained. How we maintain that stability is up to Zambians."

7.3 Provincial and local government recommendations

In response to the barriers for the community to maximize benefits from presence of the mine the provincial and local government officials recommended to government, elected officials and the mine the following:

Government-local government

Local government should participate in negotiating development agreements: As noted above, one of the barriers identified is the issue related to development agreements between government and the mining companies. Local government representatives highlighted that the agreements do not benefit the local government and communities because they are developed and agreed upon through central government. It was therefore recommended that a mechanism be put in place to allow the local government to have a hand in central government development agreements with the mines to ensure that the agreements favour both the

government at national level and the communities hosting the mining companies.

Speed up decentralization process: It was also noted that for some time now the Zambian government has been striving to implement the decentralization process which would empower local governments to make decisions regarding development in their area. It was therefore recommended that national government speeds up the decentralization process.

More mining revenue to local governments: To ensure that the district maximizes long term benefits from the mining industry it was recommended that revenue from mining needs to be put into local production activities such as construction of manufacturing plants and not just consumption activities such as furnishing offices. A percentage of revenue should also go into local budget directly.

Build capacity within local council: Local government representatives also noted that the capacity of the local council needs to be increased in order to mobilize resources accruing from the presence of the mine.

Elected officials

Act as agents of development and not just spectators: It was observed that the elected officials, Members of Parliament and Councilors are critical to ensuring that the electorates they represent benefit from the presence of the mine. It is crucial that these elected officials push forward the concerns of the communities which they represent. It was therefore recommended that elected representatives need to act as agents of development for the communities and not just as spectators.

Mining company

The social amenities constructed by the mine should benefit the whole community and not just a few: The provincial and local government respondents recognized the fact that government has the responsibility over its people and should not solely depend on the mine. However, it was observed that the social amenities constructed by the mines should benefit the whole community and not only have a few individuals, for example, the mine hospital, golf course etc.

Kansanshi should support government plans instead of creating their own: The government officials recognized the work the mine was doing in the district and recommended that Kansanshi should continue to complement government efforts in education and health, and support government plans as opposed to creating their own.

Kansanshi should get more input from communities on their needs and wants: It was also observed that a lot of projects being undertaken by the mine were not appreciated by the communities; it was therefore recommended that

Kansanshi mine should solicit views from local communities on their needs and wants.

8 Core Team Recommendations

Following the validation workshops, the core team conducted its own analysis of the research findings and recommendations. This analysis took into consideration the raw data we gathered, as well as the process and changes that were made during the validation workshops, the spectrum of community-company engagement, and the team's own experience with other projects in other countries and come up with the following recommendations:

8.1 Employment

Consistent issues highlighted by both community and company representatives were variations between recruitment policies of Kansanshi and its contractors. There is a strong need to harmonize policies and practices in Kansanshi and its contractors. For example, contractors are mainly from outside Solwezi and it was alleged that they recruit workers from their areas of residence (e.g. the Copperbelt). Kansanshi, on the other hand, has instigated the local recruitment programme known as Lucky Dip.³⁷ Kansanshi staff said they encourage contractors to adhere to their labour/hiring policies but are unable to enforce them. In addition, some community members were adamant that labour brokers and bribes were regularly used in the hiring practices of some contractors.³⁸ In addition, inductions and safety briefings at the mine are only in English, so if potential employees of the mine and/or contractors cannot understand English they will fail the induction process. To address these issues and increase the hiring of local skilled and unskilled labour, we recommend that Kansanshi:

- Move from encouraging to monitoring and enforcing labour/hiring policies and practices with contractors;
- Encourage sourcing of as much casual labour from local communities as possible by expanding the Lucky Dip programme to all communities adjacent to the mine and require contractors to participate in the programme; and
- Conduct inductions and safety briefings at the mine in local languages (i.e. Kaonde) in addition to English.

37 As discussed in section 4.1, Kansanshi instigated a community recruitment programme called Lucky Dip in May 2010 for Kabwela, Mshitala and the Solwezi town office. Lucky Dip is run using a ballot system. The community representative registers eligible participants from the community. When casual labour is needed at Kansanshi a number of names are pulled from a hat (e.g. ten names a pulled for a job that needs three employees). Those lucky individuals are interviewed and the actual employees needed are selected. There is a register of about 70 people in Kabwela and 320 in Mshitala.

38 The issue of employment brokers is a contentious one. The company and contractors that the research team had engaged with were adamant that employment brokers had been phased out. However, community members were equally adamant that employment brokers were still functioning. Kansanshi in fact informed the research team, after reviewing the draft report in August 2011, that it will investigate any information that it receives regarding 'cash for jobs'. However, the company clarified that few people are willing to formally come forward, even though it allows complaints to be made anonymously, which makes it very difficult to verify these claims.

Also, contractors felt that the subcontracting process needs to be more small business friendly. Ways to achieve this include:

- Organizing more opportunities to provide skills training and mentoring opportunities for local contractors, e.g. through shadowing or partnering with a well established contractor so that after the job is finished the local contractor can carry on the maintenance of the project; and
- Paying contractors in stages, like the government apparently does, instead of having the contractor pay upfront themselves and only getting paid by Kansanshi 60 days after completion of the job.

8.2 Kansanshi staffing and senior management training

The Community Liaison team at Kansanshi is understaffed. They have three primary people who cover all of the communities – rural, peri-urban and urban – surrounding the mine. The current Community Liaison team is part of the environment department and includes a Social Development Officer, Community Liaison Officer and Assistant Community Liaison Officer. Multiple Kansanshi personnel identified the need to expand the team, particularly given the low levels of violence/vandalization/theft that have begun to emerge in and around the perimeter fence.

To that end, Kansanshi should:

- Develop a specific community engagement/social enterprise department with a dedicated Community Liaison Manager at the same level of seniority as the Environment and the Public Relations Managers.³⁹

It was also highlighted through interviews with Kansanshi staff that the community engagement strategy needs buy-in from the highest levels of management at the mine. Therefore, it would be beneficial for Kansanshi to:

- Develop staff training for Kansanshi board members and senior executives on community engagement.

8.3 Community engagement and communications

From the myriad of projects, initiatives and engagement processes it appears Kansanshi is approaching its community engagement/investment haphazardly. For example, the distinction between what the Foundation does versus the various other projects and programmes sponsored by the company is unclear. In addition, the rationale and process for project implementation was not always clear. In Kyafkuma the community wanted the poultry project, but the Sub-Chief refused to endorse the application to the company; thus, Kansanshi appears to take a top down approach to

community initiatives which underestimates the potential for community politics to block benefits. Kansanshi should take a more strategic approach to community engagement by:

- Engaging communities from the bottom up to find out what they want and need, e.g. by moving beyond traditional donor-recipient relationships to actual collaboration and empowerment;
- Ensuring that there are no language barriers at quarterly stakeholder meetings;⁴⁰ and
- Making certain that the Project Committees set up by the company (e.g. irrigation canal committee, poultry committee) do not undermine or conflict with the Area Development Committees, which are set up by the local council.⁴¹

One promising area for community development which does not appear to be fully exploited by the company is the creation of market strategies for agricultural development, e.g. the golf course and mine concessions could increase the amount of food purchased from local communities. To this end, the mine can help:

- Develop community capacity for local farmers to connect to local markets.

In addition, the mine only had suggestion boxes at the mine entrance and Kansanshi Town Office as points where the public can express grievances anonymously. However, the mine established a formal grievance mechanism in 2010 where community members must fill out a form which is submitted directly to a Kansanshi Community Liaison Officer. As of November 2010 Kansanshi had only received 21 complaints. In order to get communities to utilize the grievance mechanism more frequently, Kansanshi should:

- Move the grievance mechanism closer to communities and make it anonymous, e.g. through community suggestion boxes located within communities.

There are a variety of communication techniques that Kansanshi can employ to better manage expectations and increase transparency related to corporate activities. One simple way to communicate more effectively with local communities is to:

- Publish the Kansanshi newsletter in multiple languages (particularly Kaonde) and distribute it to communities adjacent to mine in addition to the Kansanshi Town Office.

An area of ambiguity for individuals in communities is the distinction between company and government responsibility, e.g. roads should be maintained by the local council or central government, not necessarily the company. To some degree the company can hold the local council to account through communication and information dissemination, to

39 After reviewing the draft report in August 2011, Kansanshi confirmed that it has recruited a number of staff members in the field of corporate social responsibility in the last year, and that it is in the process of recruiting a Monitoring and Evaluation Officer.

40 English language is the only language used (e.g. not Kaonde, the local dialect), thus some Group Leaders do not understand and therefore do not convey information to communities.

41 If objectives of multiple committees within communities are not aligned, then community benefits may be suboptimal.

make clear what the company is doing versus the council. Recommendations include to:

- Publicize corporate contributions to council (in multiple languages) through the Kansanshi newsletter, local newspapers and radio; and
- Publish the CSR budget, i.e. tell each community how much has been spent, then let the community engage with where impact has gone.

After reviewing the draft report in August 2011, Kansanshi confirmed that it will be looking for ways to strengthen its stakeholder engagement processes.

8.4 Governance of the Kansanshi Foundation

A key theme that has emerged from the research is limitations with regards to the Kansanshi Foundation. As discussed above, there is ambiguity between the Foundation, which was founded in 2006, and the myriad of other projects and programmes sponsored by the company. The purpose of the Foundation is to channel funds to infrastructure projects in and around Solwezi, however it is unclear whether the Foundation is simply an extension of the company or an autonomous charitable body. During the economic crisis (2008-09) the Foundation was inactive, but it recently reopened with a new manager. When it was founded, the Foundation was allocated US\$1 million for projects and since 2006 has embarked on various infrastructure projects. The Foundation now receives requests for projects from community groups, and then goes to the board to decide which ones to fund. The board is made up of the same people on the Kansanshi Mining Plc board. The ideal situation would be for the Foundation to have its own board, which would allow participation from people outside Kansanshi, e.g. Chiefs, government and community representatives. Such a scheme would make it easier for community groups to follow, engage and participate with the Foundation's funding process. In order to clarify the Foundation's purpose and improve its governance, Kansanshi should consider:

- Redefining the principles of the Foundation to make it an autonomous charitable organization which has board members and stakeholders representative of the community it is meant to serve.

To this end:

- A separate board should govern the Foundation, which has representation from Chiefs, government and community representatives. Ideally, a multi-stakeholder group with knowledge on project implementation would scrutinize applications to the Foundation.⁴²

⁴² Kansanshi in fact confirmed to the research team, after reviewing the draft report in August 2011, that it will be putting in place an engagement mechanism for the Kansanshi Foundation that ensures local stakeholders decide upon local development priorities and that stakeholders evaluate and shortlist Foundation projects for approval by the board.

The Foundation is currently headquartered in Kansanshi's Solwezi Town Office. Most interviewees did not know about the Town Office or where it was located. In addition, it is perceived by community members that appointments are needed (although Kansanshi confirmed that this is not the case) and the entrance is intimidating with guards posted out front. Also, communities north of the mine are too far away to access the Town Office. To this end, Kansanshi should:

- Enhance the visibility and accessibility of the Foundation.

8.5 Resettlement of Israel

Israel was resettled in 2005; however, it appears little was done to follow 'best practice' International Finance Corporation (IFC) and World Bank resettlement guidelines. Although the IFC/World Bank is not an investor in the Kansanshi mine, FQM and Kansanshi Mining Plc adheres to the IFC's Performance Standards on Social and Environmental Sustainability. IFC Performance Standard 5 sets specific recommendations related to physical and economic displacement related to land acquisition and involuntary displacement.

During our discussions with Kansanshi staff it was evident that community consultations and resettlement related to the construction of the new tailings dam near Kabwela was being conducted by a South African consultancy according to international best practice, i.e. IFC and World Bank resettlement guidelines. Thus, given the concerns and accounts of community members in New Israel, the research team recommends that Kansanshi:

- Ensures the Israel resettlement plan is revisited to adhere to IFC's Performance Standards, and that this assessment is externally audited.

8.6 Monitoring, evaluation and advocacy

NGOs and CSOs have a role to play in monitoring and evaluating Kansanshi's projects and programmes. For example:

- There should be NGO/CSO monitoring and evaluation of Kansanshi's resettlement and compensation scheme for New Israel and Kabwela, to ensure that the mine has/is following best practice, e.g. IFC resettlement standards.

In addition, a consistent critique by communities was that Kansanshi did not deliver on its promises. For example, New Israel claimed that Kansanshi had promised but not delivered a truck to carry farmers' produce to the market twice a week, the installation of a sign post at the road to Solwezi showing where the village has been relocated, the donation of iron roofing sheets for their houses, and a hammer mill to grind maize. To this end:

- Commitments made by Kansanshi to communities should be documented, monitored and enforced, so that all stakeholders involved can be held to account.

To this end, local media can help raise awareness and educate

the public on issues related to the extractive industries. It can also help hold company and local government to account by:

- Enabling NGOs and CSOs in the region to communicate through the media.

Particularly, local CSOs can help organize communities to negotiate and potentially partner with Kansanshi from a position of strength. Communities should be able to direct specific requests to the company. There is a need to reconsider advocacy strategies for NGOs/CSOs to engage with companies:

- More coercive means should be employed as a last resort, not at the beginning of the advocacy process.

CSOs can also play an important role in assisting communities to direct their expectations/needs to the right organization/institution, e.g. the company vs. government agencies. CSOs should:

- Help manage community expectations by proactively engaging with communities through education and awareness campaigns.

Communities affected by the mine operations have an opportunity to share lessons learned by becoming better linked. If communities have regular communication with each other, outside of Kansanshi's stakeholder meetings, they may be able to channel expectations to the company as a group. For example, CSOs should facilitate the linkages between New Israel and Kabwela communities in order that they communicate regularly and share lessons about resettlement and compensation. To this end CSOs can:

- Help establish an organization or forum to allow communities around the mine to share experiences, lessons learned, and effective engagement strategies with the company and government.

In addition, local, domestic and international NGOs can create linkages to build capacity and learning networks to facilitate knowledge transfer on such issues.

The dynamics between a democratic local government system and a less participatory traditional system are complex and potentially problematic. The fact that the company's initial entry into a community is through the Sub-Chief or Group Leader, it is assumed they represent community concerns, but the way they came to power may have little to do with community interests. The Group Leader and Sub-Chief are not elective positions. During this study the team encountered numerous complaints about traditional authorities/leaders, i.e. to what extent they represented local interests. There can be bottlenecks if these traditional authorities are needed for endorsement of community-company projects. To this end:

- Communities need to hold their leaders to account; and
- Kansanshi needs to employ participatory approaches when engaging the communities.

The research team also found issues with the functioning

of ADCs, i.e. to what degree these community governance bodies actually work in practice and represent community concerns. ADCs came about as part of the decentralization process across Zambia and have been established by the local council to feed into local and national government strategies. Members of the committee are chosen by the community. At Kansanshi quarterly stakeholder meetings communities are represented by its Group Leader (or Sub-Chief depending on the community) and ADC chairperson or secretary. Given there are also project committees established for the management of specific projects and programmes between communities and Kansanshi the research team recommends that:

- Community representation at quarterly stakeholder meetings is rotated on a regular basis so that individuals from the community in addition to the ADC representative attend.

8.7 Local government responsibility, transparency and accountability

The local government needs to take up its role, instead of seeing blame apportioned to the wrong institution/organization. It is not the company's responsibility to maintain schools, roads, etc; it is the government's responsibility. Indeed, there appears to be an antagonistic relationship between the local council and Kansanshi. By being more proactive with its responsibilities the local council and Kansanshi may be able to find common ground:

- The local government should not abnegate its responsibilities to the company; otherwise the council will get criticized by the community and company.

For example, given the relatively small amount of contracts that are sourced locally for the mine, the Municipal Council could:

- Assess the capacity of the local chamber of commerce to be more influential in sourcing contracts for local businesses.

In addition, there needs to be transparency and accountability in council budgeting processes. Stakeholder engagement in the local council budgeting process is in their by-laws, but has not been fully implemented. Therefore:

- Budget information should be communicated through the media to local stakeholders, and space should be made for community participation in the budgeting process.

The government (particularly at national level) is seen to be "in cahoots" with the company. The government needs to demonstrate that it represents community concerns. Thus, there is need to enforce existing laws at the national and local levels. To this end:

- Government should fully implement section 136 of the 2008 Mines and Minerals Development Act – a policy that stipulates how royalty revenues sent to central government be distributed back to communities.

Following up on the point above about the degree to which ADCs, which function in villages outside of town, and also

RDCs, which function in town, actually work in practice and represent community concerns, one recommendation is for local government, in partnership with Kansanshi and civil society, to:

- Build capacity within ADCs and RDCs through a formalized training programme.

9. Way Forward

The CCA is both an assessment and the beginning of a process by which community stakeholders, the company(ies), and government engage with each other to achieve mutual benefits. As discussed in section 2.1, the CCA is a ten step process. The publication of this report indicates completion of steps one through six. The next steps of this process will be to hold a multi-stakeholder meeting (Step 7), get stakeholder commitment to follow-up on recommendations with an action plan (Step 8 and 9), and implementing at least part of the action plan (Step 10). The research team will work with communities and civil society in Solwezi District to develop their capacities to hold themselves, corporate, and government authorities accountable, using participatory monitoring and evaluation tools that promote multi-directional accountability and help reduce corruption at the local level.

In order to facilitate this process, the research team seeks to:

- Identify longer term funding to continue the CCA process;
- Develop capacity within local CSOs to negotiate and potentially partner with Kansanshi from a position of strength, for example to monitor and evaluate Kansanshi's projects and programmes, and in particular, the implementation of agreed CCA action plans;
- Instigate a CSO-led process or forum to allow communities around the mine to share experiences, lessons learned, and effective engagement strategies with the company and government; and
- Develop linkages between local CSOs and national/international NGOs to build capacity and learning networks to facilitate knowledge transfer on relevant issues.

There is an interesting opportunity to carry out CCAs in other areas in Zambia impacted by large-scale mining operations, particularly in the North-Western Province (e.g. Lumwana), so as to compare and contrast community-company relations in various extractive contexts. This comparative research can provide important insight into best practice in community-company engagement, and build linkages between CSOs/communities living in close proximity to large-scale mining operations. In addition, it may be beneficial to make the CCA in Solwezi District, conducted by trained local CSOs, a repeated or regular exercise to continuously inform industry, government and communities.

Appendices

Appendix 1: Interview Protocol

Record starting time:

Introduction

Hello, I am XXX (name) and I am XXX (name). I work with XXX and I work with XXX. We are studying the relationship between communities and mining companies in Zambia (Solwezi District). Thank you for agreeing to speak with us about your opinions.

The focus of our research is your experience of the relationship between your company and communities in which you work in Zambia. We would like to bring your personal and/or corporate experience into your response

We will not identify you especially with what you say. We will only put your name on a list of all the people we interview. Is this agreeable to you? Before we begin, do you have any questions about our study?

Topics for interview:

1. Company interactions – Could you please speak about your interactions with communities/company? Have you had direct contact with a community/company? Could you describe your experience? (When, where, respectful, listening, full story)

2. Benefits: individual and community-- Can you tell us some benefits you have already seen from the mine companies in Zambia? (Potential benefits, individual, community)

3. Barriers to benefits --In your experience could you identify some things that are negative or blocking communities from benefiting from the mining activity (respect for individuals, cultures, history; lack of services; in-migration)

4. King or queen – If you are in charge and could do any thing you wanted, what would you do to change the circumstances surrounding the mine so that the benefits to communities are maximized?

5. If there is one thing you absolutely want to be sure we put in our report, what would that be?

6. Is there anything else you would like to add?

After interview: Record ending time.....

Final appreciation: thank the interviewee for their time and contribution to the study.

Record any relevant interview setting notes: (use interview sheet)

Record interviewer impressions:

Appendix 2: The Research Team

Mr. Ekow Baffoe Arkorful is a Development/Urban Planning practitioner working as a consultant for The Consortium for Innovation in Human Settlement Development in Ghana. He holds a BSc in Development Planning from the Kwame Nkrumah University of Science and Technology and a MSc from the University of Leeds, UK. Mr. Arkorful has special interests in the extractive sector and has undertaken research in understanding the contribution of Private-Social partnerships in maximizing community benefits from the oil and gas industry in Ghana. Mr. Arkorful is currently working on a Tullow Oil Ghana initiative to prepare a Sub-Regional Development Framework (Spatial Plan) to guide development interventions/assistance within the six coastal districts of the Western Region of Ghana.

Mr. Richard Banda is a Project Officer for the Zambia Extractive Industries Project under Caritas Solwezi, Catholic Diocese of Solwezi. He was a teacher in a secondary school, a senior lecturer and eventually a Vice-Principal at Solwezi Trades Training Institute for over ten years. Mr. Banda has been involved in advocacy work and research programs for Caritas Solwezi.

Ms. Kampampa Kapeya is working as a coordinator for the Charity Centre for Children and Youth Development. She is currently studying social work with the University of Zambia and is a Behavioral Change Program facilitator. Ms. Kapeya has been involved in community research programs under the Catholic Commission for Justice and Peace.

Mr. Jacob Manyindo recently began working with a multidisciplinary, non-profit organization called Maendeleo ya Jamii. Prior to that Mr. Manyindo was Senior Research Fellow at the Uganda Wildlife Society. He has led a civil society process to monitor mitigation measures for the environmental impact assessment of a mining company in Uganda, he was part of a research team that advocated for the introduction of derivation funds in various natural resource sectors in Uganda, and has been involved in efforts to raise public awareness on Uganda's oil and gas sector. Mr. Manyindo was a key member of research teams that coauthored recommendations on sharing oil and gas revenue in Uganda and maintaining the conservation and tourism value of national parks and wildlife reserves in petroleum development areas of the Albertine Rift. He has experience conducting assessments of the relationships between petroleum and mining companies and the communities around which they operate in Ghana, Uganda and Zambia.

Mr. Felix Ngosa is a development worker with speciality in advocacy working as Senior Project Officer - Peace Building and Advocacy and Project Manager for the Zambia Extractive Industries Project (ZEIP) at Catholic Relief Services (CRS), Zambia. He has led CSOs in advocating for better management of the extractive industries in Zambia and supported other CRS country programs in the Southern Africa Region on extractive industries advocacy initiatives. Mr. Ngosa was instrumental in the establishment of the Zambian Publish What You Pay (PWYP) Chapter, and he

has experience in community mobilization/engagement and research. Mr. Ngosa holds a Diploma in Social Work and a BA in Development Studies.

Ms. Courtney Phelps is a Women's Integrated Livelihoods Program Manager for Catholic Relief Services Afghanistan, where she works to promote gender programming focused on helping women contribute to sustainable development through income generation self-help groups. She has been conducting qualitative research exploring interactions between food security and livelihoods in rural villages to help shape future interventions focused on integrated water and natural resource management. Prior to this she worked with programming combating sexual and gender-based violence in Zambia, at which time she was able to participate in the current research piloting the CCA approach with the copper extractives industry in the North-Western Province of the country.

Dr. James Van Alstine is Lecturer in Environmental Policy at the Sustainability Research Institute (SRI), University of Leeds and associate fellow at the London School of Economics (LSE). His research focuses on the emergence and implementation of environmental policy in developing countries, the social and environmental risks of industrial development, and the governance of resource extraction. Dr. Van Alstine is also directing a four year Alcoa Foundation grant funded research programme that explores sustainable development in extractive industry host communities. Prior to joining SRI in 2008, he was a fellow in environmental policy at LSE where he completed his PhD on corporate environmentalism in the South African petrochemical industry.



The Zambia research team and support staff: L-R: Bornwell Kaming'a, Kampampa Kapeya, Courtney Phelps, Richard Banda, Felix Ngosa, Jacob Manyindo, James Van Alstine, Maxwell Mubanga, and Ekow Arkfor

Appendix 3: List of Stakeholders Interviewed

Table 3: List of stakeholders interviewed

Stakeholders	Numbers Interviewed (excludes numbers in focus group discussions)					
	Total	Male	Percentage	Female	Percentage	Groups
Community	85	47	55.3%	38	44.7%	7 mixed, 2 male, 4 female
Mine Companies	6	3	50%	3	50%	0
Union/ contractors	9	3	33.3%	6	66.7%	0
Central/Local Government	6	5	83.3%	1	16.7%	0
Total	106	58	55%	48	45%	13

Kansanshi Mining Plc

Commercial Manager
Community Liaison Officer
Environment Manager
Human Resource Manager
Public Relations Manager
Social Development Officer

Local Government Offices

Solwezi CSPR
Solwezi Deputy District Commissioner
Solwezi Provincial Planning Unit
Solwezi Town Council
Solwezi Town Council - Director of Planning

Unions, Contractors and NGOs

Mineworkers Union of Zambia, Chairman
National Union of Allied Workers, Chairman
Teichman Zambia, Manager
Two local contractors
Women in Mining NGO

Kyafukuma

Farmers
Sub-Chief
Teachers group
Women's group
Youth group

Mushitala

Community group
Community members
Households
Teachers group
Two youth groups

Kabwela

Elders
Farmers
Group Leader delegate
Women's group

Zambia Compound

Business men and women
Elder
Trader
Women's group

Kimasala

Group of men
Lusa Home Based Care Representatives
Two nurses
Two youth groups
Women's group

New Israel

Area Development Committee Chairman
Community group
Group of men
Teacher
Traditional Birth Attendant

