# Section 3

# Screening Tool

# Screening Tool

### Purpose
The Screening Tool is the departure point for the Conflict-Sensitive Business Practice (CSBP) Guidance, and is particularly useful for new or 'greenfield' projects. It helps a company confirm whether the country is at risk of conflict. It then offers a framework for an initial assessment of the type and level of conflict risk, which in turn alerts the company to the level of urgency required for mainstreaming a conflict-sensitive approach. In worst-case scenarios, this includes raising potential 'showstopper' issues that may require a decision not to proceed with the investment at all. In less extreme cases, when investment proceeds, the initial assessment made through the screening should be deepened using  the Macro-level Conflict Risk and Impact Assessment tool (M-CRIA) and the Project-level Conflict Risk and Impact Assessment tool (P-CRIA) during subsequent stages of the project cycle.

### Method
The screening consists of desk-based research by staff responsible for country risk at headquarters level and involves consultation of a variety of online sources to answer a list of questions, presented below.

### Project investment stage
The screening is done at the desk-based evaluation stage of potential concessions prior to bidding for assets. While screenings are most relevant to greenfield sites, elements of the tool are important for understanding how a project will relate to its operating context at any stage of the project cycle.

### CSBP synergies
This is the first stage of implementing CSBP in a greenfield project but managers should also read the CSBP Introduction.

### Non-CSBP synergies
The Screening Tool complements regular screening processes.

### Timeframe
Two weeks.

### Resources
Limited to existing staff time.

### Output
1. Completed table flagging key conflict issues and level of risk, including awareness of potential legal risks under international humanitarian law and international criminal law.

### Introduction

The outbreak of violent conflict cannot be predicted in a scientific manner, but there are different conditions that are associated with it, including high levels of corruption and widespread human rights abuses (so-called 'correlates').[1] This does not mean that conflict is inevitable wherever such correlates are present. Equally, a conflict may break out where some or most of these correlates do not exist. However, a good overview of a country's conflict correlates (and hence its 'conflict context') will provide a sense of the overall level of conflict risk, and help managers to plan ahead.

With the Screening Tool, information is organised under four categories, capturing four major spheres relevant to the analysis of conflict in any society: governance, economic, socio-cultural and security. This enables the detection of a range of potential issues (such as those outlined as examples in box 1) in any given context.

**Box 1: Social spheres**



1. This tool builds on a wide literature on statistical correlates of war, derived from analysis of civil wars that took place between 1945 and 2001. Most civil wars over the past 50 years have featured characteristics outlined in the Screening Tool. To find out more about how different issues may relate to conflict, see Correlates of War Project website, www.umich.edu/~cowproj/

Based on this information, the Screening Tool helps identify whether a country should indeed be considered at risk from conflict, and what degree of priority should be given to mainstreaming a conflict-sensitive approach by working through the subsequent elements of this guidance.

Given the complex nature of conflict, the screening cannot be used as a definitive guide, but serves rather to highlight risk conditions. It is conducted in parallel to other screening profiles – adding the additional conflict lens required by CSBP – and should be seen as the first step towards more thorough research and conflict analysis.

The questions asked in the matrices below require choice of a basic red, amber or green scoring – with red indicating a high risk, amber a moderate risk and green a negligible risk – although it is recommended that further detail about each question be noted by the staff member conducting the screening in order to produce a more nuanced report on the research findings. A majority 'green' score indicates that the country probably does not need to be considered at risk; a majority 'red' conversely indicates that the level of conflict risk is high and therefore that CSBP approaches should be mainstreamed across business activities right from the start.

It is, however, important in using the Screening Tool not to take too schematic an approach, and to keep 'common sense' to the fore. There are certain indicators and information that will of course qualify the crude traffic light scoring. The questions relating to 'security', for instance, are the most critical in indicating the level of conflict risk, and a high score in this section should raise serious questions as to whether the investment is wise, particularly on questions relating to existing conflict. Sources such as the International Crisis Group list of countries currently in crisis (www.crisisgroup.org) should be consulted as part of the screening so that any existing or recent conflict is clearly noted. Additional considerations relating to international humanitarian law, international criminal law and companies' own policies and standards should also be considered at this stage, as described in box 2 on potential 'showstoppers', not least because they could indicate that proceeding with a particular investment in a particular context may incur unavoidable and serious conflict impacts and legal risk.

The Screening Tool matrices are shown overleaf, with 'sample findings' for a fictional country context.

## A. Governance

| Question | Rationale | Source | Sample findings |
|---|---|---|---|
| Does the country rank highly on the Corruption Perceptions Index? | Government corruption is highly correlated with violent conflict. It relates to government efficiency and responsiveness to citizens' concerns. | Transparency International www.transparency.org/surveys/index.html | Red |
| Does the country rank highly on the Human Poverty Index? | Poverty is not correlated with the potential for intra-state violence, but can be a proxy for weak government (strongly correlated). | UNDP Human Development Reports www.undp.org/hdr2003/faq.html | Amber |
| Does the country face problems with the effectiveness and independence of its judiciary? | From a conflict perspective, dispute resolution is one of governments' most important functions. | Transparency International www.transparency.org/ | Amber |
| Has the government been accused of major human rights abuses within the past 12 months? | Civil war is frequently preceded by serious governmental human rights abuses. | Amnesty International web.amnesty.org/library/engworld | Red |
| Do historic human rights grievances exist against the state? | A history of abuses can leave a legacy that feeds into conflict. | Amnesty International web.amnesty.org/library/engworld | Red |
| Has there been political instability within the past three years? | Political instability is highly correlated with incidences of civil war. | Heidelberg Institute on International Conflict Research www.hiik.de/en/index_e.htm | Red |
| If the country is a 'democracy', have there been problems in the last five years associated with the credibility of election results? | Democracy is an indicator of the potential for peace only in developed countries, and development decreases the risk of violence only in democracies. As an indicator, levels of democracy must be considered alongside levels of development (see economic section below). | Freedom House www.freedomhouse.org/research/survey2004.htm International Institute for Democracy and International Assistance www.idea.int/ | Red |

| Question | Rationale | Source | Sample findings |
|---|---|---|---|
| Does the country prevent freedom of expression? | Limits on the right to free speech can fuel grievances and lead to instability. | IFEX  www.ifex.org<br><br>Reporters sans Frontières www.rsf.org<br><br>Article 19  www.article19.org | Amber |
| Has violence been associated with election or political party activities in the last five years? | A clear indicator of instability. | Freedom House www.freedomhouse.org/ research/survey2004.htm<br><br>International IDEA Election project www.epicproject.org/ | Red |
| Is the country in transition between autocracy and democracy? Is the political dynamic stabilising, or not? | Countries in transition between autocracy and democracy are particularly vulnerable to conflict. | Freedom House www.freedomhouse.org/research /survey2004.htm www.freedomhouse.org/research /crossroads/cac.htm<br><br>International IDEA Election project www.epicproject.org/ | Green |
| Is the country autocratic? (Questions for consideration: Who is seen to hold national power? Who actually holds power? How is this power expressed at the regional level? How long has the current regime been in power? How do interest groups express dissent? How are rules and regulations communicated? How open is the regime to international influence?) | Regime change, political instability and the inability of the state to repress violent outbreaks are stronger correlates to conflict than autocracies that can suppress dissent. However, most autocracies lead to change eventually and should be considered 'weak' in their ability to meet the needs of their people. | Freedom House www.freedomhouse.org/research /survey2004.htm www.freedomhouse.org/research /crossroads/cac.htm<br><br>International IDEA Election project www.epicproject.org/ | Green |

**B. Economic**

| Correlate | Rationale | Source | Sample findings |
|---|---|---|---|
| Has there been a recent economic crisis or decline? | A significant decline in an identifiable group's economic status is strongly correlated with the outbreak of violent conflict. | UNDP Human Development Reports hdr.undp.org/statistics/data/<br><br>Economist Intelligent Unit www.economist.com/countries/ | Red |
| Is the economy dependent on natural resource exports? | Economies dependent on a narrow range of natural resources have a higher propensity to civil war. | World Bank Conflict Prevention and Reconstruction Unit lnweb18.worldbank.org/ESSD/sdvext.nsf/67ByDocName/ConflictPreventionandReconstruction | Red |
| Are there signs of other economic actors engaging in conflict activities? | Economic drivers of conflict can contribute to its longevity and have particular implications for investors. | World Bank econ.worldbank.org/prr/CivilWarPRR/ | Red |
| Is one identifiable group (ethnic, linguistic, cultural, geographic) at a serious economic disadvantage (as measured by the percentage of a group's population below the income poverty line of US$1 a day)? | Gini coefficients (which measure the degree of inequality in the distribution of income in a given society) are not helpful here as they measure vertical (i.e. overall) inequality. Only horizontal inequality (i.e. inequality amongst identifiable social groups) is correlated with intra-state violence. | UNDP Human Development Reports hdr.undp.org/statistics/data/ | Red |
| Does the national long-term unemployment rate (as a percentage of the labour force) vary significantly by region? | A high level of unemployment in an identifiable social group is an indicator of horizontal inequality. | CIA Factbook www.cia.gov/cia/publications/factbook/docs/profileguide.html | Red |

| Correlate | Rationale | Source | Sample findings |
|---|---|---|---|
| Is there a large proportion of unemployed males from 15–24 years old? | High unemployment, particularly among young males, is generally an indication of economic instability. | Intractable Conflict Knowledge Base Project, University of Colorado www.beyondintractability.org/m /violence_prevention.jsp | Red |
| Are resources distributed in such a way that excludes regional areas or social groups? | Unequal distribution of resource revenues is an indication of horizontal inequality. | Intractable Conflict Knowledge Base Project, University of Colorado www.beyondintractability.org/m /distribution_issues.jsp | Red |

## C. Socio-cultural

| Correlate | Rationale | Source | Sample findings |
|---|---|---|---|
| Does the country have a large population? | Countries with large populations are correlated with an increased risk of violence. There also appears to be a correlation with population density, although this is less clear. | CIA Factbook www.cia.gov/cia/publications/fa ctbook/docs/profileguide.html | Amber |
| Does the country have a significant urban/rural divide? | Urban/rural divisions often point to inequitable concentrations of wealth. | UNDP Human Development Reports hdr.undp.org/statistics/data/ | Red |
| Does the country have different ethno-nationalist groups spread unevenly in different regions? | While ethnic diversity is not in itself correlated with conflict, when population distribution is significantly skewed on a regional basis this can correlate. | www.worldbank.org/data/count rydata/countrydata.html | Red |

## C. Socio-cultural (continued)

| Correlate | Rationale | Source | Sample findings |
|---|---|---|---|
| Is the population growth rate high? | Rapid population growth and demographic change impose social tensions on a population that often express themselves violently. | UNDP Human Development Reports hdr.undp.org/statistics/data/ | Amber |
| Is there a clear class or caste system of discrimination in operation? | Environments with one identifiable group highly disadvantaged (e.g. Dalits in South Asia) or advantaged (e.g. Chinese in Malaysia) over another identifiable group are strongly correlated with violent conflict. | International Crisis Group www.crisisgroup.org | Amber |
| Does one social group enjoy better access to education than other groups? | Access to education is an indicator both for possible social exclusion, as well as government strength. | International Crisis Group www.crisisgroup.org | Amber |
| Have large populations relocated to or within the country or region due to violence? | While initially a symptom of conflict, large population relocations within and across countries can cause conflicts over distribution of resources. | UNHCR www.unhcr.ch/cgi-bin/texis/vtx/statistics hdr.undp.org/statistics/data/index _alpha_indicators.cfm | Red |
| Is infrastructure outside the major urban centres weak? | The ability of insurgents to hide from government forces, which weak infrastructure implies, is strongly correlated with violence. | Human Development Reports hdr.undp.org/statistics/data/ www.worldbank.org/data/country data/countrydata.html hdr.undp.org/statistics/data/index _alpha_indicators.cfm | Red |

## D. Security

| Question | Rationale | Source | Sample findings |
|---|---|---|---|
| Is annual government military expenditure high as a percentage of GDP? | Governments focused on military solutions to state problems prioritise military expenditure. | SIPRI web.sipri.org/contents/milap/mile x/mex_data_index.html | Amber |
| Does the government have difficulty controlling state security forces, including military, police, intelligence and militia groups? | Security forces controlled by public institutions of government are thought to be more controllable than armies controlled by individuals. | SIPRI Yearbook editors.sipri.se/pubs/yearb.html  International Crisis Group www.crisisweb.org/home/index.cfm | Green |
| Has the size of the state army increased over the last five years? | Large armed forces reflect state priorities and have implications for disarmament and the reintegration of troops. | SIPRI Yearbook editors.sipri.se/pubs/yearb.html  The Military Balance www.tandf.co.uk/journals/titles/0 4597222.asp | Red |
| Are state armed forces underpaid? | Underpayment of armies can lead to poor discipline and fragmentation into armed splinter groups. | SIPRI Yearbook editors.sipri.se/pubs/yearb.html  The Military Balance www.tandf.co.uk/journals/titles/0 4597222.asp | Amber |
| Are any state opposition groups armed? | A clear indicator of potential or existing conflict. | SIPRI Yearbook editors.sipri.se/pubs/yearb.html  The Military Balance www.tandf.co.uk/journals/titles/0 4597222.asp | Red |

## D. Security (continued)

| Question | Rationale | Source | Sample findings |
|---|---|---|---|
| Are any of the following known to take place in the country:<br><br>• Use of forced labour/enslavement<br>• Pillage and plunder<br>• Deployment of child soldiers<br>• Use of land mines? | These crimes are prohibited under international humanitarian and criminal law, and companies run the risk of being accused of complicity if operating in proximity, or in partnership, with governments engaged in such practices.<br>See box 2. | Fafo AIS<br>www.fafo.no/liabilities/ | Red |
| Does the state face problems controlling the private use of small arms and/or the activities of private security companies? | The proliferation of small arms and light weapons supports conditions for violent conflict. | NISAT<br>www.nisat.org/default.asp?page=database_info/search.asp<br><br>IANSA<br>www.iansa.org/documents/index.htm | Red |
| Is there currently violence in the country? | This points to a high level of conflict-risk. | The International Crisis Group (www.crisisgroup.org) and the Heidelberg Institute on International Conflict Research, www.hiik.de/en/index_e.htm identify countries and areas of countries that are currently experiencing high levels of violence. ICG also has a monthly Crisiswatch bulletin, giving an overview of current 'hotspots'. www.crisisgroup.org/home/index.cfm?id=1200&l=1 | Red |

| Question | Rationale | Source | Sample findings |
|---|---|---|---|
| Is there a history of violent conflict in the country? | Countries with a history of violent conflict are more likely to experience future violence than countries with a peaceful past. | International Institute for Strategic Studies, armed conflict database. www.iiss.org | Red |
| Has any previous violent conflict had a regional dimension? | Regional violence has important national implications. | International Crisis Group's Conflict Histories' Database www.icg.org/home/index.cfm?id=2937&l=1#C2 | Red |
| Are there incidences of group violence in a neighbouring country? | Known as the 'bad-neighbour effect', countries that border conflict-affected areas suffer more from violence than countries with peaceful neighbours. | Heidelberg Institute on International Conflict Research: www.hiik.de/en/index_e.htm | Green |

## Box 2: Potential investment 'showstoppers' – complicity in human rights abuses

In some states, probable conflict risks of investment at the local, regional or national level can be so high that from the conflict-sensitive perspective it is unwise for a company to proceed. A majority 'red' score in the Screening Tool analysis points to a high possibility that such circumstances exist.

One way of assessing this is to examine existing internal principles and standards in the light of the findings of the Screening Tool. These include company policies on human rights, corruption, business ethics and environmental issues. It should be possible to anticipate the extent to which it will be possible to adhere to these given the risk factors that the assessment has identified.

Another way of assessing whether a situation crosses a threshold where impact can be benevolent is through consulting international humanitarian law and international criminal law in order to understand the types of abuses that are prohibited, and where corporate 'complicity' in them will open a company to potential legal action. They are included in the Screening Tool under the security section, but require special attention.

A number of national jurisdictions permit the criminal or civil prosecutions of business entities on certain grave breaches of international law. In the past, individual officers and managers of business entities have been held accountable in civil and criminal courts for violations of international criminal law, including genocide, crimes against humanity and war crimes. Such cases have most recently stood in US courts under the Alien Tort Claims Act and often relate to subsidiaries or joint venture partners. The doctrine of complicity has developed to address the way in which companies are unlikely to be the direct perpetrators of crimes, but rather accomplices to (or 'aiding and abetting') the violence through their relationship with state or non-state armed groups.

The most frequent violations of international humanitarian and criminal law in which companies can be found complicit are:

• Use of forced labour/enslavement
• Pillage and plunder
• Deployment of child soldiers
• Use of land mines.

A company can be directly implicated by its proximity to such abuses, or indirectly through the payment of revenue to governments engaged in them. While the number of cases found against companies on such charges is few, there is evidence that policy norms are hardening toward stricter rules. In the meantime, civil society organisations are quick to highlight situations of companies' proximity to such practices, impacting on reputation and share price. CSBP requires that companies be aware of their relationship to such activities and take all possible steps to avoid fueling them, including taking 'no-go' decisions where necessary.

For further information on these legal issues see **Business and International Crimes: Assessing the Liability of Business Entities for Grave Violations of International Law** (2004) (Oslo: International Peace Academy and Fafo AIS).

# Section 3

# Macro-level Conflict Risk and Impact Assessment tool (M-CRIA)

# Macro-level Conflict Risk and Impact Assessment tool (M-CRIA)[1]

## Purpose

Experience indicates that traditional political and financial risk assessment and management processes are inadequate in analysing and assessing the full range of issues that might cause, trigger or exacerbate violent conflict. They are limited to looking at the impact of certain external factors on the investment. Less attention is paid to how the investment might impact on the wider conflict context. The M-CRIA tool addresses this gap.

M-CRIA provides companies with a detailed understanding of the conflict situation in a given country in order that they can:

* Make informed decisions on investment
* Understand the existing or potential causes and drivers of conflict
* Understand the roles, interests and capacities of major conflict stakeholders
* Develop transparent relationships with a broad cross-section of society
* Make a preliminary assessment from the macro perspective of their impact on conflict dynamics (and vice versa)
* Make a preliminary assessment from the macro perspective of possible conflict prevention or peace-promoting priorities
* Develop institutional capacity on conflict-sensitive business practice (CSBP).

## Method

M-CRIA builds on the preliminary findings of the Screening Tool and uses a combination of desk research, targeted consultations and internal company brainstorming. It develops a thorough context analysis focusing on the macro level. The information gathered during the process is discussed inter-departmentally to identify company/conflict impacts and begin the design of mitigating actions. The material should be regularly updated.

## Project investment stage

For greenfield sites, M-CRIA should be undertaken at the pre-feasibility and exploratory stages. For existing projects, it should be carried out as soon as possible following the CSBP screening.

## CSBP pre-requisites

M-CRIA follows on from and builds on the Screening Tool. It focuses on the national level (including the relevant regional and international factors) and informs the more localised Project-level Conflict Risk and Impact Assessment (P-CRIA).

## Non-CSBP synergies

M-CRIA complements existing company political and financial risk management processes and should initially be undertaken simultaneously.

## Timeframe

M-CRIA should take approximately three months, although it is designed to be updated regularly throughout the project cycle.

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1. A full list of useful documents is attached (see Resources), but this document has drawn in particular on three publications: Nelson, J. (2000) **The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution** (London: International Alert, International Business Leaders Forum and Council on Economic Priorities); International Alert, Africa Peace Forum, Cecore, CHA, Fewer, Saferworld (2004) **Conflict-Sensitive Approaches to Development, Humanitarian Assistance and Peacebuilding: A Resource Pack**. www.international-alert.org/publications.htm; and UN Global Compact (2002) **Business Guide to Conflict Impact Assessment and Risk Management**. www.unglobalcompact.org

### Resources

M-CRIA requires only limited financial resources. The main requirement is a small team with the right mix of skills, including conflict analysis expertise, knowledge of and sensitivity to the local context and history, fluency in local language(s), and facilitation and interviewing skills. Ultimately, the quality of the analysis depends on the skills and expertise of those who undertake it. Although it is likely that such a team will include external consultants, it is important that company staff are involved in the process. This ensures that the company benefits fully from the understanding and knowledge acquired during M-CRIA.

### Outputs

20 – 30 page conflict analysis, including:
- Conflict profile
- Issues analysis
- Stakeholder analysis
- Summary of interacting issues
- Assessment of two-way project/context and context/project impacts
- Initial mitigation measures
- Series of tables providing senior management and other interested company stakeholders with an accessible summary of the analysis.

## 1. Introduction

Conflict analysis is the systematic study of the profile, issues and stakeholders that shape an existing or potential conflict, as well as factors in the interaction between the three. It helps companies gain a better understanding of the environment in which they operate and their role in that context. Conflict analysis is therefore a central component of CSBP.

Most companies have long-standing practices for carrying out political risk analysis at  the country and project levels. In many cases, however, these are *ad hoc*, 'top-down' procedures that tend to rely heavily on externally commissioned work and desk-based research. They do not make full use of more sophisticated conflict-analysis tools developed by other sectors, such as the development and humanitarian aid sectors. Most focus on limited political and financial issues and are informed by a narrow range of high-level, political and international contacts.[2]

While such analyses are adequate in some countries, they are less likely to suffice in others where there may be significant tensions at the national and/or project level, and where political and legal systems do not provide transparent and inclusive mechanisms for addressing grievances. In such cases, the company often becomes the focus of those grievances and may find itself held locally responsible for addressing them.

It therefore becomes a priority for companies planning to invest in conflict-risk countries to establish a thorough understanding of the national and regional context as a basis for anticipating and mitigating their exposure to risk, and identifying their potential contribution to the political, security, social and economic development of the country and region in question. Without such an understanding, even the best-intentioned companies may find themselves inadvertently heightening tensions or triggering conflict, to the detriment of their own investments.

## 2. Approach

The process for undertaking the M-CRIA tool can be summarised in seven steps:

### Step 1

Building on the findings of the Screening Tool, use secondary sources (see Resources below) to develop a more detailed understanding of the history and background of any existing or potential conflict, as well as the broader social, political, security and economic context, the key actors/stakeholders, and how these elements relate to one other. This provides a basis for the consultations in Step 2.

### Step 2

Conduct one-on-one consultations with approximately 20-30 national and regional representatives (e.g. politicians, NGOs, media actors, religious leaders, academics, business owners, international community officials), identified through Step 1. They are valuable sources of information, helping to identify further issues and stakeholders relevant to the project.

### Step 3

Categorise key issues and concerns under the headings used in the Screening Tool: political/governance; economy; socio-cultural; and security, adding a regional/international strand. Write the findings up into a detailed, draft conflict analysis report.

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2. Nelson, op. cit. Also see Goldwyn, R. and J. Switzer (2004) 'Assessments, Communities and Peace – A Critique of Extractive Sector Assessment Tools from a Conflict Sensitive Perspective' in **Oil, Gas and Energy Law Intelligence** (OGEL), vol.2 issue 4. www.gasandoil.com/ogel/

### Step 4
Discuss the report internally with relevant departments, agreeing on the critical (potential) conflict issues. This can then lead into a discussion which focuses on those issues on which the project is likely to have the greatest impacts (positive and negative). The information collected thus far should then be summarised into a matrix format.

### Step 5
Develop an initial mitigation strategy in the form of proposed actions to address impacts identified.

### Step 6
Add the findings of this internal impact and mitigation discussion into the report. Synthesise the report into tables.

### Step 7
To the extent possible, given constraints of confidentiality or other restrictions, discuss the findings with a mixed group drawn from those consulted in Step 2, as well as internal company stakeholders, in order to assign responsibility for different areas. Then proceed to implementation, ensuring that the M-CRIA team regularly reviews the analysis itself, and progress with the mitigation plan.

### Box 1: Ensuring analysis is 'conflict-sensitive'

In undertaking M-CRIA, care must be taken that the process of gathering information on what are likely to be sensitive issues does not in itself cause tension. The best way of avoiding this is to ensure that a skilled and experienced team leads the process.

In many situations, the use of the term 'conflict' may itself be controversial. This is particularly true in cases where conflict is potential rather than actual, or in repressive regimes where the conflict is officially characterised as something else (e.g. 'disturbance', 'dispute', etc). Government representatives and indeed other stakeholders may well take offence at the idea of a 'conflict' analysis. In such instances, 'context' analysis may be a more appropriate term and indeed can be used interchangeably with 'conflict'.

The information that needs to be collected through the desk research and consultations during Steps 1-3 is broken down into three interconnected parts, as illustrated in figure 1:

• Profile of the context and any existing or potential conflicts
• Key issues underpinning existing or potential conflict
• Mapping of relevant stakeholders.

Although the framework suggests differentiating the issues and stakeholders, it is critical to consider the interactions and dynamics both among and between them. For example, how do the country's history and culture affect societal attitudes towards democracy and human rights? How do different stakeholders relate to one other?

Figure 1: Framework for analysis[3]
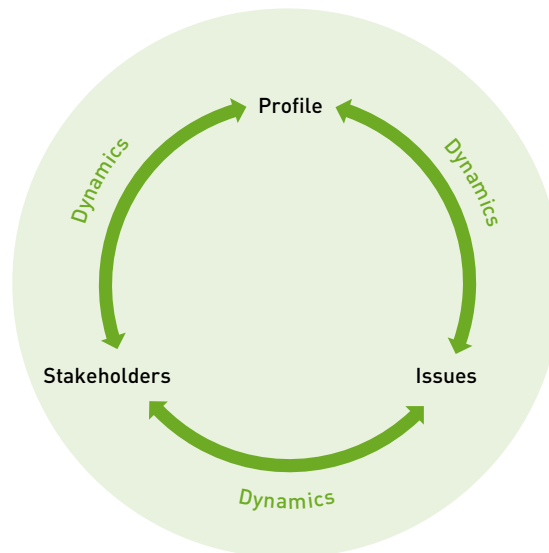


## 2.1 Profile

Box 2: Features of the macro-level profile

The categorisation used below is designed to ensure that all major contextual elements are covered in a broad 1-2 page overview.

**1. Key facts**
Physical geography, population size and make-up, climate, political system, military size and structure, macro-economic indicators, social indicators (poverty, literacy, health, etc), religion(s), language(s).

**2. History**
Political evolution, occupation/colonisation, past conflicts, mass migration, relations with neighbouring states.

**3. Political/social profile**
Government structures (national and local), elections, reform processes, human rights record, status of media/judiciary/civil society, exclusion of minorities, status of women, importance of religion.

**4. Economic profile**
Major industries, employment, rural/urban, natural resources, business associations, foreign investment, debt, trading partners, regional/international bodies.

**5. Conflict**
Conflict/stage, geographical locations, critical events, peace processes, role of international community, role of neighbouring states, primary actors and stated agendas, number of deaths, infrastructure damage, refugees/internally displaced people.

3. Figures 1, 2 and 3 are adapted versions of diagrams for conflict analysis in International Alert, Africa Peace Forum, Cecore, CHA, Fewer, Saferworld (2004) **Conflict-Sensitive Approaches to Development, Humanitarian Assistance and Peacebuilding: A Resource Pack**. www.international-alert.org/publications.htm

A context profile is designed to provide a background narrative to the more detailed analysis of current or potential conflict issues and stakeholders, and serves as the introductory section to the final report. It gives a brief characterisation or overview of the context, and enables a preliminary identification of key stakeholder groups as a basis for subsequent consultations. It is important to recall that conflict and potential conflict issues often arise in seemingly unlikely places so, in putting together the profile, it is important to look beyond macro-level political conflicts (e.g. state vs. insurgents) to find the issues within society that contribute to violence. In many countries there may be more than one violent conflict. The causes and stakeholders involved in these conflicts will be linked to varying degrees.

Box 2 suggests an outline for the context profile. The list is not exhaustive and should be adapted according to the specific context. Information gathered with the Screening Tool will help identify relevant issues. The profile has an additional value as a context overview which can serve both as a basis for developing greater institutional knowledge and as a country introduction for all staff. Having completed the initial profile, the M-CRIA team should move on to examine issues and stakeholders in greater depth through desk research and consultation.

## 2.2 Issues
The issues analysis is designed to identify the most important factors underpinning an existing conflict, or threatening to lead to conflict if not properly addressed. The resulting analysis is not a comprehensive study of the society but rather a mechanism for pinpointing those issues which are causing or threatening instability. These may be relatively obvious, like the presence of an armed separatist group in one region of the country, but the analysis should also include more subtle threats, such as the impending removal of US and EU textile quotas in an economy dependent on textile exports. At this stage, the analysis treats the operating environment as distinct from the anticipated project itself. Potential risks associated with the interaction between the operating environment and the planned project will be identified later.

### Box 3: Conflict not company

A key failing of most existing corporate political/financial risk assessments is the sole focus on viewing conflict through the lens of the company. The question asked tends to be 'what might the impact of conflict be on the project?' not 'what is the conflict?'. M-CRIA takes the context of any existing or potential conflict as its starting point, thereby ensuring that the full range of two-way impacts can be understood, anticipated and addressed.

In undertaking the issues analysis, it is important to bear in mind that there is never one single cause of conflict, but a number of inter-related factors which need to be prioritised in terms of their importance. These can be understood as:

• **Structural or root causes.** Pervasive factors that are built into the policies, structures and fabric of a society. Examples could include groups excluded from political participation, economic or social opportunities; systemic corruption; or inequitable distribution of natural resources. Structural causes of conflict are inevitably the most complex and long-term, and pose a constant threat.

• **Proximate causes.** Factors that are symptomatic of the root causes and may heighten the risk of violent conflict, or exacerbate and perpetuate existing conflict. Examples could include the availability of light weapons (suggesting weak or corrupt security structures), widespread human rights abuses (suggesting poor governance or repressive regime) or the objectives of political actors. Proximate causes can also be valuable in providing the basis for conflict indicators that can be monitored over time.

• **Triggers and escalating factors.** Single acts, events or their anticipation that may escalate violent conflict. Examples include elections, political assassinations or other behaviour of political actors, actions of foreign investing companies, sudden collapse of currency, increased food scarcity or natural disasters. A series of triggers and escalating factors over time may indicate a structural cause.

The causes and dynamics of conflict can evolve over time. In protracted conflicts, the original root causes may diminish in importance as a result of changes wrought by the war itself, generational shifts or developments in the geo-political environment. This emphasises the central importance of monitoring and updating the conflict analysis throughout the project lifecycle, thereby ensuring that understanding of the two-way project impacts and resulting mitigation measures remain up to date and relevant.

Issues identified in the Screening Tool and through the profile analysis, as well as other issues that may arise, need now to be explored in sufficient depth to provide an understanding of each issue's complexity. For example, 'corruption' may have been identified during the CSBP screening as an issue for the country in question. The task now is to understand the full complexity of corruption in that country. In which departments or ministries are people engaged in corrupt activities located? What explains their presence in particular departments? Did they 'purchase' their positions? Who from? What specifically about their behaviour leads them to be labelled as corrupt? What explains this behaviour (e.g. low wages compared to the funds for which they are responsible, debts owed for the purchase of position, pressure for kickbacks from others within government or outside?) Are individuals or organisations working within or outside government to reduce corruption? How effective are they? What opportunities exist to support their work?

The skill-set of the M-CRIA team is critical to ensuring that a full grasp of the issues and conflict dynamic is achieved through the assessment. This type of issue exploration is also likely to identify new issues and stakeholders for consideration.

The analysis uses the same four spheres of the Screening Tool – political/governance; economics; socio-cultural; security; plus a regional/international dimension – as a way of categorising the key tensions which have led, or might lead to violent conflict, while recognising at all times the linkages between the different spheres. Box 4 gives some insights into the kind of issues that might arise under the various spheres, and the kind of detail into which M-CRIA should go.

As issues are identified, there will be overlap between the different spheres, and between the issues and stakeholders involved. These overlaps are an important part of the analysis process. Issues do not exist in isolation, so an understanding of their inter-relations is critical to gaining a robust analysis.

Box 4: Sample questions to guide M-CRIA conflict issues analysis

For each section, list and analyse all the pertinent issues, being sure to collect possible 'trigger or escalating factors', as well as issues that are positive indicators, where appropriate. For the regional/international section, also use the political, economic, socio-cultural and security headings, but viewed from the regional/international perspective. The questions shown below are indicative only and are not comprehensive or exhaustive. Sensitivity must be applied in the gathering of the information.

**Political/governance.** If the country is governed by a multi-party democracy, how strong is the system? Are the political parties themselves democratic? Are there functioning regulatory and legal frameworks? What role does the international community play in the governance of the country? Does the government provide basic services (health, education, infrastructure)? Is corruption an issue? Is there an independent judiciary? How does political participation work (or not) in the country? What is the human rights situation?

**Economic.** Can the country be considered developed, developing or is it underdeveloped? Are some regions or social groups substantially more or less well developed than others? What is the distribution of wealth? Is there competition between social groups over use and ownership of land? Is the economy relatively diversified, or heavily reliant on one or two primary commodities? Is there a hereditary labour situation (e.g. caste system)? Do some social groups enjoy better access to employment than others as a result of their educational background or linguistic abilities? What are the migration patterns?

**Socio-cultural.** Are there identifiable disparities between different ethnic groups? Is political ideology associated with any particular ethnic groups? Are women systematically excluded from political decision-making or economic power? Do large groups of unemployed young men present a social challenge for the country? Are people discriminated against because of their religious beliefs? Does the state officially subscribe to a particular religion? Are people forced to change their traditional religious practices as a result of state policy or social pressure? What role does the media play?

**Security.** Are there problems with violent crime, banditry or kidnapping? Do the perpetrators of these crimes operate with impunity? Are particular social groups particularly involved (either as perpetrators or victims)? Does the state ensure physical security equitably? Are small arms and light weapons readily available? Has there been a violent conflict within the past 10 years? Have the armed forces that were involved in the conflict found alternative employment? Is society militarised?

**Regional/international.** Do the political interests of the country conflict with those of major international powers? Does the country have a colonial history? What is its current relationship with the former colonial power? What economic influence do other actors have? Do any neighbouring countries have an economic interest? Is the ethnic majority of a neighbouring country present as an ethnic minority? Is a neighbouring country affected by a violent conflict? Do any international powers have a security interest in the country? Is the country on a trade route for illicit goods (e.g. drugs, weapons)?

## 2.3 Stakeholders

The stakeholder analysis is an integral part of M-CRIA. Since it involves mapping the role, power, capacity and agendas of relevant individuals, groups and institutions, it has many benefits for the company. Clearly there is likely to be some overlap between this section of the analysis and the conflict issues section (where, for instance, military actors have interests in economic issues), but a purposeful focus on actors enables the company to:

• Inform and deepen the overall conflict analysis
• Understand and manage its relations with key individuals and groups more effectively
• Begin building relationships with a cross-section of society, itself a means of
  avoiding conflict
• Identify potential partners for conflict-risk mitigation strategies as well as possible spoilers.

As with the issues analysis, the focus is on the national rather than the project level. A key objective is to understand the perspectives of a wide spectrum of stakeholders in order to gain a better understanding of the context. This will also help the process of identifying those with whom relations will need to be nurtured and those with the greatest interest in (or most likely to take an interest in) the project.

It is important to understand intra-group dynamics. Splits, fault-lines and alliances within and between stakeholder groups, such as governing political parties, ethnic groups, rebel groups, security forces and others, have a very influential impact on the course of the conflict. The M-CRIA team should not approach the stakeholder analysis solely as an information-gathering exercise on behalf of the company. It is a two-way process designed to initiate a dialogue between the company and stakeholders, ideally at an early stage. In this sense, the information provided by the company in these consultations is as important as its own learning. Such a process, if undertaken seriously, helps forge relationships from the very beginning of the project's lifecycle. This has clear advantages in terms of creating trust, promoting transparency, laying the foundations for partnerships, as well as establishing sources of information to support the ongoing conflict analysis. It is also important in understanding and managing expectations, particularly among civil society groups and local entrepreneurs.

### Box 5: Examples of relevant stakeholders

CSBP takes an inclusive and iterative approach to defining and mapping stakeholders. The key priority at this initial stage is to identify representative and respected individuals with the knowledge to inform the analysis (and capacity to absorb information about the project) and the influence to help convey information to their own constituencies. Thus, the potential impact of the project on these individuals is not the prime criterion for their engagement.

1. **Political/governance.** Government representatives, officials, policy-makers, parliamentarians, opposition political parties, judiciary, armed groups.

2. **Economics.** Contractors, suppliers, business associations, chambers of commerce, SMEs.

3. **Socio-cultural.** NGOs (environmental, development/ humanitarian, human rights), women's organisations, religious groups, refugee groups, traditional leaders, media, trade unions/workers' associations.

4. **Security.** Representatives from the army, police, other law and order institutions, rebel group military wing.

5. **Regional/international.** Neighbouring governments, donor governments, international peacekeeping command, UN, EU, World Bank Group, international NGOs, multinational companies.

Broadly speaking, many stakeholder groups will view the development of the project (and by extension the company itself) either as a potential source of improved livelihood, or as a threat, given its relationship to a government that may be unpopular. The extent to which the company addresses these perceptions at an early stage carries implications for its reputation within the country and more widely. Allowing expectations to rise to unrealistic levels can have short-term attractions, but can be a source of resentment and grievance in the long term. Equally, a failure to engage with those sceptical of the project can foster greater opposition at later stages of the project's development (see box 6 and Flashpoint Issue 1: Stakeholder Engagement).

**Box 6: Consulting with 'controversial' stakeholders**

Given the inherently polarised nature of societies affected or threatened by conflict, it is inevitable that companies find themselves under pressure from host governments not to consult or cooperate with particular stakeholders. Examples might include armed groups, human rights NGOs, opposition political parties and newspapers or trade unions. The dilemma for companies is whether to risk the anger of the government and engage, or whether to avoid these more controversial stakeholders and risk generating resentment among significant (and often influential) sections of society.

Understandably, most choose the latter, seemingly safer option from the investment perspective. While there are real risks posed by engaging in particular with armed groups (see Flashpoint Issue 7: Dealing with Armed Groups), not engaging with other stakeholders can however create problems for a company. Firstly, it limits the company's understanding of the conflict context by blocking dialogue with affected groups. Secondly, non-engagement is likely to exacerbate perceptions that the company is not to be trusted.

In situations where direct consultation is politically impossible, other avenues need to be explored. Third parties (e.g. INGOs) can be employed as go-betweens; embassies have both the contacts and capacity to organise and convene sensitive meetings; and consultations can be arranged during trips abroad. Choosing not to engage for whatever reason means storing up problems for later.

In undertaking a stakeholder analysis, a number of key questions need to be considered for each stakeholder:

- **Interests.** What interests does each stakeholder group have with regard to the conflict and how do these interests manifest themselves in practice?
- **Relations.** What are the relations among and between them (consider factions within groups and the impact of this, power dynamics, conflicting interests, etc)?
- **Capacities.** What capacity does each group have to influence the conflict (positively or negatively)?
- **Peace agendas.** What visions of peace do the stakeholders have? What kind of peace do they want? What are the main elements of their peace agendas (e.g. political/social reform, national autonomy, economic change)?
- **Conclusions.** What implications does this analysis have for the likely direction of the conflict/instability? What implications does it have for the company, both in terms of managing potentially difficult relationships and developing strategic partnerships with key groups.

The perceptions that stakeholders hold about the environments in which they operate are as important as the 'reality' of a situation. For example, different groups may cite 'unfair tax burden' or 'military threat' as sources of grievance. Even when there is no independent evidence to indicate these factors are present, they still play a role in conflict dynamics so long as important stakeholders perceive them to be true. It is also unwise to assume that all acts committed by stakeholders within a conflict are either rationally directed towards a defined goal, or irrational acts of senseless violence. Most people's behaviour combines a complex mix of the rational and irrational.

Stakeholders identified through the Screening Tool will provide an initial indication of key stakeholder groups requiring further exploration through the M-CRIA analysis. As with the issues, these parties should now be analysed in more depth. The key to a successful stakeholder analysis is to avoid generalities, focusing instead on the underlying subtleties and realities. Box 7 provides some insights into the kind of questions the M-CRIA team should ask to develop the stakeholder analysis component for each sphere.

### Box 7: Sample questions to guide M-CRIA stakeholder analysis

**For each section, list and analyse all the relevant actors, including their needs, goals, intents, preferences and inter-relations, and draw conclusions as to likely future scenarios. For the regional/international section, use the same political, economic, socio-cultural and security headings, but viewed from a regional/ international perspective. The questions shown below are indicative only and are not comprehensive or exhaustive. Sensitivity must be applied in the gathering of the information.**

**Political/governance.** Which government departments, ministries or sections appear most influential? Which among them exert the most influence, or appears most interested in affecting positive change? Who advises the leader? What are their different goals? Is there an organised opposition or rebel movement? What motivates them? Do formal or informal communication channels exist between the government and opposition or rebel movements? Is the opposition cohesive or do factions exist? From where do opposition groups get their support?

Is there an active judiciary? Who are the most influential judges? What impact might power struggles in the ruling party have for future policy or strategy decisions?

**Economic.** What are the largest companies in the country? Who owns or manages them? Which elements of the business sector are prospering and which are struggling? Are there other influential economic actors? Which actors are engaged in 'illegal' economic activity? What motivates them? Who has influence over government decision-making and how great is it? What elements of the business sector would benefit from the resolution of conflict or tensions? Which elements would lose from such a resolution? Which politicians are involved in economic activity and what are their business ties? How do various segments of society maintain their economic livelihoods? What is the role of unions?

**Socio-cultural.** What is the role of religious or ethnic leaders? What major environmental, development, humanitarian assistance and human rights NGOs are there? Who leads them? Other community groups? Are their leaders influential with politicians? How representative, legitimate and independent is civil society considered to be? Are some civil society organisations seen to be corrupt? Does the government limit the ability of civil society organisations to operate? Which media organisations or personalities are perceived as independent? What interests or influence do refugees and internally displaced people have? What is the role of women in society? Are there key fault-lines or splits within civil society? Does the political leadership's characterisation of social issues reflect the views of the general public?

**Security.** Does the national military operate under a unified command? How is its human rights record? Are there reformists? Is there competition between leaders in the national military structure? What is the relationship between the military and the national police force? What agency is responsible for domestic security? What agency is responsible for international security? Do organised rebel groups exist? Do they operate in cells or under a clear command-and-control structure? Do former senior military or rebel officers have influence? How does the general public view the different actors? If there is a change in political leadership, how is the military likely to react? What obstacles need to be surmounted for the government and rebels to enter negotiations? Are there social activities that should begin now to ensure a lasting end to violent conflict?

**Regional/international.** Is the region governed by a regional political body and if so how does it operate? Which influential foreign bilateral governments operate in the country and what are their stakes? Which multilateral organisations are present? Do inconsistent or contradictory messages from the international community allow the government to avoid some of its commitments? Does the region have a common economic body and how does it function? Do regional business associations or chambers of commerce exist? Which regional or international businesses are based in, or have major operations in the country? Is there an economically powerful Diaspora? Are there religious or cultural leaders in the region with cross-border influence? What regional civil society organisations are present in the country? Which major international civil society organisations operate in the country? Do social tensions exist across international borders? Does cultural influence from foreign governments serve to divide the country from its neighbours? Are regional security organisations in operation? Are neighbouring countries at war, either domestically or internationally? Do armed militias or other groups cross into the country (e.g. cattle rustlers, drug smugglers)?

## 3. Impact identification

The impact identification stage is designed to make an early assessment of potential company project impacts on the conflict context at the macro level, and vice versa, enabling the company to:

• Understand how its investment is likely to influence the conflict dynamics
• Understand how the conflict context might affect the company.

**Figure 2: Two-way interaction between project and context**
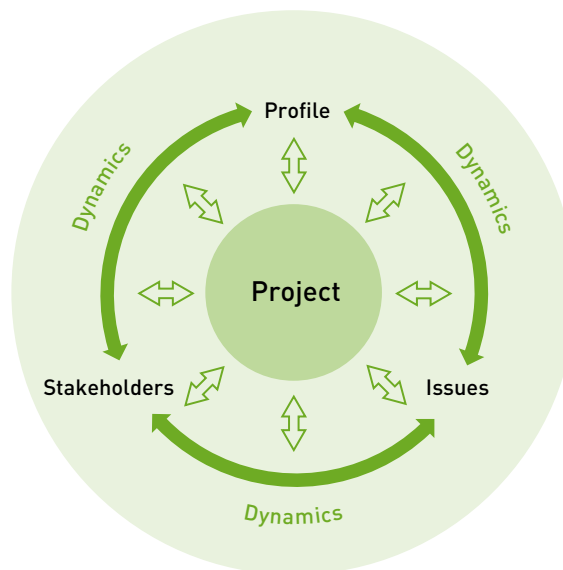


Given that M-CRIA is ideally undertaken at an early stage in the project cycle, there may be much that is unknown about the detail of project design. It is at any rate focused on understanding macro-level impacts, although some project-level issues may be flagged for further inquiry during P-CRIA. From the macro perspective, certain impacts can be predicted based on what has been learned through the analysis thus far, and experience from other companies investing in the country or indeed elsewhere. Some common problems associated with extractive industry investment in conflict-risk states have been well documented: the M-CRIA impact identification offers a current assessment of how these and other dynamics may, or may not, play out in the country in question:

• **'Dutch Disease'.** The impact on an economy of huge and sudden increases in revenue from extractive industry production, causing exports to become uncompetitive, and sectors like manufacturing and agriculture to decline.
• **Corruption.** Large revenues often encourage greater levels of rent-seeking and competition for control.
• **Support to undemocratic regimes.** Revenue from natural resources can act to protect governments from popular demands as other forms of tax collection become less necessary. Decision-making processes become removed from the needs and interests of local groups, leading to neglect and the breakdown of a just and fair social contract between government and the governed.

- **Security arrangements.** Operating in unstable areas obliges companies to prioritise security arrangements that will protect their staff and installations, but experience shows that these can often create tension and further militarisation around a project, involving the company in human rights complaints.

Civil society is increasingly highlighting these types of issues by acting as a 'watchdog' on corporate impacts on host societies, including through trying to define and lobby on 'no-go' or 'showstopper' standards. Prominent examples include the work of Global Witness, the Open Society Institute and the Publish What You Pay campaign. Another example is the European Coalition on Oil in Sudan – a network of NGOs seeking to support peace in Sudan that has developed 'benchmarks' for oil exploitation in Sudan after the recent peace agreement (see box 8). The benchmarks try to articulate the appropriate conditions for ensuring that the impact of investment on the conflict in Sudan is benevolent and are included here as a useful guide to the issues in a specific conflict context and as indication of the increasing sophistication of civil society engagement.

**Box 8: European Coalition on Oil in Sudan (ECOS): benchmarks for oil exploitation in Sudan during the interim period**

The 15 benchmarks below have been developed by the ECOS, and are based on three sources: international law, the provisions and purpose of the peace agreement, and authoritative voluntary standards for business behaviour. They are designed to provide companies with a framework with which they can maximise both their own and society's benefits from Sudan's oil wealth. At the same time, they can serve as a measurement of oil companies' commitment to peaceful and equitable development.

Oil companies have a chance to play a positive role in post-peace Sudan, provided the following benchmarks are met:

**Circumstances and commitments**
**1.** A comprehensive peace agreement effectively ends all targeting of the civilian population and installations in and around the company's operating environment.

**2.** A formal and effective agreement is reached with all armed sides and factions in the company's operating environment on how the civilian population and installations in the concession area are to be secured.

**3.** There is unconditional, safe access and freedom of movement in the entire concession area and the company spares no effort to maintain this situation.

**4.** Support, within the company's ability, to the peace process and mitigation of any potential for conflict where possible. The company will monitor and document all breaches of the purpose and provisions of the peace agreement that occur within its operating environment, report the findings to the international agency that will monitor compliance with the peace agreement, and actively engage with high-level government officials to end breaches; if this fails to resolve any issue, it will inform international governmental and/or non-governmental human rights bodies.

**Box 8 (continued)**

**5.** A binding timeframe to shape the company's security set-up along the lines of the Voluntary Principles on Security and Human Rights, and the seeking of support from its home government in this endeavour.

**6.** Full disclosure of all the company's provisions in cash or in-kind equipment or services for military, security, or dual use purposes.

**7.** No discrimination on the basis of religion, ethnicity, gender or political beliefs, and active promotion of a workforce, at all levels, that reflects the make up of the local population in an equitable manner.

**8.** Establishment of mechanisms for dialogue and partnership-building with all stakeholders on all aspects of the operation that have an impact on the community, resulting in an economic, social and peace action programme for the concession area that conforms with nationally agreed principles and policies, and supports the purpose and provisions of the Peace Agreement.

**9.** Use of all leverage and influence with the government and at other venues to encourage the adoption of a transparent and comprehensive revenue management regime; and alertness to those circumstances in which revenue allocation is a potential conflict risk, while promoting that agreed rules and transparent procedures for allocation are in place.

**10.** Insistence on full disclosure of all net payments, including taxes, royalties, fees and other transactions with the government and/or public sector entities.

**11.** Insistence on full disclosure of all Product Sharing Agreements (PSAs) and other agreements with state parties; renegotiations of existing PSAs to include social, environmental and human rights standards; and insistence on these standards for newly negotiated PSAs and all other agreements.

**12.** Support, in words and deeds, for the voluntary return of all refugees and IDPs who so wish, to their places of origin in and around the concession area, in consultation with international and civil society organisations.

**13.** Companies that have stakes in concession areas that have seen violent displacement post-1997 publicly commit themselves to initiate or support the implementation of a comprehensive and sufficiently funded plan for compensating victims of violent displacement in their concession area, in agreement with local leaders and civil society.

**Assessments and reporting**
**14.** Prior to any investment decision and at regular intervals, the company will assess its impact on and contribution to the communities that surround its operations and the wider society, with regards to development, peace, security, human rights – including social, economic and cultural rights – and the environment, taking into account its impact on the physical and economic security of the population, on local and national strife and rivalries, and on the realisation of the provisions and purpose of the peace agreement. The assessment will draw upon external experts

and local communities, and involve government and civil society organisations. It will contain recommendations for action, consultation, and dispute settlement. The company commits itself to share the assessment with its stakeholders, to implement its recommendations, and to evaluate and update it on a regular basis.

**15.** The company will publicly report on a yearly basis its own and/or its consortium's impact on, and contribution to, development, peace, security, human rights and the environment, covering all the above mentioned benchmarks, including its success in implementing the Voluntary Principles, an evaluation of the economic, social and peace action programme, and the status of the recommendations of the impact assessment.

To obtain the M-CRIA impact identification, the findings of the research into profile, issues and stakeholders should first be written up in a draft conflict analysis report. The draft report will serve as the basis for internal discussion with company staff (Step 4). It is important that a cross-section of company staff engages in this process since a wide range of business activities is likely to have impacts on the context. Geologists, political risk and security managers, staff from external relations, procurement and human resources departments, and management should all be represented in the discussions, which should be interactive and facilitated. Cross-departmental consultation of this type can help lay the foundations for mainstreaming a CSBP approach within the company.

While the focus of the profile, issues and stakeholder analyses has been to look for positive dynamics as well as problems, the focus in the impact identification should be to understand the negative impacts that the company could have on conflict, and vice versa. As indicated in the CSBP Introduction, the range of direct and indirect company/conflict impacts is large. Consultations with staff should focus on developing a consensus on the priority issues that emerge from the longer issues analysis report and background material, as well as the priority direct impacts. This information will be critical to helping the project team define some of the parameters so that the company is able to minimise its negative impacts and promote positive ones. Understanding the impact of investment on existing or potential conflict is the crux of conflict sensitive business practice.

Findings from the impact identification should be added into the report and at this point it may be useful to synthesise the findings into a table format, as shown in table 1 which gives indicative samples based on a fictional country context under the different social sphere categories.

## Table 1: Summary of M-CRIA analysis

| SPHERES | SUB-CATEGORIES | CONFLICT ISSUE |
|---|---|---|
| POLITICAL/ GOVERNANCE | Geographic distribution of power | Competition between provinces and capital for political power. History of injustice in access to resources and opportunities. |
| | Political participation | Political participation aggressively mobilised along ethnic and sub-ethnic 'clan lines'. |
| | Corruption | Government corruption hinders development and creates grievance in society. |
| | Human rights | Abuses perpetrated by all sides – more pronounced in recent years. |
| ECONOMICS | Natural resources | Natural resource exploitation shows signs of leading to 'Dutch Disease', as rest of economy suffers. Inequitable distribution of benefits a source of grievance. |
| | Unemployment | Large number of unemployed urban and rural youth. |
| SOCIO-CULTURAL | Ethnicity | Intra-ethnic tension. |

| TRIGGERS/ ESCALATING FACTORS | COMPANY IMPACT ON CONFLICT | CONFLICT IMPACT ON COMPANY | RISK LEVEL |
|---|---|---|---|
| Provincial tax collection. | Investment could exacerbate problem through reinforcing regime. | Identification of company with government a potential threat. Location of operation in provinces a particular issue for concern to be explored further in P-CRIA. | Red |
| Elections. | Recruitment and other benefits could favour elite group, contributing to further tension. | Volatility in political system could threaten investment. | Red |
| Pending elections increases internal competition within government for positions of power. | Inflows of revenue exacerbates corrupt practices. | Increased transaction costs and reputational threat. | Red |
| High-profile detentions. | Investment reinforces government control.

Use of state security forces despite their history of abuses. | Legal risks posed by operating in joint venture with state oil company.

Security arrangements run risk of contributing to escalation of violence. Security arrangements a particular issue of concern to be explored further in P-CRIA. | Red |
| Collapse of surviving manufacturing.

Any challenge to status quo met with repressive response. | Investment further strengthens oil sector and reinforces government control despite inequitable policies. | Identification of company with government a potential threat – above all given nature of business.

Weak economy imposes higher transaction costs. | Red |
| Further rise in unemployment. | Stronger oil sector further damages other sectors. | Ability to absorb only a minority of local unemployed people will be a source of grievance. A particular issue of concern to be explored further in P-CRIA. | Red |
| Elections. | Recruitment and other benefits could favour elite group, contributing to further tension. | Excluded group targets company with attacks. | Amber |

## Table 1 (continued)

| SPHERES | SUB-CATEGORIES | CONFLICT ISSUE |
|---|---|---|
| SECURITY | Insecurity level | Varying levels of personal and community security in different provinces a source of grievance. |
| | Weaponry | Increased small arms availability and use. |
| | Urban crime | On the increase, and organised along ethnic lines. |
| REGIONAL/ INTERNATIONAL | Governance | Corrupt and ineffective regional body fuels mutual suspicion across borders. |
| | Economic | Some neighbouring local elites benefit significantly from illicit trade in natural resources. |
| | Socio-cultural | International religious links with domestic constituencies aligning government with 'war on terror'. |

| TRIGGERS/ ESCALATING FACTORS | COMPANY IMPACT ON CONFLICT | CONFLICT IMPACT ON COMPANY | RISK LEVEL |
|---|---|---|---|
| Police force aggression. | Use of state security apparatus contributes to further tensions between civilians and army/police. | Violence poses threats to company infrastructure. Security arrangements a particular issue of concern to be explored further in P-CRIA. | Red |
| Inflow from border region. | n/a | Greater levels of violent crime pose risks to staff. | Amber |
| Elections. | Recruitment and other benefits could favour elite group, contributing to further expression of ethnically based urban crime. | Insecure living quarters and offices in capital. | Amber |
| Peace talks concerning neighbouring country. | Investment fuels jealousy and competition among neighbouring countries. | Regional insecurity increases conflict risk for company. | Amber |
| Attempts to regulate cross-border trade. | Investment threatens this trade, pushing stakes to control it higher in the short term. | Likely increased security costs and possible threat to price margin implied. Illegal commodity trade particular issue of concern to be explored further in P-CRIA. | Amber |
| New restrictions on freedom of worship and other civil rights. | Investment reinforces government control despite inequitable policies. | International attention raises reputational stakes for company. | Amber |

## 4. Mitigation strategy

The final stage of M-CRIA is the design of an initial mitigation strategy and plan for engaging stakeholders. The M-CRIA team should develop ideas for addressing some of the issues and relationships identified thus far by brainstorming proposed actions. It will then be in a position to develop a strategy to identify the steps that can be taken at the macro level even at this early stage, in anticipation of likely future impacts. The strategy will probably be a combination of externally oriented activities (e.g. measures to promote economic diversification; support to local and international NGOs; implementation of transparency frameworks); and internally oriented activities (e.g. information management, overview of relationships to be developed, etc).

The design of some aspects of the mitigation strategy may require the gathering of further information on the particular issues and stakeholders identified by M-CRIA. For example, if the potential for militarised ethnicity has been identified as a potential conflict issue, and the assessment indicates that addressing this may be worthwhile, further research into relevant organisations and key players may be necessary. 'Further research' is therefore a legitimate proposed mitigation action, as a step towards more concrete proposals that will emerge through subsequent stages.

**Figure 3: Conflict-risk mitigation strategy**
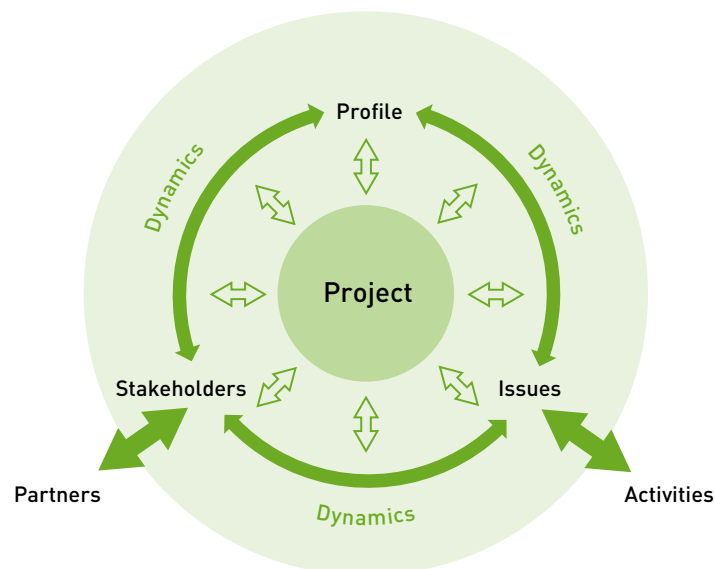


Companies tend to be reluctant to 'front-load' social investment and other non-business contributions, with financial and human resources often made available only as the project development proceeds. CSBP requires companies to design and implement conflict-risk mitigation strategies much earlier however, although these initially may be quite 'light'. There are four advantages to this:
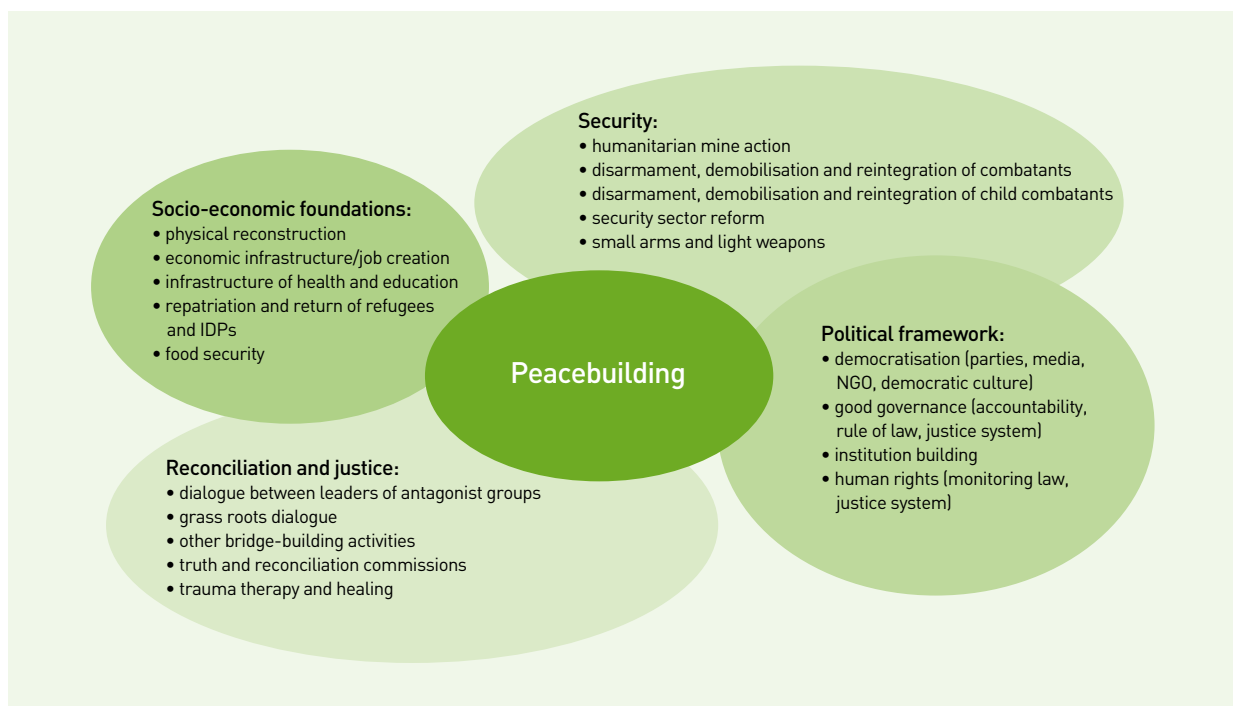
- Planning ahead in this way will enable companies to identify better local partners
- Many of the initiatives identified will be long-term in that they seek to transform structural conflict issues, such as underdevelopment or unemployment. Starting to alleviate these conditions as early as possible is more likely to have benefits for the company

- There are reputational gains at the local and international levels from implementing strategies early, and pre-empting negative impacts
- It helps to manage expectations if companies communicate with stakeholders about their plans as early as possible.

## 4.1 Core business, social investment and policy dialogue

Companies interact with host societies through three basic categories of business activity: core business, social investment and policy dialogue, and it is useful to understand mitigation measures as expressing themselves accordingly. Clearly a comprehensive strategy covering all areas of business will only emerge over time, but ultimately companies should be aiming to maximise their positive impact in each area. Core business relates to activities in the immediate sphere of a company's operations (location of investment, employment of staff, security arrangements, production activities); social investment captures the wider projects and stakeholder relationships that companies invariably engage in as one means of managing their operating environment; and policy dialogue refers to the engagement that companies are likely to have with national and local governments, industry associations, international agencies and other companies in their sector. Through each of these areas, companies can seek to address company/conflict impact issues where they have a direct responsibility and interest, such as the priority issues identified in Step 4; and wider conflict issues that may have come up in the analysis. Through early and careful strategising, they can have both a 'do-no-harm' and a peacebuilding impact by addressing such dynamics. M-CRIA is a macro-level tool and so identifies mitigation steps that play out at the national level or that address macro issues at the project level. P-CRIA enables companies to develop similar strategies for the local level.

Figure 4: The 'peacebuilding palette'[4]



**Security:**
- humanitarian mine action
- disarmament, demobilisation and reintegration of combatants
- disarmament, demobilisation and reintegration of child combatants
- security sector reform
- small arms and light weapons

**Socio-economic foundations:**
- physical reconstruction
- economic infrastructure/job creation
- infrastructure of health and education
- repatriation and return of refugees and IDPs
- food security

**Peacebuilding**

**Political framework:**
- democratisation (parties, media, NGO, democratic culture)
- good governance (accountability, rule of law, justice system)
- institution building
- human rights (monitoring law, justice system)

**Reconciliation and justice:**
- dialogue between leaders of antagonist groups
- grass roots dialogue
- other bridge-building activities
- truth and reconciliation commissions
- trauma therapy and healing

4. Source: Smith, D. et. al. (2004) **Towards a Strategic Framework for Peacebuilding: Getting their Act Together** (Oslo: Norwegian Ministry of Foreign Affairs).

Peacebuilding, as illustrated in figure 4 above, requires a spectrum of conditions and activities across the different social spheres. Clearly, no company is single-handedly going to solve or transform this typical breadth of conflict issues or dynamics. Figure 5 provides a useful way of conceptualising the kind of positive influence companies can have on certain issues when informed by the right analysis. Partnership with other actors is an essential feature of any conflict-risk mitigation strategy, as presented in box 9.

### Box 9: Partners for conflict-risk mitigation and peacebuilding

**Government.** States (and/or state-owned enterprises) are the primary partners in most extractive industry projects. Entering into agreements with governments means that a company's reputation is inextricably bound up with the actions of its partner. In other words, abuse, corruption and repression on the part of the government will rebound on the company by virtue of its partnership. This emphasises the importance of writing key agreements into contracts (e.g. transparency in revenue payments, Voluntary Principles on Human Rights and Security, percentage of revenue accruing to project region). In itself this will go some way towards avoiding some of the main sources of grievance and conflict precipitated by extractive industry investments. Beyond contracts, companies should lobby and dialogue with governments to use revenues equitably, working with them to promote an enabling environment for business and exerting pressure to reduce corruption and hold to account those responsible for human rights abuses. In terms of state-owned enterprises, capacity-building should go beyond technical and financial expertise, and include the incorporation and mainstreaming of sound ethical principles. Companies should also work to build the capacity of local government to deliver essential services to communities, through designing social investment projects that complement and strengthen government, rather than eclipse it as often happens (see Flashpoint Issue 5: Social Investment).

**Companies.** Collective action by multinational companies is critical to exerting a positive influence. Acting alone is both risky and less likely to prove successful. However, while companies often need to work together to develop natural resources, they are more reluctant to collaborate on development projects or lobbying government (except where they feel their common interests are directly threatened – e.g. tax issues). This is partly because the extractive industry is far from homogenous in its approaches, but largely it is down to individual companies' effort to create brand identity. This use of ethical and social policies as part of a marketing strategy has little or no relevance in countries threatened by conflict. Worse, it actively obstructs important initiatives from being pursued and leads to duplication and reduced impact. Harnessing the collective influence, financial resources and expertise of companies could make a significant contribution towards promoting equitable political and socio-economic development.

**International community.** These are useful partners for companies in that they bring different skills and competencies to addressing shared issues of concern. Companies can pool their skills and activities with donor governments on addressing human rights and corruption; with development agencies and INGOs on service provision and capacity building projects; and with IFIs on promoting good practice in transparency and revenue management.

**Local NGOs.** Credible NGOs working on issues relevant to the M-CRIA analysis will have emerged through the stakeholder analysis. Partnering with local NGOs will enable companies to develop relevant and targeted projects, and will have the added benefit of supporting the capacity of local civil society, itself an important intervention.

**National business.** Strengthening national business capacity and productivity through skills transfer and partnership can strengthen initiatives to promote peace and help to address risks of 'Dutch Disease'. Companies will also have a shared interest in lobbying for stable and enabling operating environments with their national counterparts.

**Figure 5: Spectrum of influence**
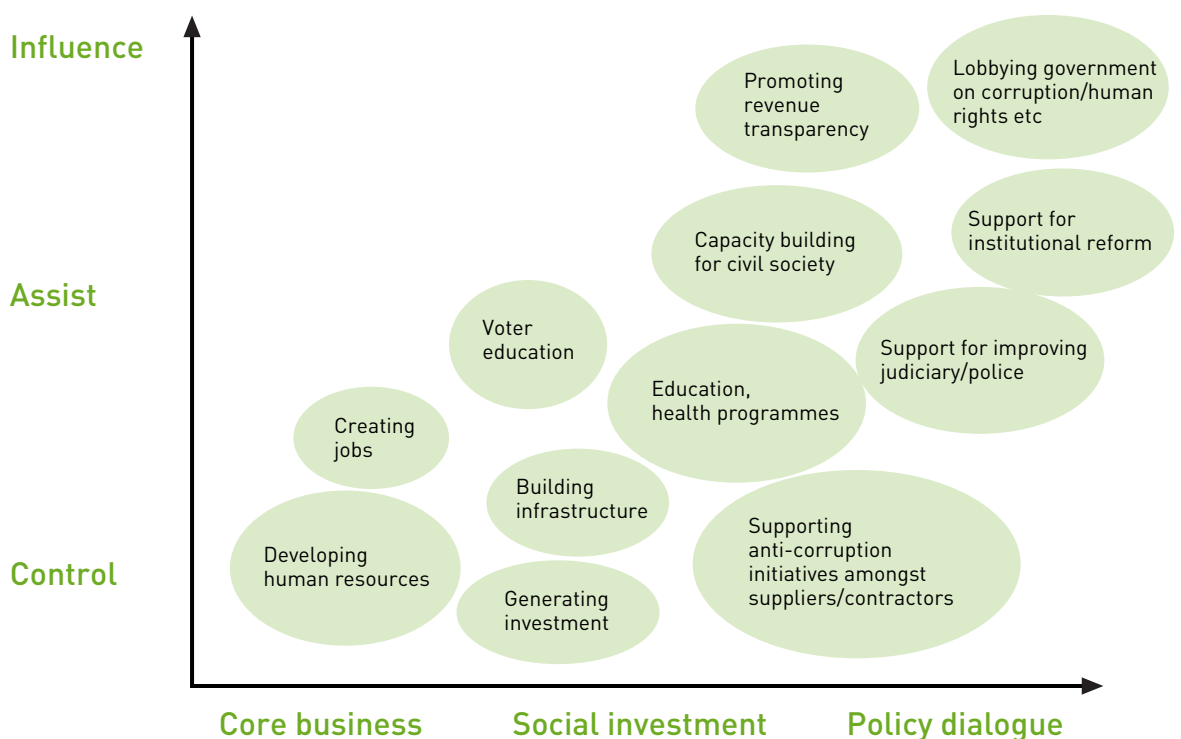


The 'control' part of the axis indicates those issues closest to a company's core sphere of activity; 'assist and influence' shows where companies, in collaboration with other companies or NGOs, can hope to have some positive impact in the long term.

Table 2 gives some examples of elements of a conflict-risk mitigation strategy according to this framework, based on a fictional country context. Strategy development is enhanced by referring back to the stakeholder analysis to identify potential 'partners', or 'spoilers', of proposed actions.

## Table 2: Conflict-risk mitigation strategy – example

|  | CORE BUSINESS | SOCIAL INVESTMENT | POLICY DIALOGUE | PARTNERS /SPOILERS |
|---|---|---|---|---|
| POLITICAL/ GOVERNANCE Government corruption | Promote own business principles internally and to contractors/ suppliers, including state partners. | Support local and international NGOs working on anti-corruption initiatives. | Lay groundwork for cross-industry 'club' to strengthen lobbying of government for political reforms; support the Extractive Industry Transparency Initiative at international and national levels. |  |
| ECONOMY 'Dutch Disease' | Ensure a maximum of 'local content' in hiring contractors across all areas of requirement, including catering, construction, etc. | Prioritise economic diversification schemes in social investment, for instance vocational training courses, business skills transfer, capacity building of chambers of commerce, including in partnership with development agencies and government. | Negotiate with government to encourage diversification schemes, an enabling environment for business and ensure revenue will be distributed fairly, as part of contract and other agreements. |  |
| SOCIO-CULTURAL Inter-ethnic tension | Begin researching options for promoting inter-ethnic tolerance and diversity in the work place. | Seek out NGO and IGO partners working on tolerance and reconciliation at the national level. | Engage with other companies on replicating these good practices across the industry. |  |
| SECURITY Insecurity level | Begin researching security arrangements that will not fuel insecurity levels at either local or national levels, including through adhering to international law and standards. | Develop plans for training modules in human rights for local police and state security forces, in partnership with credible (I)NGOs. | Engage with government on reform of the state security apparatus. |  |
| REGIONAL Regional government body | Dialogue with other branches of company active in the region to develop shared strategy of engagement. | Support initiatives to build capacity of the regional body. | Engage with other companies on working together to strengthen the regional body in the interests of long-term peace and security in the region. |  |

## 5. Step 7 – transparency and implementation

Having progressed the M-CRIA tool this far, a good exercise in relationship building and transparency is to reconvene a group of the individuals consulted as part of Step 2 in order to share the findings of the overall analysis, and the initial conflict-risk mitigation strategy matrix. This provides an opportunity to gather further insights into how to progress some of the steps proposed. It also makes sense at this point to reconvene the inter-departmental group that assisted with the impact identification in order to create buy-in for the proposed macro-level mitigation strategy, and assign responsibility for implementing the proposed actions. Too many social impact and other company assessments are shelved after completion: M-CRIA is designed to stay 'live'. By ensuring the assessment attains this degree of institutional take-up, the company is taking a step in the direction of managing conflict risk effectively and promoting peacebuilding through its operations as they get underway. Sustaining it by regularly updating and monitoring progress is a key part of fulfilling its objective.

**Box 10: Institutional learning and knowledge management**

Companies undertake multiple types of assessments throughout a project's lifecycle. Inevitably, many different individuals and teams from separate departments conduct them over an extended span of time. This makes it difficult to develop a consistent, comprehensive and regularly updated company-wide analysis of the context, both at national and project levels. The result can be duplication of research, confused relationships with stakeholders, poor coordination between departments, inconsistent analysis and, ultimately, an incoherent strategy. Effective CSBP requires the establishment of systems and processes within the company that ensure consistency in undertaking and updating analysis and coordination across departments in developing and acting on it. Appropriate knowledge management in this regard needs to be valued and rewarded.

## Resources

### Risk assessment and management

Bowden, A.R. and J.H. Martin, J.Mitchell (2000) 'Strategic Business Risk Assessment – An Approach for Financial Characterisation of Social and Environmental Risks' in **Appea Journal** (Canberra: Appea).

Bowden, A.R. et al (2001) **Triple Bottom Line Risk Management: Enhancing Profit, Environmental Performance and Community Benefits** (Hoboken: Wiley).

Control Risks Group **Risk Assessment Methodology** (TRAM). www.crg.com/html/service_level3.php?id=362

Goldwyn, R. and J. Switzer (2004) 'Assessments, Communities and Peace – A Critique of Extractive Sector Assessment Tools from a Conflict Sensitive Perspective', in **Oil, Gas and Energy Law Intelligence** (OGEL), vol.2 issue 4. www.gasandoil.com/ogel/

Ward, S. and C. Chapman (2002) 'Transforming Project Risk Management into Project Uncertainty Management', in **International Journal of Project Management**, no.21.

### Conflict analysis frameworks used by development and humanitarian agencies

Bush, K. (2003) **Hands-On Peace and Conflict Impact Assessment Handbook Vol I and Vol II**
www.swisspeace.org/koff/t_tools_pcia.htm

Canadian International Development Agency (CIDA) **Conflict Diagnostic Handbook**. www.acdi-cida.gc.ca/peace

Clingendael Institute **Conflict and Policy Assessment Framework**. www.clingendael.nl/cru/

European Union **Checklist for Root Causes of Conflict**. www.europa.eu.int/comm/external_relations/cpcm/cp/list.htm

Forum on Early Warning and Early Response, West Africa Network for Peacebuilding, Centre for Conflict Research **Conflict Analysis and Response Definition**. www.reliefweb.int/rw/lib.nsf/db900SID/ LGEL-5DVE4E/$FILE/fewer-meth-apr01.pdf?openelement

Fund for Peace **Conflict Assessment System Tool**. www.fundforpeace.org/programmes/cpr/cpr.php

GTZ **Conflict Analysis for Project Planning and Implementation**. www.gtz.de/crisisprevention/download/conflictanalysis.pdf

International Alert, Africa Peace Forum, Cecore, CHA, Fewer, Saferworld (2002) **Conflict-Sensitive Approaches to Development, Humanitarian Assistance and Peacebuilding: A Resource Pack** www.international-alert.org/publications.htm

Paffenholz, T. and L. Reychler (2005) **Aid For Peace: A Guide To Planning And Assessment For Conflict Zones**, (Boulder: Lynne Rienner Publisher). www.swisspeace.org/koff/uploads/website/WorkingInConflict Zones.pdf

Responding to Conflict **Working with Conflict: Skills and Strategies for Action**. www.respond.org/learning_resources.asp

Swisspeace **FAST Early Warning System**. www.swisspeace.org/fast/

UK Department for International Development (DFID) **Strategic Conflict Assessment**. www.dfid.gov.uk/ pubs/files/conflictassessmentguidance.pdf

UN System Staff College **Early Warning and Preventive Measures**. www.unssc.org

USAID **Conflict Assessment Framework**. www.usaid.gov

World Bank **Conflict Analysis Framework** www.inweb18.worldbank.org/ESSD/sdvext.nsf/67bydocname/ conflictpreventionandreconstruction

World Vision **Making Sense of Turbulent Contexts: Analysis Tools for Humanitarian Actors**. www.wvi.org

### Examples of completed conflict analyses[5]

Goodhand, J. (2001) **Conflict Assessments: A Synthesis Report: Kyrgyzstan, Moldova, Nepal And Sri Lanka** (London: DFID). www.dfid.gov.uk/pubs/files/ conflictassessmentsynthesis.pdf

Institute for Peace and Conflict Resolution (2003) **Strategic Conflict Assessment: Consolidated Zonal Reports Nigeria,** (Abuja: Federal Government of Nigeria, the Presidency). www.igbostudies.com/Nigeria%20conflict%20assessment %20may%202003.pdf

Mercy Corps (2003) **Western Nepal Conflict Assessment**. www.mercycorps.org/pdfs/nepal_report.pdf

World Bank (2005) **Conflict in Somalia: Drivers and Dynamics** lnweb18.worldbank.org/ESSD/sdvext.nsf/67ByDocName/ ConflictPreventionandReconstruction

### Training courses and materials on conflict analysis and conflict transformation

African Centre for the Constructive Resolution of Disputes (ACCORD) **Introduction to Conflict Management, Mediation Training** 3-day courses, based in South Africa. www.accord.org.za/web/home.htm

Centre for Peacebuilding and Conflict Management **Basic Conflict Management Skills** 3-5 day courses. www.ccm.no/

Creative Associates International **A Toolbox to Respond to Conflicts and Build Peace**. www.caii.com/

Eastern Mennonite University **Summer Peacebuilding Institute** 4-week training. www.emu.edu/ctp/spi.html

International Alert **Resource Pack for Conflict Transformation**. www.international-alert.org/publications.htm

Network University **Transforming Civil Conflict** 4-week online certificate course. www.netuni.nl

Responding to Conflict **Strengthening Policy and Practice** 1-week training course. www.respond.org/

Transcend **Peacebuilding, Conflict Transformation and Post-War Rebuilding, Reconciliation and Resolution** 5-day training course. www.transcend.org/

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5.  These are listed as illustrations of conflict analysis. International Alert does not endorse their interpretation of any particular conflict.

UN **Developing Capacity for Conflict Analysis and Early Response: a Training Manual**. unpan1.un.org/intra doc/groups/public/documents/un/unpan011117.pdf

University of Waterloo **Certificate Programme in Conflict Management**. www.grebel.uwaterloo.ca/

**International sources of information and data[6]**
Economist Intelligence country reports. www.economist.com

Freedom House **Annual Freedom Report**. www.freedomhouse.org/ratings/

Heidelberg institute on International Conflict Research **Annual Conflict Barometers**. www.hiik.de/en/index_e.htm

Human Security Network **Human Security Report 2005**. www.humansecurityreport.info/

International Crisis Group **Country and Regional Reports**. www.crisisgroup.org/home/index.cfm

International Institute for Strategic Studies (IISS) **Armed Conflict Database**. www.iiss.org/showpage.php?pageID=25

IISS **The Military Balance**. www.iiss.org/conferencepage.php?confID=61

IISS **The Strategic Survey**. www.iiss.org/showpage.php?pageID=24

Small Arms Survey **Annual Surveys and Online Databases**. www.smallarmssurvey.org/

Stockholm International Peace Research Institute **Yearbooks: Armament, Disarmament and International Security,** 1993 to present. www.sipri.org/contents/webmaster/publications

Swisspeace 'FAST' **Early Warning Reports**. www.swisspeace.org/fast/default.htm

University of Maryland, Centre for International Development and Conflict Management **Conflict Research Datasets**. www.cidcm.umd.edu/

**Human rights situation**
Amnesty International annual reports and country reports. www.amnesty.org/

Business and Human Rights Resource Centre. www.business-humanrights.org/Home

Human Rights Watch annual reports and country reports. www.hrw.org/

UK Foreign and Commonwealth Office annual human rights reports. www.fco.gov.uk

US Department of State Human Rights annual reports and country reports. www.state.gov/g/drl/rls/hrrpt/

**Economic and social situation**
World Bank **World Development Report** (global, regional and country versions) www.worldbank.org

Transparency International country-specific information on corruption. www.transparency.org

UNDP **Human Development Report** (global, regional and country versions). www.undp.org

**Local sources**
Newspapers
Civil society reports and studies
Academic papers
Local think-tank and research institute papers
Interviews

6.  No source of information is entirely impartial. M-CRIA teams should ensure that a good mix of international and national sources are used.

# Section 3

# Project-level Conflict Risk and Impact Assessment tool (P-CRIA)

# Project-level Conflict Risk and Impact Assessment tool (P-CRIA)

### Purpose

M-CRIA notes that traditional political and financial risk assessment and management processes are inadequate in analysing and assessing the full range of issues that might cause, trigger or exacerbate violent conflict. A similar critique can be made of environmental and social impact assessments (ESIAs). These limitations are particularly problematic at the project level where a restricted understanding of the context - and the full range of the company's impacts on the context - could lead to difficult relationships, and even conflict.

P-CRIA is designed to address these gaps. It fulfils the same function at a local level that M-CRIA does at a national level, though its specificity adds new dimensions and emphases to its method. Inasmuch as it provides a way of understanding and managing company/context interactions at the local level, it can be seen as a mechanism for generating a 'social licence to operate'. P-CRIA helps a company promote transparent and trusting relationships with relevant communities and stakeholders as a means of minimising tensions, avoiding conflict and encouraging (within the limits of a company's capacity and legitimate competence) peace through equitable social, economic and political development.

It does this by:

- Providing a comprehensive analysis of the context around project sites, including any existing or potential conflict
- Predicting, monitoring and mitigating the two-way project/context impacts
- Generating appropriate management and mitigation strategies that respond to the needs and priorities of local communities, as well as the company itself
- Identifying stakeholders and informing engagement strategies
- Developing buy-in to, and ownership of, the project among stakeholder groups.

### Method

P-CRIA uses a combination of desk research, targeted individual consultations, community-wide and group-specific consultations, problem-solving workshops, collaborative activities and internal company brainstorming. Although it generates a lot of information, P-CRIA is not a prolonged data-gathering exercise, but a mechanism for ensuring company and communities work together towards understanding company/context interaction, and the development and realisation of mutual objectives in terms of project design, operation and closure. As such, the process used for implementation is as significant as its outputs.

### Project investment stage

For greenfield sites, P-CRIA commences during initial exploration or pre-feasibility and continues throughout the project lifecycle. Initial engagement is directed at understanding the context in order to enable improved assessment of the two-way impacts and, ultimately, identification of management, mitigation and monitoring strategies. The process is gradual and iterative, deepening and evolving in tandem with advancements in project development.

For existing sites at a more advanced stage of development, a preliminary review should be carried out to assess the level of the company's understanding of existing or potential conflict risks, the state of relationships with stakeholders and the effectiveness of social investment projects. The findings of the preliminary review should point the P-CRIA team in the direction of problems that need priority attention before implementing the P-CRIA tool in full.

### CSBP synergies

P-CRIA follows on from, and builds on, the Screening Tool and M-CRIA. Given the nature of extractive industry projects, however, the tools do not necessarily work as a simple chronological sequence. Exploration activities are more than likely to be underway before final investment decisions have been taken, with the inevitable consequence that company/community interactions and expectations at the local level will occur even as the company is still coming to grips with the national situation. These interactions will, according to CSBP principles, require careful management if they are not inadvertently to cause or exacerbate tensions. P-CRIA, therefore, ideally commences soon after M-CRIA (see Operational Guidance Charts).

### Non-CSBP synergies

To some extent, P-CRIA complements existing company ESIA processes. However, it is more comprehensive and integral to business management than these assessments, and should be seen as a longer and broader process running throughout the project cycle.

### Timeframe

The initial core assessment process of P-CRIA takes between 12-24 months, depending on a project's scale and complexity. However, it is designed to guide business management throughout the project cycle and in this sense has an open-ended timeframe.

### Resources

As with M-CRIA, the critical first resource requirement for conducting P-CRIA is a small team with the right mix of skills (including conflict analysis expertise, knowledge of and sensitivity to the local context and history, fluency in local languages, facilitation and interviewing skills), and including representatives from across the company's range of operations. Ideally, some of the individuals involved in M-CRIA will form part of the P-CRIA team. As the process develops, the analysis and contacts built up during the initial phases of P-CRIA need to be transferred gradually as different company departments (e.g. geologists, political risk and security managers, staff from external relations, procurement and human resources departments, and management) become increasingly involved. High and poorly planned staff turnover, and limited mainstreaming and inter-departmental coherence represent the biggest threats to effective implementation of CSBP as a whole.

The other critical resource factor is time, which can have significant financial implications. But experience shows that short-cuts in the crucial process of context analysis and relationship building at early stages can result in higher financial, security and reputation costs later on.

### Outputs

1. Comprehensive and regularly updated analysis of the project context, including existing or potential conflict issues, and stakeholders
2. Regularly monitored and reviewed understanding of two-way project/conflict impacts
3. Evolving management and mitigation strategies that address key conflict issues and real needs
4. Transparent and mutually trusting relationships with stakeholder groups
5. Support for the project amongst stakeholder groups.

## 1. Introduction

Experience indicates that existing ESIAs have not been effective in anticipating and mitigating negative company/context impacts, and hence have not succeeded in ensuring that the full range of potential benefits derived from large extractive projects accrue to affected communities.[1] This is particularly true in areas characterised by latent or open social tensions or conflict, reflecting both the difficult operating environments themselves, but also limitations in the design and practice of ESIAs. These can be summarised as follows:

**Purpose.** ESIAs are flawed from the outset in that they are driven primarily by legal and financial requirements rather than their own intrinsic added value. While some genuine issues of concern may well be captured through an ESIA, its essential purpose is for the company and/or its financial backer to acquire data, rather than for the company to begin generating a social licence to operate. This misses opportunities inherent in the assessment process to begin building strong relationships and ensure positive outcomes.

**Timing.** Full ESIAs are triggered by investment decisions often taken years after a company has begun initial exploration and long after company/community interactions have begun. They are time-bound in nature, and rarely monitored and updated over the project cycle. This means they are at best 'snapshots' of a given context, rather than the live analysis tool required in volatile operating environments.

**Analysis.** As with political risk assessments, ESIAs are inadequate for analysing and assessing the full range of issues that might cause, trigger or exacerbate tensions or violent conflict.

**Process.** The limitations in analysis are partly a result of the process used. ESIAs are managed and financed by the company to tight deadlines. Thus, process is often sacrificed to efficiency and any consultation that does occur is likely to be one-way and extractive. This limits the quality of the analysis as it precludes genuine understanding of stakeholder perspectives.

**Decision-making.** Even where the findings of ESIAs are shared with communities and other stakeholders, this is often in an 'off-the-shelf' and technical format that may not be fully accessible to all. Communication of findings often takes place after key decisions have been made, indicating that control over those decisions remains firmly with the company. This can confirm perceptions of the company as an outsider with little interest in the voices of affected communities, a perspective that is likely to have negative repercussions over time.

## 2. Approach

P-CRIA complements current ESIA practice by addressing these gaps in content and process. In addition, it extends through its analysis and relationship-building process into the design of ongoing management and mitigation strategies that accompany the lifecycle of the project. It is therefore useful to understand it as circular (see figure 1 below) and constituting an ongoing mechanism for conflict-sensitive management of a business.

1. Goldwyn, R. and J. Switzer (2004) 'Assessments, Communities and Peace: A Critique of Extractive Sector Assessment Tools from a Conflict-Sensitive Perspective', in **Oil, Gas and Energy Law Intelligence (OGEL)**, vol.2 issue 4. www.gasandoil.com/ogel/

The methodology is guided by four key principles:

**Participatory analysis.** A richer analysis of context, including any existing or potential conflict, and a better understanding of potential project/conflict interactions can be achieved by drawing more creatively on the perspectives of those living in affected areas. Participatory analysis is a key ingredient of the overall assessment process.

**Good communication.** Avoidance of challenging issues allows them to ferment and come up in aggravated scenarios at later stages. Open channels of communication and dialogue where relationships break down can help tackle contentious issues constructively. Improved communication processes are a key component of CSBP as a whole.

**Strong local relationships.** Stakeholders have a legitimate interest in significant changes that a major investment will make to their livelihoods and landscape. Open and transparent discussion and revision of a project in light of stakeholder concerns accords value to others' perspectives. An inclusive approach can make change more palatable to stakeholders and also builds local capacity.

**Shared decision-making.** The decision-making process in business activities becomes more open in P-CRIA. Shared decision-making invites transparency and trust, fosters legitimacy and relieves tensions. This has significant bottom-line benefits for companies, but may require more flexible approaches to timeframes.

Bearing its circular approach and underlying principles in mind, the process of undertaking the P-CRIA tool can be synthesised into four basic steps:

**Step 1**
Start with a project-level context and stakeholder analysis that aims to identify important issues at the local level, and those stakeholders likely to be impacted by the project (insofar as this is possible at this stage). As with M-CRIA, use a combination of desk research, targeted consultations and internal company brainstorming. The resulting information should be written up into a 20-30 page report.

**Step 2**
Engage stakeholder groups identified in Step 1 in a participatory research process that enables a deeper analysis and clarifies the likely impacts of the project. This process also helps identify other impacted stakeholders who need to be engaged and lays the foundations for a sense of shared ownership over project development.

**Step 3**
Drawing on the findings of Steps 1 and 2, begin to design management and mitigation measures with three targets in mind: (i) responding to the needs of the local population; (ii) ensuring negative impacts are minimised; and (iii) addressing some of the conflict or potential conflict issues highlighted during the analysis. Continue to use participatory processes: the more stakeholder groups are involved in identifying responses, the more effective those responses are likely to prove.

**Step 4**
Continue to update and expand the context analysis, impact identification and mitigation design as the project develops, ensuring that significant findings on impact are absorbed into project re-designs where necessary. Identification of the nature and scope of project/context impacts (and therefore impacted stakeholders) needs to accompany progress in identifying precise project parameters, including infrastructure, construction, personnel and transportation needs which, in turn, should accommodate the analysis. This can be a process which evolves over years, and which will require institutional mainstreaming across business areas.

**Figure 1: The P-CRIA methodology**



**Step 1**
Project-level expert-led analysis and impact identification leading to...

**Step 2**
Participatory process with impacted stakeholders leading to...

**Project development**

**Step 4**
Updated and expanded analysis, informing project re-design if needed, deepening...

**Step 3**
Initial participatory management and mitigation strategy leading to...
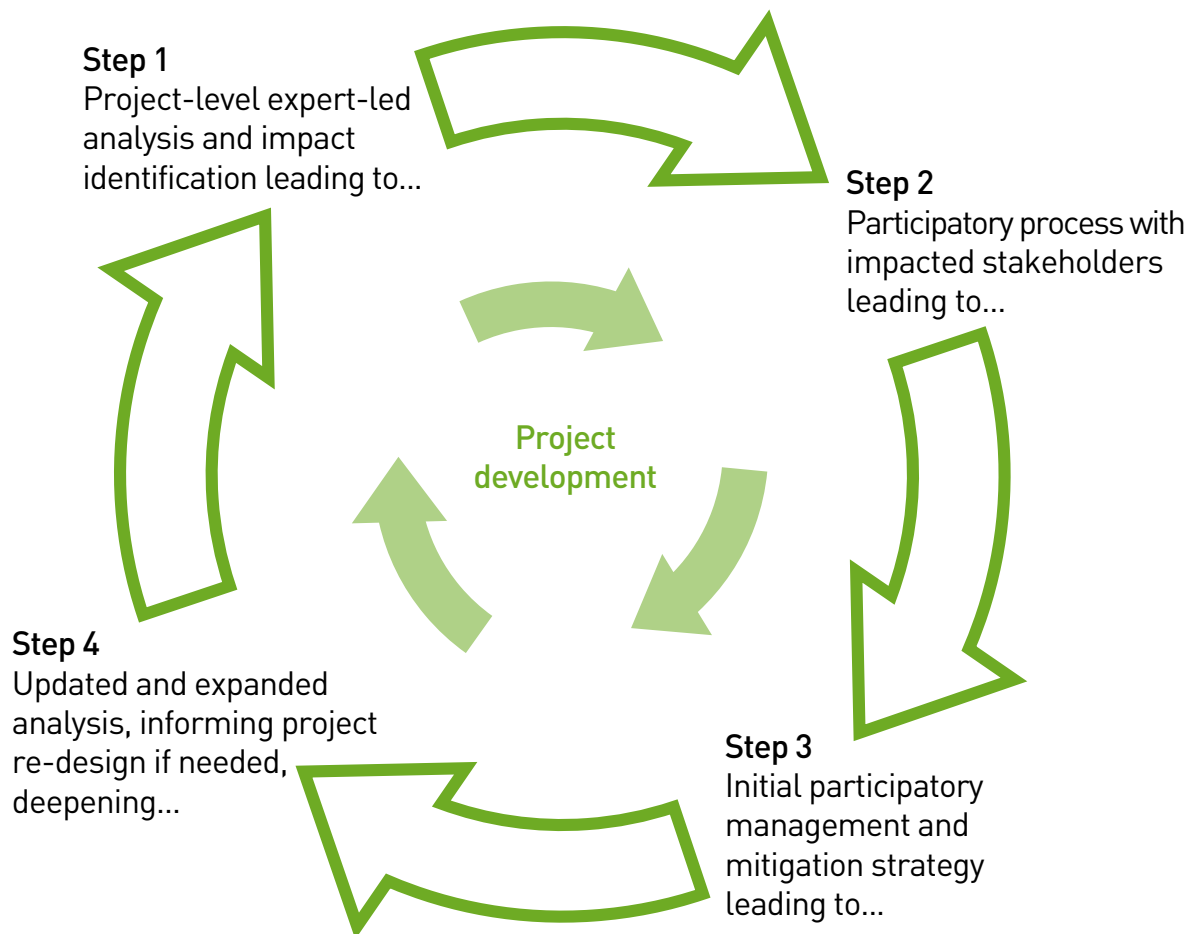
### 3. Step 1: Project-level context and stakeholder analysis

The project-level analysis is constructed along the same lines as M-CRIA, but with a focus on the local level. It is a systematic study of the context that explores the background profile, issues and stakeholders, and makes a preliminary assessment of likely project impacts. Fundamental to any analysis of this type is an understanding of the dynamics within and between the different components. This is particularly critical at the project level where relations between different groups or between communities and local government can be transformed, for better or worse, simply by the presence of a multinational company.

Failure to take the time to understand the pre-existing context has caused companies significant problems in the past. Without understanding the context fully, it is impossible to gain a proper appreciation of the potential project impacts. To keep ahead of developments, P-CRIA needs to begin as soon as possible after the company begins its exploration process.

### Box 1: 'No conflict here'

Relatively few major greenfield projects are developed in areas of actual violent conflict, precisely because of the risks entailed. More commonly, violence at the local level will follow the start of operations.

Major investments inevitably alter traditional systems and, even in relatively peaceful environments, can easily lead to a heightening of tensions and possibly violence. In areas of pre-existing social tension, the odds on such an outcome increase.

The absence of violence in a project area is no guarantee of what might happen in the future. Understanding the tensions that already existed prior to the arrival of the company, and anticipating how the project might impact on these tensions (and indeed on the wider socio-economic context), is fundamental to CSBP.

### 3.1 Linking analysis across scales

Although the project-level analysis seeks to capture the actors, issues and accompanying dynamics relevant to the immediate operating environment, it needs to be contextualised within the findings of the Screening Tool and M-CRIA. Together, they will have highlighted key issues of concern at the national and international levels which may have important implications for what is happening at the local level. For example, an armed struggle in a neighbouring country may involve an ethnic or other group with strong ties to individuals or groups in the project area. Conversely, the project-level analysis may reveal issues that could be relevant at the national level, and these should be factored into subsequent reviews of M-CRIA. For example, tensions over compensation for land acquired for the project may have arisen as a result of recent legislative reform, suggesting a possible source of conflict with the national government. Ensuring that some team members double up on M-CRIA and P-CRIA is one way of ensuring such linkages are captured.

### 3.2 Defining the geographical scope

The linkages between issues and actors at different scales are important in helping define the geographical frame of reference for the project-level analysis. While the concession block provides an appropriate departure point, using below-ground characteristics or arbitrary parameters (e.g. 5km on either side of a pipeline) to determine what is relevant above ground will generate a fragmented and flawed analysis. The geographical or administrative region(s) in which the project is situated may be a better starting point, but understanding of these boundaries will evolve as the analysis deepens and the project takes form. The Screening Tool and M-CRIA will have proved useful in highlighting neighbouring areas of conflict or high levels of tension, as well as groups nursing particular grievances. The extent to which these might be connected to issues prevalent in the concession area and/or groups living there should be one factor in dictating the scope of the project-level analysis. Equally, the evolving analysis may well throw up important connections to others living outside the concession area, who will need to be factored into subsequent steps of P-CRIA.

### 3.3 Communication

Although the project-level analysis is undertaken at a relatively early stage in the project lifecycle, it is nevertheless a priority that communicating information about the project begins as soon as possible. The uncertainty that is often generated by the early exploration process has in the past been a source of tension between companies and communities. Building a social licence to operate needs to begin at the earliest possible opportunity and starts by ensuring communities and other stakeholder groups feel they have some understanding and control of project design. Establishing information points in places and in ways that are accessible (and which don't exclude particular groups or communities) is one step towards doing this. Working closely with stakeholders identified in M-CRIA, or early on in P-CRIA, to convey information in a non-threatening way is another. Some companies have found it useful to take community representatives to visit similar sites as a way of illustrating what the project might look like (and the time, cost and process involved in its development).

Uncertainty over the nature of the project and unfamiliarity with industry practice and timeframes may engender unrealistic hopes of an immediate windfall. The information provided needs to address these expectations head-on. The short-term attractions of promising 'jobs and schools' can quickly become a problem for a company if those things fail to materialise (or themselves become sources of resentment). It may be useful to draw up a 'promise register' to record the various commitments made by project staff throughout the early exploration stages (see Flashpoint Issue 1: Stakeholder Engagement).

### 3.4 Process

The process and framework used for the first stage of the analysis are similar to the step-wise M-CRIA analysis, and require a combination of desk research, targeted consultations with key respondents and internal company brainstorming across relevant departments.

**Figure 2: Framework for analysis**[2]
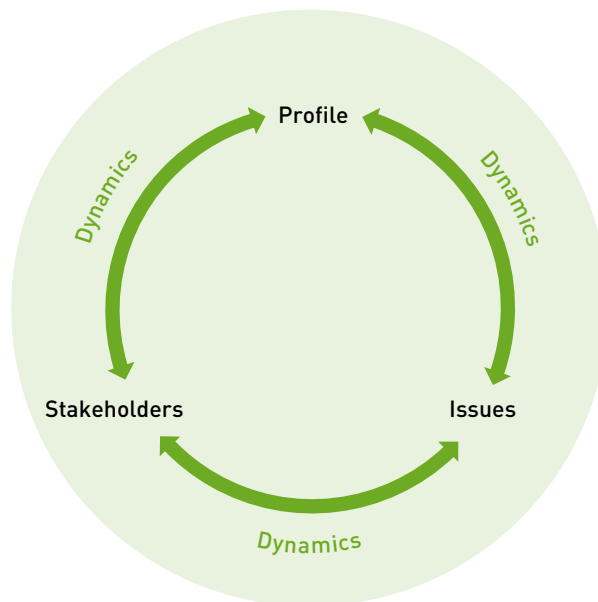


**(i)** Building on the findings of the Screening Tool and M-CRIA, use secondary sources to develop a more detailed understanding of the concession area's history and background, as well as the broader regional social, political, security and economic context, the key actors/stakeholders, and how these elements relate to each other. The findings of this first analysis will provide a basis for subsequent consultations.

**(ii)** Conduct one-on-one consultations on the same themes with approximately 20-30 key respondents. These will include some of the individuals consulted during M-CRIA, as well as local politicians, branches of opposition parties, local media and NGOs, community-based organisations, respected community leaders and international development agencies or NGOs at the project level.

**(iii)** Categorise key issues and concerns under the headings, political/governance; economics; socio-cultural; security; adding in a 'national' section. Write up the findings into a detailed draft 20-30 page report. This should highlight both conflict risk and positive factors that may help mitigate conflict (e.g. traditional conflict-resolution mechanisms).

**(iv)** Conduct cross-department brainstorming in order to agree on the most critical issues. This can lead to a discussion to assess likely project impacts on those issues (and vice versa). Impact identification will be developed further through participatory research processes in Step 2.

**(v)** Consider options for mitigation measures to address negative impacts. With the exception of immediate priorities such as an effective communications programme, however, full development of mitigation strategies at the local level comes later once participatory research processes are underway.

### 3.4.1 Profile

The profile is designed to provide a background narrative to the more detailed analysis of current issues and stakeholders. It gives a brief characterisation of the local context, enabling a preliminary identification of key stakeholder groups as a more informed basis for subsequent consultations. The profile should cover the geographic or administrative region(s) in which the project is situated and should include reflection on any history of previous investment in the locality.

Box 2 suggests an outline for the profile. The lists of issues are indicative rather than exhaustive and should be adapted according to the specific context.

**Box 2: Features of the project-level profile**

**1. Key facts**
Physical geography, population size and make-up, numbers and size of towns, nature and size of self-distinguishing groups (ethnic, tribal, etc), sites of special significance (environmental, religious, etc), mined areas, climate, social indicators (poverty, literacy, health, etc), religion(s), language(s).

**2. History**
Distinguishing historical background, political status of the region within the country, political evolution, past conflicts, disputes with central government, background to any previous industry investment, inward/outward migration, relations with neighbouring regions.

**3. Political/social profile**
Local governance structures, local elections, village/community structures, presence of armed forces, security situation, human rights situation, status of local media/judiciary/civil society, existence and status of minorities, status of women, importance of religion, presence of IDPs, return of refugees.

**4. Economic profile**
Industries, agricultural base, natural resources, (un)employment, rural/urban mix, development projects, SMEs, business associations, trade with other regions.

**5. Conflict (if relevant)**
Location/stage, critical events, peace processes, primary actors and stated agendas, number of deaths, infrastructure damage, importance of natural resources/economic inequality, other causes.

### 3.4.2 Issues

In undertaking the issues analysis, identify the most important factors underpinning or threatening to lead to conflict if not properly addressed. As box 1 suggests, the absence of violent conflict in the project area is no guarantee of a peaceful future. The issues analysis should explore the factors that contribute to grievances, even when these grievances have not yet resulted in violence. At this stage, the focus should be on the operating environment, as distinct from the project. Potential risks associated with the interaction between the operating environment and the planned project will surface in the brainstorming around impact and subsequent steps of P-CRIA.

## Structuring the issues analysis

Start with the background information provided by the preliminary profiling, and develop and enhance it through targeted consultations and further research. Categorise the key findings under five clusters: governance, economics, socio-cultural, security and national. Each cluster can then be further broken down into a series of sub-headings appropriate to the specific context.

The analysis will throw up a large number of factors, many inter-related. In thinking about these, it is useful to understand them as:

**Structural or root causes.** Pervasive factors that have become built into the policies, structures and fabric of a society. Examples could include the lack of political participation (or specific exclusion) of particular groups, systemic corruption, absence of (or inequality in) distribution of economic benefits and marginalisation of women. Structural causes of conflict are inevitably the most complex and long-term but constitute an ever-present threat.

**Proximate causes.** Factors that are symptomatic of the root causes and may heighten the risk of violent conflict, or exacerbate and perpetuate existing conflict (e.g. availability of light weapons, widespread human rights abuses, the objectives of political actors). Proximate causes take on a particular importance at the local level. For example, even when easy access to weapons does not lead to conflict, it increases the threat of violent crime directed against the company or those working for it. Likewise, the risk of the company becoming associated with human rights abuses is greater if they take place in areas where the company is operating.

**Triggers.** Single acts, events or their anticipation that may set off or escalate violent conflict. Examples could include elections, the behaviour of political actors, increased food scarcity and environmental disasters. Many project impacts (e.g. security arrangements, resettlement and compensation policies) are potential triggers of violence.

### Box 3: Sample questions to guide P-CRIA conflict issues analysis

**For each section, list and analyse all the pertinent issues, making sure to collect possible 'trigger or escalating factors', as well as issues that are positive indicators, where appropriate. The questions shown below are indicative only and are not comprehensive or exhaustive. Sensitivity must be applied in the gathering of information.**

**Political/governance.** What is the form of local-level governance? How democratic, representative and legitimate is it? How effective is local government in providing basic public services? How are competing local interests managed? Have there been local elections and what was the turn-out? Have local authorities been accused of violating human rights?[3] Against specific groups? Is there any accountability for abuses? How independent is the judiciary? What is the level of corruption within the local public sector? What types of corrupt activities occur? What effects do these have? How does the local population view corruption?

**Economic.** What are the principal sources of income in the locality? How reliant is the local economy on primary commodities? What is the economic wealth of the locality vis-à-vis the rest of the country? Are there any identifiable socio-cultural groups that are economically better or worse

3. If human rights abuse is identified as a particular issue of concern at the project level, additional specialist assessments may be warranted, for instance the Danish Centre for Human Rights' **Human Rights Compliance Assessment Tool for Companies**. www.humanrightsbusiness.org/compliance_assessment.htm

**Box 3 (continued)**

off than the general population in the locality? Is competition for control of resources a source of tension? What is the extent of the public sector's role in the local economy? To what extent is local-level public sector employment awarded on merit? Are certain groups excluded or favoured with regard to public sector employment? What is the level of unemployment in the locality, particularly among youth? Who locally make up skilled labour? Is this across or within socio-cultural identity groups? What is the history of labour relations in the locality?

**Socio-cultural.** What are the major socio-cultural groups located in the area and what defines them as identifiable 'groups'? What are the prominent minorities in the locality? How are minorities viewed and treated by the majority? What different languages are used, how are they used and who uses them? What is the role of women? Are there any differences between the local and national levels in the way women are treated? What is the traditional role of men? Is masculinity, when expressed through violence, culturally acceptable/expected? What religion is practised locally, and how does this relate to religion in the country as a whole? Are differing socio-cultural symbols and places of worship respected by all communities? How balanced and pluralistic are local media? How important are they? Whose opinions do they represent? Do certain local politicians and businessmen have undue influence over the local media?

**Security.** How safe is the locality for the general population? What are the perceptions of security? Are certain members of the population and neighbourhoods safer than others? What in the locality are seen as 'legitimate targets' for rebel groups (e.g. security forces only, businesses, specific groups)? What is the level of crime, particularly violent and economic crime? Who perpetrates crime and for what reasons? Is the trafficking of people for labour or prostitution an important issue? Is security provided by police, private security companies and/or criminal elements? How are these private security services viewed by the general population and local authorities? What is the nature and availability of weapons (e.g. small arms, explosives, etc)? Who has access to weapons? How are they used (e.g. bombing campaigns, forced conscription, sexual violence)? Where do they come from (e.g. cross-border)?

**National.** How do the dominant political, economic and social issues inter-relate or differ at the local and national levels? Has the discovery of natural resources changed the national government's approach? How is revenue to local government allocated? How is the national government viewed locally? Are there tensions around autonomy/self-determination?

### 3.4.3 Stakeholders
The stakeholder analysis is a preliminary assessment designed to:

- Inform and deepen the overall analysis
- Enable the company to understand and manage its relations with key individuals and groups more effectively
- Provide an opportunity to begin developing relationships with those individuals and groups
- Identify those with whom the company might wish to develop closer working relationships.

Understanding relations within and between stakeholder groups is as important as understanding group perspectives.

Box 4: 'Expert' stakeholders

CSBP takes an inclusive and iterative approach to defining and mapping stakeholders. The key priority at this stage of P-CRIA is to understand 'who is who' in the locality. The potential impact of the project on these individuals becomes a criterion guiding engagement in the next step.

1. **Political/governance.** Local politicians and officials (pro-government and opposition), local judiciary, armed groups (see Flashpoint Issue 7: Dealing with Armed Groups).

2. **Economics.** SMEs, local chambers/business associations, other multinational companies, farmers' associations.

3. **Socio-cultural.** NGOs, women's and religious organisations, community leaders, local media.

4. **Security.** Local police, army officers stationed locally.

5. **National.** As with M-CRIA, including also local offices of international and capital-city based organisations.

### Structuring the stakeholder analysis
In undertaking a stakeholder analysis, there are a number of key questions which need to be considered for each stakeholder:

- **Interests.** What interests does each stakeholder group have, including towards the conflict and how do these interests manifest themselves in practice?
- **Relations.** What are the relations among and between them (consider factions within groups and the impact of these, power dynamics, conflicting interests etc)?
- **Capacities**. What capacities does each group have to influence conflict (positively or negatively)?
- **Peace agendas.** What visions of peace do the stakeholders have? What kind of peace do they want? What are the main elements of their peace agendas (e.g. political/social reform, national autonomy, economic change)?
- **Conclusions**. What implications does this analysis have for the likely direction of conflict/instability? What implications does it have for the company, both in terms of managing potentially difficult relationships and developing strategic partnerships with key groups?

As with the issues analysis, this section is more than a simple statement of facts. The stakeholder analysis should avoid generalities and aim to pick up the underlying subtleties of inter-group relationships and different perspectives. For example, the perceptions that stakeholders hold about their situation are as important as 'the reality'. The analysis should aim to capture these perceptions, noting particularly how they differ within and between stakeholder groups. Box 5 gives examples of indicative questions to guide the research under the same headings.

Box 5: Sample questions to guide P-CRIA stakeholder analysis

For each section, list and analyse all the relevant actors, including their needs, goals, intents and preferences, and their inter-relations, and draw some conclusions as to likely scenarios in the future. As with the issues analysis, the questions shown below are indicative not exhaustive, and sensitivity should be applied in the gathering of information.

**Political/governance.** Who holds *de facto* political power in the locality (regional governor, local elected political leader, armed groups)? Are local political parties controlled from the capital or relatively autonomous? Which individuals and small groups of individuals dominate local politics, and which spheres of political life do they control (e.g. planning permission, local taxes, local security forces, public sector jobs, etc)? How much power does central government have to impose its will locally (e.g. collect taxes, provide security)? Which local civil or community leaders are respected, and why? Do opposition parties have branches in the locality? How well supported are they?

**Economic.** Are socio-cultural groups associated with particular economic livelihoods? How do they 'protect' such economic livelihoods? In the locality, how important are publicly owned enterprises? Are the heads of these enterprises political appointees? Are certain groups excluded from public enterprises? Do certain private businesses get preferential treatment from public sector enterprises? How significant are SMEs? Are they obliged to pay bribes? Do they have to pay unofficial taxes to any state or non-state armed groups? What are the multinational companies in the area, and how are they viewed in the locality by armed groups, government forces, local political leaders, local business and the population at large? What trade unions are locally present and how are they organised? How powerful or marginalised are business associations and trade unions?

**Socio-cultural.** Which are the major socio-cultural identity groups in the locality? Do they have identifiable and respected leaders? What are the relations between them? How important are traditional or religious leaders in mobilising public support or hostility to any initiative locally? What particular interest do these local socio-cultural groups have in national politics? What are the major forms of obtaining and sharing information (local newspapers, local radio, word of mouth), and have these media been connected to rising tensions? Are certain local civil society organisations or NGOs associated with particular groups? Which civil society organisations enjoy wide support and are seen as legitimate and representative? Does civil society influence local policy and politics in any way? How has migration (forced or unforced) affected the demographics of the area over the last 20 years? What groups are migrating and why (forced migration, economic migration)? How are local groups of migrants, refugees and IDPs organised, and what are their primary political and economic interests?

**Security.** Who provides security? How are security forces viewed? Are they implicated in abuses, extortion or corruption? What is the relationship between local and national security forces? Are local non-state armed groups significant political and economic players? Who controls criminal activities? Do the authorities deal with these individuals or do they operate with impunity? Is there an international security presence? How does the general population view it?

**National.** What is the relationship between local and national political elites? What presence and role do national stakeholders have in the locality (opposition political parties, media civil society organisations, etc)? Are there tensions between national and local stakeholders? How do these manifest themselves?

### 3.5 Initial impact identification

The final piece of Step 1 helps to make a preliminary assessment of the likely project impacts on the context and vice versa, based on internal company brainstorming over the findings of the project-level analysis so far. In the early stages of the exploration process, a significant degree of uncertainty remains as to the specific project parameters (or indeed whether the project will proceed at all). As with the equivalent stage in M- CRIA, however, certain impacts on the project area can be predicted based on the analysis already undertaken and previous experience.

Figure 3: Two-way interactions between project and context
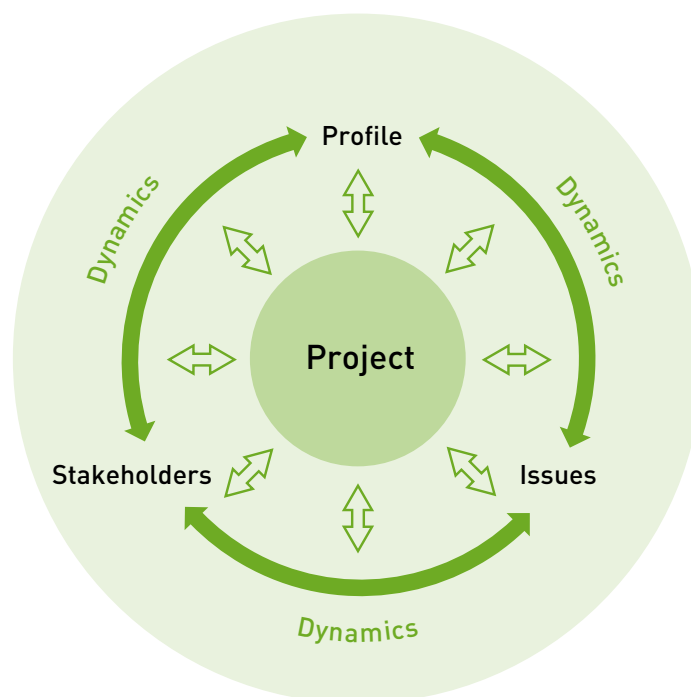
Impacts occur at the project level that can have implications for conflict as a result of decisions around the following issues (many of which are detailed further in Section 4: Flashpoint Issues):

- **Location of a project installation.** This may affect access to key sites such as wells, forests or other places with cultural value; it may also lead to resettlement of people and consequent compensation claims, etc.
- **Environmental impacts.** These range from the use and pollution of local river or sea waters to spillages and emissions.
- **Recruitment of staff.** Projects may create inward migration of other communities in search of jobs; recruitment can favour different groups as companies seek the right skills; wages will change the local distribution of wealth and power.
- **Community relations.** Interaction with communities may influence people's perceptions of the project; social investment projects also feed into local tensions and dynamics, and become a source of conflict.
- **Relations with local government.** Companies can become involved in the rent-seeking behaviour of local authorities, exacerbating poor governance tendencies; they can inadvertently undermine state capacity by becoming the major provider of services to communities as a result of social investment programmes.
- **Security arrangements.** The conduct of security forces will influence people's perceptions of companies and, in certain situations, the local conflict or human rights situation.

To begin the initial impact identification, the findings of the research into profile, issues and stakeholders should first be written up into a 20-30 page draft report, including best, most likely and worst-case scenarios for the future of the locality with regard to conflict. The draft report will then serve as the basis for internal discussion with company staff in order to develop ideas on different issues and stakeholders likely to be impacted by different dimensions of the project. It is critical that a cross-section of company staff engage in this process given that a range of business activities is likely to have impacts. They should include geologists, political risk and security managers, and staff from the external relations, procurement, human resources and management departments. Brainstorming with these internal stakeholders is a crucial step towards mainstreaming a conflict-sensitive approach to the operation across staff, through sensitising them to the impacts of their individual areas of responsibility. It helps to develop the required communications mechanisms and procedures for implementing and monitoring P-CRIA – and CSBP as a whole – as it moves into deeper stages. These internal discussions also help identify any necessary project redesign by throwing up serious risk factors.

P-CRIA accompanies the entire lifecycle of a project, shifting and accumulating new strands as design of the project progresses and relationships deepen. It enables understanding of impacts to develop in tandem with the project itself. Separating the project stages into component parts (e.g. geological surveys, exploration and drilling, production, closure), and repeating and deepening the analysis and impact identification process accordingly raises the likelihood of ensuring that all impacts and all impacted groups are identified in time to design appropriate consultation and mitigation strategies at each stage of project development. Particular events, both internal (new developments of the project) and external (changes to the political landscape) should prompt additional updates.

Findings of the internal discussions should be added into the conflict analysis report, which becomes a tool that is regularly updated during the lifecycle of the project, including the findings of deeper participatory research into context and impact with stakeholders (see Step 2).

### 4. Step 2: Participatory analysis and impact identification

Although an important component of Step 1, engagement with stakeholders has so far been relatively limited. With a better understanding of the context and the project parameters, however, it should now be possible to move to a more systematic dialogue with those initially identified as likely to be directly impacted.

### 4.1 Process

Engaging in the kinds of participatory processes envisaged by P-CRIA is a huge step forward in terms of level of community involvement and needs to be approached cautiously. Contracting a team of independent facilitators is an essential part of the process, which should consist of an ongoing programme of participatory sessions reaching out to a wide range of different stakeholder representatives, sometimes together, sometimes in smaller groups. The purpose is to understand the context better through eliciting the perspectives of different parts of local society, and to understand likely project impacts, again as viewed by different parts of society.

The following four key questions should guide design of the process (also see Flashpoint Issue 1: Stakeholder Engagement):

### 4.1.1 Who needs to be engaged?

The term 'stakeholder' needs to be understood as broadly as possible. The main criteria for identifying and engaging with these individuals so far in both M-CRIA and the project-level analysis has been their expertise and/or importance as representatives of particular perspectives or constituencies (see box 5 above). As the project develops however, it is useful to distinguish between various categories of stakeholders on the basis of impacts, as the company will need to develop different levels of engagement with each.[4]

**Primary.** Those who will find their lives and livelihoods directly changed through the development of the project are primary stakeholders. ESIAs generally identify most of these groups since they are likely to be those impacted by relocation and resettlement, transport and infrastructure requirements, destruction of farm land, pollution, the arrival of an external workforce, etc. An important added value of P-CRIA here is that standard ESIA procedure is to identify such groups on the basis of geographical distance from the project, transport corridors (e.g. pipelines, roads) or security and construction camp emplacements. This is rarely likely to prove adequate given that it is fixed, arbitrary and not based on the specific context. Also, ESIAs tend to be undertaken at one particular moment early on in the project history. As such, they can miss those who may be impacted by major developments later on. The P-CRIA analysis will enable a more nuanced and iterative identification of primary groups.

**Secondary.** Those impacted by changes to the condition of the primary stakeholders are secondary stakeholders. Most obviously this includes communities into which - or close to where - primary stakeholders are resettled. However, secondary stakeholders can be impacted in a variety of different and complex ways (e.g. disruption to a fishing community may have implications for market traders some distance away).

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4. The categorisation of primary, secondary and indirect is repeated for impact identification (see below), and is adapted from Shell International Exploration & Production B.V (2003) **Impact Assessment Guidelines – Social Impact Assessment Module**.

**Indirect.** Those impacted by changes in the overall political, socio-economic and security context are indirect stakeholders. For example, corruption may increase at the local level involving or impacting certain stakeholders; or the presence of more security forces may precipitate a clampdown on dissent or greater levels of human rights abuses. M-CRIA is designed to anticipate these impacts at a national level but corresponding impacts of this nature at the project or regional level need to be included and, where possible, addressed in the P-CRIA process.

Although there is an inherent prioritisation implicit in this categorisation, from both conflict-sensitive and good community relations perspectives, it is important to understand the full spectrum of impacted groups. Only basing the identification of these groups on anticipated impacts, rather than geography, can do this.

Engagement in extensive participatory processes that are designed to reach all levels of impacted stakeholders on an ongoing basis throughout the project history might be considered problematic from a company perspective. Budget and time demands mean that companies feel they have little leeway in terms of initiating protracted consultations. However, the benefits of including stakeholders in developing a common analysis of their situation from the earliest possible moment, identifying potential impacts and generating ideas for mitigation strategies, are considerable. In terms of timing, the process should be upfront as a second step to P-CRIA, but will also continue unfolding throughout the lifecycle of the project.

### 4.1.2 What will be the impact of the engagement process?

The first priority is security. Will participation put anyone at risk? There are a number of ways in which this might happen:

- In certain contexts, informers have been known to infiltrate community meetings, putting those who speak out at risk
- Public airing of grievances or problems (or indeed support) can invite accusations of endangering the project (or collaborating with the company), possibly precipitating reprisals or ostracism
- There may also be real security risks associated with engaging with armed groups or their affiliates.

Even in less extreme cases, governments or local authorities may be reluctant for companies to engage in dialogue with certain stakeholders. This can pose a political and legal dilemma, but can often be addressed through lobbying the government or through the strategic use of third parties. It is important to remember that a path of non-engagement with certain key groups - including the most 'difficult' – can itself create risks, ranging from breeding resentment to making the company a target for sabotage or kidnapping (see Flashpoint Issue 1: Stakeholder Engagement; Flashpoint Issue 4: Indigenous Peoples; and Flashpoint Issue 6: Dealing with Armed Groups). An inability to engage in proper consultations, for whatever reason, should trigger a review of how, and if, to proceed (see box 11).

The engagement process can affect power structures. Engaging through existing representative structures might serve to consolidate an unjust status quo. The use of middlemen or elders to liaise between companies and communities is a common company practice, though it can generate competition and patronage. Not all cultures embrace participatory processes and, even when they do, particular sub-groups may be excluded (for instance, women or lower castes). Such cases

demand a creative approach by the company, one that achieves the same objectives but using a different (perhaps more informal) process. The alternatives need to be sensitive to the fact that undermining traditional structures by, for example, ignoring a community's caste dynamics in the consultation process, can be just as damaging.

Tensions may exist prior to the company's arrival, making difficult the types of encounters envisaged by P-CRIA. Equally, the prospect of the project may awaken dormant divisions that only become apparent during the consultation process. The opposite may also be true: the prospect of the project may introduce greater common interest than was evident before. The earlier that tensions are identified and measures taken to address them, the less likely they are to escalate.

Lastly, but of key concern to the company, these types of intensive discussions are more likely to raise future expectations among different stakeholders, and may become a forum for the expression of grievances, needs and aspirations. Managing this dynamic sensitively can best be done through absolute transparency from the outset as to the intended purpose of the meetings, and the long-term goals, intentions and likely trajectory of the project itself.

These are immensely difficult challenges for which there are no easy answers. Company fears that communities will use consultation to vent demands and grievances is not a sound reason for not engaging. The reality is that a company investment is a part of the local context from the moment the first geologist steps into the area. Acknowledging this fully, and taking the steps offered through P-CRIA towards understanding its significance, including through creating safe spaces for dialogue and maintaining an open approach to social complexities, is an essential means towards winning a social licence to operate and a fundamental component of the CSBP approach.

### 4.1.3 How much preparation is required?
Consultation processes need to recognise and address the likely power and capacity imbalances between company and stakeholder groups. As far as possible, the objective is to discuss on an equal basis rather than negotiate from a position of strength.

The information and resource gaps that exist among stakeholders may inhibit their ability to make an informed analysis of the context and the consequent project/context impacts. These gaps could include information about the company, the proposed project or even negotiation skills. They emphasise the need for an effective information-sharing strategy from the earliest possible stage. Stakeholders should be informed about the project's constituent phases (geological surveys, exploration, construction, production, closure, etc); contingent requirements (land, infrastructure, workforce, etc); and accompanying processes (resettlement, road-building, recruitment, etc) as far as possible. Other mechanisms may also be needed. Independent third parties (e.g. NGOs) can provide valuable support and advice to communities. Training in negotiation or facilitation skills for community representatives is another valuable initiative.

The dialogues should take place at times and in places convenient to those involved. This means not only choosing suitable venues (company property may be inappropriate), but scheduling meetings around people's everyday activities. Those who live a subsistence existence cannot necessarily afford to take time out during the day to meet company representatives. All these considerations need to be factored into company planning well in advance if the consultation process is to realise its objectives.

## Box 6: Tripartite dialogues in the Amazon region

A series of tripartite dialogues on the hydrocarbon sector were initiated in the Amazon regions of Bolivia, Colombia, Ecuador, Peru and Venezuela in 2000, lasting for two-and-a-half years. Their purpose was to improve the channels of communication between government, oil companies and indigenous groups because interaction historically had occurred only in reaction to conflict. Participants were selected on the basis of an expressed interest in promoting mutual understanding between sectors, using a narrow definition of stakeholder to focus on those judged to have a 'real' stake. The point of departure in the dialogues was not whether oil development should occur *per se*, but under what conditions, constraints and responsibilities. The dialogues did not relate to any specific project development.

A series of ground rules underpinned the dialogues and encouraged a free and frank exchange. These were:

- Confidentiality of the names of the participants and non-attribution of content
- Open and non-adversarial discussions and analysis to seek mutual understanding
- Equality of participants in addressing concerns (recognising the asymmetries in power in the external reality)
- Dialogue not negotiation
- Strictly facilitative role of third party.

The process went through a series of stages:

**Initial meetings** in each country with 2–3 representatives from each sector to design the process. A cycle of three workshops was agreed in each country, with space for adaptive management of the process.

**Workshop 1. Scene-setting** bringing together 25-40 participants from the state, national and international companies, and indigenous organisations using participatory workshops, role play, 'ice breakers' and informal discussions. The objective of the 'playful' approach was to promote mutual identification, framing the dialogues as between individuals rather than sectors. Each sector was asked to identify 'hot issues' though these were not discussed in detail. Two key questions were articulated by the participants, for which they would prepare 'orientations' for the second round of workshops, these were:

- What do you want to know about the other sectors?
- What do you want the other sectors to know about you?

**Workshop 2. Mutual knowledge** using presentations based on the 'orientations'. This mutual exchange of information was broad-ranging, including long-term visions of development, experiences of other extractive industries, detail on the oil industry (including contracts, relations with governments and between companies, national policy) and perspectives on 'outsiders'. Some role-playing techniques were practised on prior consultation, and the 'hot issues' were advanced a little.

**Workshop 3. Constructive relationships** delivered training on dialogue methodologies, so that participants could both be better participants and convene dialogues themselves.

**Tripartite regional dialogues** were then convened with selected participants from five countries and three sectors. Discussions were first held among each sector, so they could propose what could be done as a sector. The participants then reconvened by country to plan what they could do in each. Different proposals emanated from each country.

**Specialist training on participatory dialogue** was delivered to a handful of the participants to groom them as future facilitators.

A series of key lessons can be drawn from the process:

- The escalation of conflict is worsened by a lack of information, and yet the sectors tend not to talk to one another. The more one sector knows about the other, outside a conflict situation, the better they are able to cope with a conflict situation when it arises.
- Many conflicts arise where the state is weak; strong states can dramatically reduce conflict between indigenous peoples and oil companies. Institutional strengthening, for example through cooperation with the state to deliver health services, will help build a more pacific environment. The creation of parallel structures, or the direct provision of funds for health facilities, does not help achieve this.
- There is a significant lack in institutional capacity when it comes to accountable facilitators who are both impartial and capable.
- Sectors are not homogenous; there is a tremendous diversity within each. Processes such as the tripartite dialogue are more effective when continuous.

The partner organisations organising and facilitating the process were Fundaçion Futuro Latinoamericano (FFLA), Carl Duisberg Gesellschaft and the Program on Non-Violent Sanctions and Cultural Survival at Harvard University. FFLA (www.ffla.net) – is a private, not-for-profit organisation committed to fostering change toward sustainable development in Latin America. FFLA uses consensus-based public policy dialogues and conflict resolution methodologies as its main strategies. FFLA's methodology typically generates consensus-based outcomes supported by a full range of stakeholders, increasing the chances for successful implementation. FFLA focuses in five key areas: energy and sustainable development; trade and sustainable development; sustainable forest management; local governance; and freshwater management.

### 4.1.4 If things go wrong?

Given the complexities of project development and its interaction with host societies, it is inevitable that problems in relationships with stakeholder groups will emerge. These may be manifested through a refusal to meet and talk, or the appearance of roadblocks or campaigns against the company. It is easy in such circumstances for company staff to adopt a defensive or embattled approach, branding those who criticise the company as ideologically opposed to investment, or as acting under the influence of 'external actors'. Though there may be some truth in this, adopting this attitude runs the risk of disregarding genuine grievances and may be ultimately self-defeating. Allowing a problem to fester does not help the company repair critical relationships.

Disputes often arise over specific environmental or technical issues. In such cases, commissioning independent research, coupled with a prior agreement to abide by its findings, may be all that is required. In other cases, targeted dialogue, underpinned by clear guidelines and principles, and initiated as early as possible, will probably be the best mechanism. Such guidelines can include:

- Use of a third-party facilitator, agreed to and invited by all parties
- Recognition of the legitimacy of other parties and their concerns
- Establishment of ground rules for the dialogue process (see box 7)
- Acceptance of an open agenda
- Time to see the process through
- Admission of past wrongs.

### Box 7: Codes of conduct for dialogue

Exploration of three wells in the Amazon region in Ecuador resulted in a breakdown of relationships between an oil company and the indigenous peoples whose territory was affected. The dispute centred on the compensation agreements negotiated with other affected communities.

A third party, Fundaçion Futuro Latinoamericano, was called in by the company and invited by the parties in June 1999 to initiate a process of facilitated dialogue, broken down into two stages:

1. Negotiation of a code of conduct for dialogue
2. Dialogue on conditions and compensations for the company's exploration activities on indigenous territories.

The indigenous community refused to negotiate with the company until a code of conduct was agreed. There was no discussion of conditions or compensation in the first phase. Instead, the negotiations served to surface many conflict issues which were subsequently addressed through the process of drawing up the code of conduct, thus solving many tensions prior to the actual dialogue itself. In other words, broader relationship issues were de-linked from the specific concerns that triggered the dispute.

The role of the facilitators was to:

- Create trust in the process of dialogue
- Establish good communications between parties
- Structure discussions such that they could elicit clear expressions of willingness to negotiate, help articulate interests, and foster constructive conversations.

It took approximately five months to draw up the code of conduct setting out the principles, procedures, requirements, responsibilities and obligations governing the dialogue. The code of conduct also established the presence of the state as a third party in the negotiations. It took a further three months to produce an agreement on compensation.

The full code can be found at: isis.hampshire.edu/amazon/oil/code_eng.html

## 4.2 Structuring the participatory consultations

Where the basic framework of governance, economics, socio-cultural and security is a useful framework for organising information gathered through desk research and targeted consultations, a more open approach is likely to be necessary to guide the participatory analysis and impact identification. Step 2 is about developing a richer understanding of the communities themselves, their way of life and the challenges and difficulties they face. It is also about the company taking a more active involvement with the affected stakeholders, thereby becoming a participant in the process.

**Box 8: Shared analysis process**

In 2001 a company operating in Indonesia began a Participatory Rural Appraisal (PRA) process among several affected communities near their copper mine. A development NGO was bought in as the third-party facilitator, who identified the formal and informal community leaders and members to lead the process. These were then trained (alongside several company staff) for three days in conducting PRAs. Following the training, the villagers returned to their communities and conducted PRAs, supported by the NGO. A shared analysis was developed on:

- What resources the community has
- What the community wants to develop
- Internal obstacles
- Needs.

The process culminated with a plenary bringing all the findings together for discussion, including the local government and the company. This then helped inform social investment design.

## 4.2.1 Analysis

The literature on participatory processes is extensive (see Resources). Different tools and methodologies are appropriate at different phases of the consultation process and according to the desired outcome. The Annex to P-CRIA includes a selection that may be particularly useful from the perspective of analysing conflict or social tensions. Such tools, however, are only ever as useful as the skills of those using them. This again emphasises the importance of bringing in experienced facilitators.

The analysis generated through these dialogues should not be considered 'definitive'. Perceptions and understanding vary from one group and, indeed, one individual to the next, and each consultative process brings to the fore a variety of perspectives. Clearly, the greater the degree of convergence around particular issues, the more confident the project team can be in the analysis. Where significant disagreements occur, they should be noted since perceptions are potentially as important as any objective 'reality'. The findings from this process can be used to add to the basic issues and stakeholder analysis undertaken in the preceding stage, based on the P-CRIA team's synthesis of findings. As discussed on p.16, the conflict report of Step 1 should remain a live tool, regularly updated.

### 4.2.2 Impact identification

A full exploration of impacts is only possible through discussions with impacted stakeholders. The participatory element is important not only because those affected by the project need to be engaged in understanding and defining how the project will impact them, but because their knowledge will be key to identifying other groups who will subsequently need to be consulted. This kind of process clearly requires that the stakeholders are adequately informed about the project, as detailed above.

**Figure 4: Iterative impact identification process**
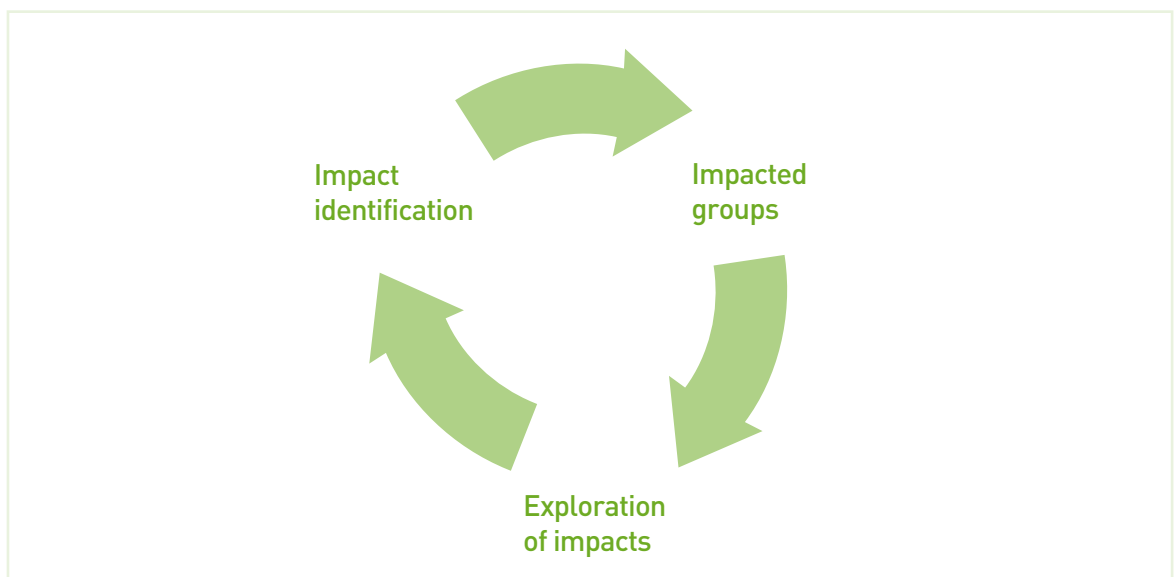


The process, as shown in figure 4, mirrors the overall circular P-CRIA framework. Initial assessment of impacts will lead to an identification of likely impacted groups. Working with those groups will enable a better understanding of the nature of the impacts and elicit other impacts which, in turn, will mean engaging with other stakeholders.

The cycle of consultation on context analysis and impact identification should be implemented in accordance with advances in the development of the project and greater clarity over the project parameters, responding to external shifts in the context at both national and project levels. In principle, the focus of the consultations (and indeed the identity of the impacted stakeholders) will reflect what is known about the project at the time. This will help minimise unduly raised expectations over a project that may never go ahead, and ensure the company does not find itself engaging too deeply until it is more certain of its own long-term presence. In practice, maintaining a balance between looking ahead to anticipate and plan properly, and not pushing forward with engagement with issues and groups while uncertainty remains, is a difficult one. The approach the company takes should be determined by the specific context.

Transferring some degree of decision-making to the stakeholders is critical to the success of this process. This does not relate simply to assessing the nature of the impacts, but also exploring project re-design options if stakeholders feel there are sufficiently strong arguments for doing so (see box 9). This does not preclude the company's perspective. The company should recognise

and communicate its role as an equal stakeholder in an analysis and consultation process with other stakeholders, rather than as a decision-maker to be lobbied and pressured. This results in a better process and enhances the chances of emerging with a consensus and sense of shared ownership.

### Box 9: Decision-making and project re-design

At a zinc project in South Africa, one company undertook an extensive stakeholder engagement process, leading to informed/consultative decision-making on project components. The consultation began during feasibility studies involving meetings and one-to-one engagements with over 300 interested and affected parties, open days and visits to the mine site over a two-year span, and a dialogue process with environmentalists and other stakeholders. The dialogue process with the environmentalists was chaired and coordinated by World Wildlife Fund, and generated good working relations with many of the parties. One of the decisions reached through the dialogue was to resite the tailings dam to minimise the impact on rare succulents in the habitat.

There are three general types of impacts that reflect (and are closely bound up with) the categorisation of impacted stakeholders:

**Primary.** What happens as a direct result of a feature of the planned project. This would include employment generated by construction, rivers affected by pollution, disruption to traditional livelihoods through resettlement, etc.

**Secondary.** The knock-on impacts resulting from the above: e.g. tensions which arise between relocated and host communities, creation of new industries to service the project and decline of existing ones. Secondary impacts can also have follow-on effects (see box 10).

**Indirect.** Impacts on the overall political or socio-economic system. These include increased rates of detention, higher levels of corruption and restrictions on the freedom of the press. Equally, it might mean better provision of social services, lower taxes, etc.

### Box 10: Causal chains

Primary impacts can trigger other changes or provoke reactions. Causal chains speculate a potential chain of events that may occur from a specific trigger event. In situations of conflict or tension, reactions often escalate, drawing in other actors and issues in complex interplays. As with another tool that is often used, 'scenario building', causal chains describe a hypothetical future.

For example, an accident at the project site causes the release of tailings into a river, reducing fish stocks. The fishermen react by protesting at the mine. The company increases its security, including bringing in a private security firm. The security firm uses force to break up the protests and several protestors are injured. An international advocacy organisation hears about the incident and publicises it on the internet. The fishermen take legal action against the company. The injured protestors sue for compensation.

**Box 10 (continued)**

This hypothetical situation shows how one event or impact can precipitate a series of actions and reactions which escalate and draw in other parties. Multiple different reactions may emerge from a trigger event or its reactions.

In understanding impacts, it is important to anticipate a range of potential knock-on events in order to avoid events sliding out of control. Clearly, any number of causal chains could be developed for each and every impact so a degree of prioritisation is required. The participatory process assists in identifying the most critical potential impacts.

Illustrating the relationship between impacts and impacted groups in this way emphasises that it is the impacts that constitute the main criteria for identifying stakeholders. Companies should bear in mind the distinction between impacts resulting from the project itself (primary and secondary), and impacts related more to the wider effects of natural resource extraction on the context (indirect).

The impact identification process should be used as a basis for informing the company's understanding of the likely impacts on itself, although this should be refined by the P-CRIA team in conjunction with relevant departments. These can range from the financial costs associated with resettlement and compensation, to the potential reputational risks of being closely associated with a repressive regime.

In addition to drawing up causal chains, there are a number of other tools available for generating an understanding of impacts:

- **Scenario planning.** Brainstorm the best, most likely and worst-case scenarios by considering the key predicted impacts in the context of the findings from the project-level analysis. Scenario planning is most valuable for exploring context (indirect) impacts, but can also be used for project (primary and secondary) impacts.

- **Mapping impacts across stakeholders.** Assess the cumulative impacts across the spectrum of stakeholder groups. This helps to understand whether one group benefits or suffers disproportionately from the project.

- **Specialist work teams.** Given the technical nature of certain project impacts, it may be impractical to explore them in large workshops. Establishing a team of technical experts and stakeholder representatives to work through the issue is a more appropriate mechanism.

The process of participatory analysis may unearth some critical likely impacts that cause a company to rethink its investment, even at this stage.

Box 11: Potential 'showstoppers' at the project level

Companies cannot always operate in a conflict-sensitive manner; in some circumstances they unavoidably contribute to insecurity and violence at the local, regional or national level. Potential showstoppers at the macro level were discussed in the Screening Tool. Potential showstoppers at the project level should emerge in the process of project-level analysis and are dependent on context, and the particular project within it. It is possible to point to three ubiquitous factors alerting a company to an impossible situation from the perspective of conflict-sensitivity, however:

1. If there is no possibility of creating any form of safe space for shared analysis, this should signify a 'no go'. A company cannot be conflict-sensitive if the political space for stakeholders to engage in discussions about the investment is so limited due to the restrictions imposed by a repressive regime.

2. If it emerges that security payments will be demanded from staff or the project, this should signify a 'no go', unless the company feels confident it will be able to overcome demands through alternative means such as developing relationships with all local communities in such a way as to achieve a *cordon sanitaire* around the operations. Security payments to armed groups unavoidably prolong and potentially escalate violence (see Flashpoint Issue 6: Dealing with Armed Groups).

3. If it emerges that the company cannot operate in the area in accordance with international law and its own business principles (see Screening Tool).

## 5. Step 3: Participatory mitigation design and implementation

Figure 5: Conflict-risk mitigation strategy
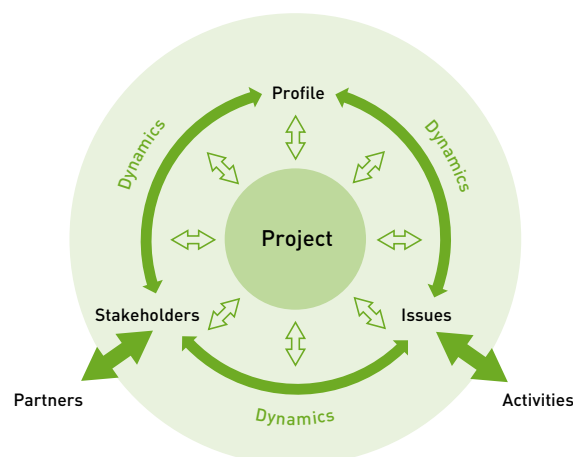


The preceding steps will have identified critical issues existing prior to the company's arrival (e.g. systemic problems within the local society, open or latent tension between communities) and assessed the likely impacts of the development of the project on stakeholders and on the overall political and socio-economic context itself. The next step is to design management and mitigation strategies to address both the underlying issues and the likely impacts of the project across all areas of the business.

## 5.1 Approach

A common mistake is to assume that by providing jobs and paying taxes the company is fulfilling its responsibilities to the society in which it is operating, or that any additional contribution through social investment is of itself 'good'. Neither assumption is true. Institutional and governance failings in many conflict-risk countries mean that revenue is not used for the benefit of the population as a whole. At the same time, failure to understand and address real needs through social projects has resulted in many flawed interventions whose effect is at best negligible and, at worst, divisive. Experience over the past decade, both from extractive industry projects and from the development and humanitarian aid sector, suggest that development itself can create conflict at a community level (for example, over access to the 'benefit') or at a national level (by allowing the government to neglect its responsibilities to its people).

Company mitigation strategies must therefore accomplish several things:

- Address all aspects of business impact
- Address real needs at the local level
- Be sustainable
- Avoid creating a dependency culture by simply providing services
- Take into account and address the wider structural issues underpinning the conflict or under-development within the society.

These strategies must also be developed in the context of enormous expectations, both from those who live in the region where the resource is located and in the country at large. P-CRIA emphasises the need to address these expectations from the earliest possible stage through transparency, open communication and participatory consultations.

Inevitably, discussions around mitigation strategies – especially as they relate to social investment projects – will be heavily influenced by the needs, aspirations and grievances of individual stakeholders or communities. Often, these might be presented as 'demands'. The challenges of dealing with the separate and, perhaps, contradictory and competing calls for infrastructure, service provision or other development projects by different stakeholders have resulted in flawed approaches on the part of companies by:

- Insisting on complete control over the design of mitigation strategies in order to avoid the problem of juggling competing demands. This risks inappropriate initiatives which have little popular support and therefore prove unsustainable.
- 'Buying off' individual communities one by one. This establishes a pattern in which social projects become a way of fire-fighting grievances rather than addressing long-term needs (see Flashpoint Issue 1: Stakeholder Engagement).

The strategy design, therefore, needs to be participatory, using the methodolgies described above, with a strong component of shared decision-making. It also must be comprehensive, encompassing long-term needs across a broad spectrum of stakeholders, and taking into account a thorough understanding of the context in order to ensure proposed social investment projects or other mitigation measures do not feed or create divisions. It requires strong partnerships with other companies, local and national government, NGOs and the wider international community (see below). Designing mitigation and management strategies needs to evolve iteratively and be informed by the ongoing analysis elements of P-CRIA.

As presented in the Introduction and in M-CRIA, CSBP requires 'mitigation' of conflict risk through compliance with national and international laws and standards; adopting a 'do no harm' approach to company/conflict impact; and going beyond this to contribute to 'peacebuilding'. Peacebuilding encompasses a range of initiatives (see figure 6) many of which fall within a company's mandate and areas of expertise, others (particularly the more political dimensions) that fall outside them.[5] Assisting a society to move from violence towards peace requires a variety of interventions by a number of different local and international actors.

Figure 6: The 'peacebuilding palette'[6]
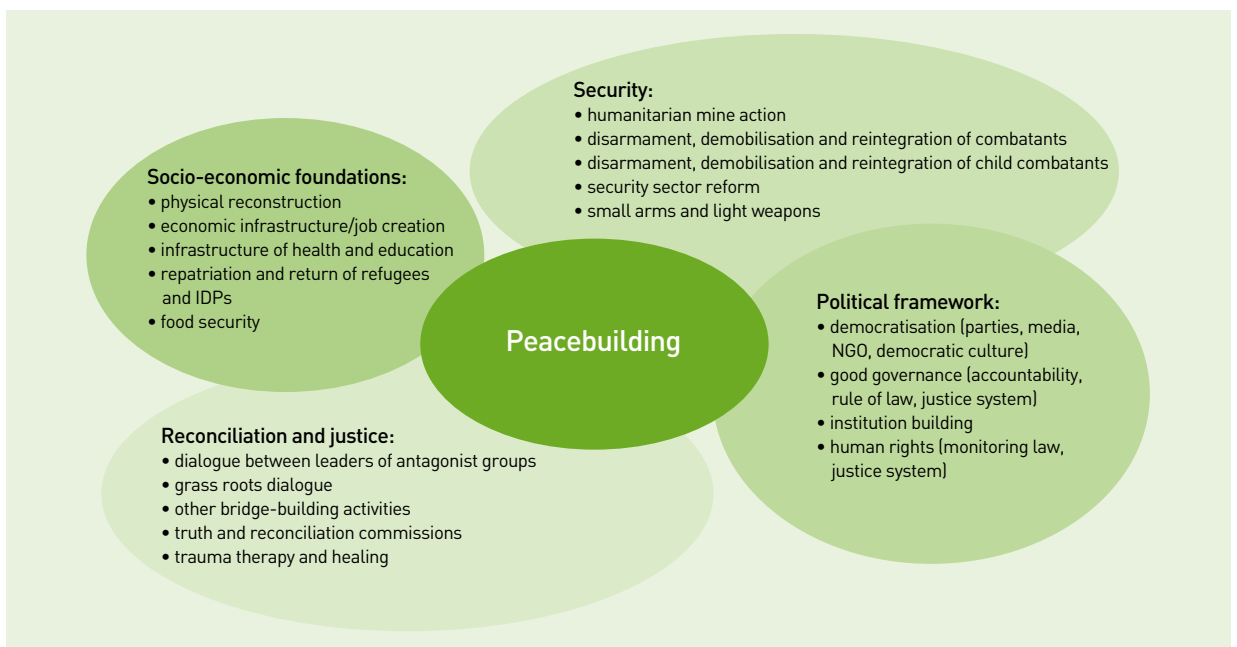


At first sight, the concept of peacebuilding can appear to be beyond companies' legitimate activities as private-sector entities and, as a result, companies to date have not fully acknowledged that they have an important role to play beyond the provision of revenue and jobs. To play this role means taking a comprehensive and holistic approach to the short and long-term challenges facing societies engaged in, emerging from or threatened by conflict, and contributing their competencies toward their alleviation. To maximise the contribution requires working in partnership with others as presented in box 12:

Box 12: Partners for conflict-risk mitigation and peacebuilding

**Government.** States (or state-owned enterprises) are the primary partners in most extractive industry projects. Entering into agreements with governments means that a company's reputation is inextricably bound up with the actions of its partner. In other words, abuse, corruption and repression by government inevitably rebounds on the company by virtue of its partnership. This emphasises the importance of writing key agreements into contracts (e.g. transparency in revenue payments, Voluntary Principles on Human Rights and Security, percentage of revenue accruing

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5.  Banfield, J. et al. (2003) **Transnational Corporations in Conflict Prone Zones: Public Policy Responses and a Framework for Action** ( London: International Alert); Nelson, J. (2000) **The Business of Peace: The Private Sector as a Partner in Conflict Prevention and Resolution** (London: International Alert, International Business Leaders Forum and Council on Economic Priorities); Wenger, A. and D. Möckli, **Conflict Prevention: The Untapped Potential of the Business Sector** (Boulder: Lynne Rienner).

6.  Smith, D. et. al. (2004) **Towards a Strategic Framework for Peacebuilding: Getting their Act Together** (Oslo: Norwegian Ministry of Foreign Affairs).

**Box 12 (continued)**

to project region). In itself this will go some way towards avoiding the main sources of grievance and conflict precipitated by extractive industry investments. Beyond contracts, companies should lobby and dialogue with governments to use revenues equitably, working with them to promote an enabling environment for business and exerting pressure to reduce corruption and hold to account those responsible for human rights abuses. In terms of state-owned enterprises, capacity building should go beyond technical and financial expertise to include the incorporation and mainstreaming of sound ethical principles. Companies should also work to build the capacity of local government to deliver services to communities by designing social investment projects that complement and strengthen government, rather than eclipse it (see Flashpoint Issue 5: Social Investment).

**Companies.** Collective action by multinationals is critical to exerting a positive influence. Acting alone is both risky and less likely to prove successful. However, while companies often need to work together to develop natural resources, they are more reluctant to collaborate on development projects or lobbying government. This is partly because the extractive industry is far from homogenous in its approaches, but is also due to individual companies' efforts to create brand identity. The use of ethical and social policies as part of a marketing strategy has little or no relevance in countries threatened by conflict. Worse, it actively obstructs important initiatives from being pursued and leads to duplication and reduced impact. Harnessing the collective influence, financial resources and expertise of companies could make a significant contribution towards promoting equitable political and socio-economic development.

**International community.** Different international actors are useful partners for companies in that they bring different skills and competencies to addressing shared issues of concern. Companies can pool their skills and activities with donor governments to address human rights and corruption; with development agencies and INGOs on service provision and capacity building projects; and with IFIs to promote good practice in transparency and revenue management.

**Local NGOs.** Credible NGOs working on issues relevant to the P-CRIA analysis will have already emerged through the process. Partnering with local NGOs enables companies to develop relevant and targeted projects and has the added benefit of supporting the capacity of local civil society.

**Local business.** Strengthening the capacity and productivity of local entrepreneurs through skills transfer and partnership can also reinforce initiatives to promote peace, helping to reduce the risks of 'Dutch Disease'. Companies will have a shared interest in lobbying for stable and enabling operating environments with their local counterparts.

## 5.2 Structuring participatory mitigation design

As discussed in the Introduction and M-CRIA, mitigation measures can be divided into three categories of business activity: core business, social investment and policy dialogue. Core business relates to activities that are in the immediate sphere of a company's operations, including location of investment, employment of staff, security arrangements, production activities, etc. There are many ways a company can contribute positively through the management of its own operations both to minimise negative impacts, but also to address broader structural issues and contribute to peace. Social investment captures the wider projects and stakeholder relationships that companies

engage in as one means of managing the local environment. Companies conventionally use social investment as a tool to build relationships with stakeholders. However, care has to be taken to ensure that social investment projects do not create parallel structures of service provision that undermine the accountability of governments to their electorate. Institutional strengthening of legitimate government structures should be considered as a key component of mitigation strategies (see box 13). Policy dialogue refers to the engagement that companies have, and the influence they can exert, over or in tandem with national and local governments, industry associations and international agencies. These interventions are usefully understood using the 'control'/'assist and influence' framework presented in M-CRIA.

### Box 13: Institution building

Corrupt or weak local government poses problems for companies wanting to channel social investment through the state. Developing direct funding relations with civil society or development agencies may present short-term efficiency gains, but in the long run it creates a situation in which communities will look to the company to provide for social development, rather than the government.

Institutional strengthening of legitimate state structures can take different forms:

- Local government partnerships to build revenue management capacity, for instance, through work-exchange programmes between finance staff
- Transparency in payments and revenue-sharing arrangements to enable watchdog organisations to track financial flows
- Engaging government in participatory planning processes and ensuring that social investment programmes fit within the state's regional development plans.

Ideas about the kinds of mitigating initiatives and steps that could be taken across the three areas of business to address stakeholder concerns relating to the context itself and the project impacts will already have been gleaned during the participatory research process of Step 2. Building on these, the P-CRIA team should now make an initial chart of conflict-risk issues, project impacts and proposed mitigation actions across the different business areas. Table 1 gives a partial sample of what this chart could look like, based on a fictional country context. The document should then be brought back to key stakeholders in small focus groups to further develop ideas and create support and buy-in for the emergent strategy.

Table 1: P-CRIA summary table – example

| IMPACT CATEGORY | ACTION | IMPACT | IMPACTED STAKEHOLDERS |
|---|---|---|---|
| PRIMARY AND SECONDARY (PROJECT) | Project land-use. | Resettlement of communities. | Those living on land required for project.<br><br>Armed groups. |
| | Pollution/environmental damage. | Destruction of farmland.<br><br>Water in rivers/lakes made unfit for use. | Those living on or from polluted land/rivers. |
| | Security arrangements for project. | Recruitment of locals.<br><br>Influx of state security forces. | Those living around/near project.<br><br>Armed groups. |
| INDIRECT (CONTEXT) | Revenue  to government. | Perceived inadequate share of revenue to the locality increases alienation. | Potentially all within locality.<br><br>Local government. |

CB: core business
SI: social investment
PD: policy dialogue

| POSSIBLE SECONDARY IMPACTS | ADDITONAL IMPACTED STAKEHOLDERS | RISK LEVEL/IMPACT ON COMPANY | MITIGATION MEASURE |
|---|---|---|---|
| Relations between relocated and host communities.<br><br>Influx of cash into subsistence economy.<br><br>Compensated individuals become target for extortion. | Those affected by relocated communities. | Red.<br><br>Potential for tension between company and resettled communities, and within local communities. | CB: Good practice in resettlement/compensation processes (see Flashpoint Issues 1 and 2).<br>SI: Appropriate development projects to provide alternative livelihoods for relocated and host communities.<br>PD: Engage with local government to provide basic services. |
| Oil spills.<br><br>Air pollution.<br><br>River life affected downstream from project. | Potentially all communities within locality (and beyond). | Red.<br><br>Failure to mitigate and manage environmental impacts can lead to conflict. | CB: Stringent environmental standards.<br>SI: Alternative livelihood projects/health projects.<br>PD: Lobby local government on its own environmental standards and for provision of health clinics, hospitals. |
| Fences and walls alienate local communities.<br><br>Abuse by security personnel.<br><br>Employment of state security forces increases fear within community.<br><br>Availability of weapons. | Towns/villages frequented by security personnel. | Red.<br><br>Disproportionate responses to demonstrations etc can trigger and inflame violence. | CB: Appropriate training for security personnel – adherence to Voluntary Principles and IHL.<br>SI: Support for community initiatives which address prevalence of weapons/crime/feelings of insecurity.<br>PD: Lobby local government to train and manage state security forces/tackle crime. |
| Corruption increases.<br><br>Gap in living standards increases.<br><br>Government neglect exacerbates under-development. | Indirect impacts can be felt more widely than any geographic boundary. | Red.<br><br>Company blamed for the lack of benefits accruing to local communities. | CB: Transparency on revenue payments/anti-corruption.<br>SI: Support to civil society to monitor government expenditure.<br>PD: Lobby government to ensure equitable distribution of revenue/include revenue share for locality in contracts. |

**Table 1 (continued)**

| IMPACT CATEGORY | ACTION | IMPACT | IMPACTED STAKEHOLDERS |
|---|---|---|---|
| INDIRECT (CONTEXT) | Project dominates local economy. | Distortion of traditional economic structure.<br><br>Neglect of existing industries/livelihoods. | All within locality. |
| | Government dependency on project. | Increased security presence.<br><br>Clampdown on dissent.<br><br>Greater incentive for government to remain in power. | All within locality. |

| POSSIBLE SECONDARY IMPACTS | ADDITONAL IMPACTED STAKEHOLDERS | RISK LEVEL/IMPACT ON COMPANY | MITIGATION MEASURE |
|---|---|---|---|
| Unemployment.<br><br>Competition for employment with company.<br><br>Inflation.<br><br>Project becomes a magnet for people from other regions. | Neighbouring localities drained of productive labour. | Red.<br><br>Intensified demand for jobs. | CB: Transparency in recruitment policies/ processes and procurement from local suppliers. Contractors follow company guidelines/ principles.<br>SI: Micro-finance projects/ skills training and education. Support for economic diversification.<br>PD: Lobby government to: support existing industries and livelihoods/create appropriate business climate/tackle corruption/ invest in education. |
| Higher levels of human rights abuses.<br><br>Restrictions on freedom of speech.<br><br>Increase in detentions.<br><br>Electoral fraud. | Country-wide. | Red.<br><br>Company associated with increasingly repressive regime. | CB: Promote own business principles internally and to contractors/ suppliers, including state partners. Encourage company staff to monitor elections.<br>SI: Support local and international NGOs working on civil rights and human rights monitoring. Promote democratisation initiatives<br>PD: Send clear signal to the local authorities on human rights standards. Work with international community. |

## 6. Step 4: Mainstreaming throughout the project cycle

P-CRIA is composed of a number of steps a company can take to ensure it operates in a conflict-sensitive manner. As this document has emphasised throughout, P-CRIA is an iterative process that, in addition to providing a regularly updated assessment of company/context interactions and impact, is designed to become a *modus operandi* for companies investing in countries at risk of conflict. The key to the approach is the recognition of the value of full stakeholder engagement. Since the project itself will change over time, either in terms of its parameters or in respect of its phases of development, the process used by the company must be flexible enough to accommodate accompanying changes in its interactions with stakeholders. This flexibility means working at a pace with which stakeholders are comfortable. It also means openness to project re-design, acceptance and understanding of stakeholder perspectives, and recognition of the need to be constantly engaged in participatory and validating research and dialogue about project impacts throughout the project lifecycle. It is this kind of approach to doing business in conflict-risk countries which will ultimately generate a social licence to operate and ensure positive outcomes.

Given its ambitious goals and method, spanning the range of business activities and impacts, P-CRIA will not fulfil its objectives if it is sourced to external relations or community liaison staff. As discussed above, the P-CRIA team should be in constant dialogue with, and ultimately consist of, representatives from all key areas of business: geologists, political risk and security managers, staff from external relations, procurement and human resources departments, and management. P-CRIA is at the crux of operationalising CSBP as a whole and requires constant leadership. Staff turnover and limited inter-departmental coherence represent some of the biggest threats to effective implementation of CSBP as a whole and P-CRIA in particular.

### 6.1 Indicators

An important aspect of the mainstreaming required for successful implementation of P-CRIA is the development of indicators to monitor progress and to ensure that the mitigation strategy does not have unintended harmful impact. Indicators can be used at three different levels:

**Context.** P-CRIA is designed for assessing changes and shifts in the context, with particular emphasis on conflict risk, throughout the project cycle. Developing and using 'context indicators' through the project-level analysis can alert the company to significant changes in the context. Context indicators should reflect the key issues identified in the context analysis and should use a mixture of perception-based (qualitative information based on beliefs, views and feelings) and objective (quantitative information based on more 'factual' data). Indicators are inevitably specific to the situation but examples might include: poverty levels, instances of violence, increased inflow of weapons, numbers imprisoned, perceptions of security, etc.

**Project.** Companies conventionally use project indicators to measure the progress of the project development. The emphasis tends to be on quantitative rather than qualitative indicators. The participatory research process of P-CRIA enables the team to discern and develop project indicators related to stakeholders' perceptions of the project's development, which will serve as an important evaluation tool for the project's success from the CSBP perspective.

**Impact.** These should be designed to monitor the impacts related to the two-way interactions between context and company that have been identified through the participatory research. They can be developed together with stakeholders during the participatory processes and are particularly useful for monitoring the efficacy of the mitigation strategy as it unfolds.

# Annex

Peacebuilding practitioners use a variety of tools to map out and visualise conflict issues in an accessible way. Below are examples of some that may be useful for the steps carried out in P-CRIA. Others are listed in the training and resource manuals cited in Resources.

### Dividers and connectors[7]

The dividers and connectors tool explores factors that divide (maintain the polarisation of the population, such as unequal access to power, language barriers) and factors which connect (maintain bonds between sections of society such as shared harvest, common memories of former peaceful coexistence) across groups. These are structured into different categories:

• Systems and institutions (e.g. infrastructure and markets)
• Attitudes and actions (e.g. adoption of war orphans from other side)
• Past and current experiences (e.g. colonial history)
• Values and interests (e.g. common religion)
• Symbols and festivals (e.g. national commemorative events).

A company's project can be reviewed by the P-CRIA team, with other staff, or collectively with stakeholders in order to establish whether it will increase or decrease the dividers and connectors in society.

7. Anderson, M. (1999) **Do No Harm:  How Aid Can Support Peace – or War** (Colorado: Lynne Rienner Publishers)

## Timelines[8]

Timelines help clarify local conflict history, highlighting different perceptions or understandings of events. The tool invites the user to show significant historical events in chronological order. By keeping the timeline down the centre of the page or flipchart they enable different perceptions of history to be shown side-by-side. Shared analysis of these different perceptions can help users to understand the significance of key points in history and facilitated discussion of timelines can help build consensus and solidarity. One variation of the timeline is used in the Northern Ireland museum where a shared timeline splits at a significant point in the conflict, with two separate versions of history subsequently shown on facing walls. The timeline tool can be used by companies as context analysis, or to help resolve community/company conflict.

| Events as viewed by local community | | Events as viewed by company |
|---|---|---|
| Government forces evictlocal communities from concession area | **1995** | Beginning of negotiations with the government, successful bidding for concessions |
| In-migration by jobless hoping to get employment at company. Tensions between community 'insiders' and 'outsiders' | **1996** | Exploration begins. Problems with international media also begin |
| Community feels marginalised in process of construction, mistrust rises against company and 'foreign' workers | | Successful establishment of workers' camps and bringing in of workers for construction |
| Communities see trade opportunities at construction site, become frustrated | | Company obtains catering and services from 'safe' sources abroad |
| Tensions arise between different factions in the local community to control social investment resources | **1998** | Production begins and together with it social investment. International advocacy campaign launched against company |
| Local communities negatively affected by attacks, increasing opposition to the investment | **1999** | Rebels begin to target company infrastructure |
| Military begins to indiscriminately target local communities in an effort to uproot rebellion | **2000** | Military moves in to provide security around the company site |
| Violent protests around the company site against indiscriminate attacks | | Shareholder meeting hi-jacked by lobbyists |
| | | Company has to shut down operations |

8. Adapted from Responding to Conflict (2000) **Working with Conflict: Skills and Strategies for Action** (London Zed Books).

### The problem tree[9]

Problem trees seek to unravel cause and effect relationships of multiple factors in a complex situation. People draw a tree, where the roots represent the root causes/structural factors of the problem (e.g. poverty, ethnic prejudice, corruption). The trunk represents the name and nature of the problem (this may be the converged expression of many different roots, e.g. tensions between fishing community and pastoralists) and the leaves or branches are manifestations/effects of problems (e.g. conflicts between ex-combatants and host communities, land disputes of returning refugees). This joint conflict analysis helps to clarify the difference between manifestations of a conflict(s) and their root causes. Again this tool can help the company understand issues and stakeholders in the context or could be used to address company/community conflict.
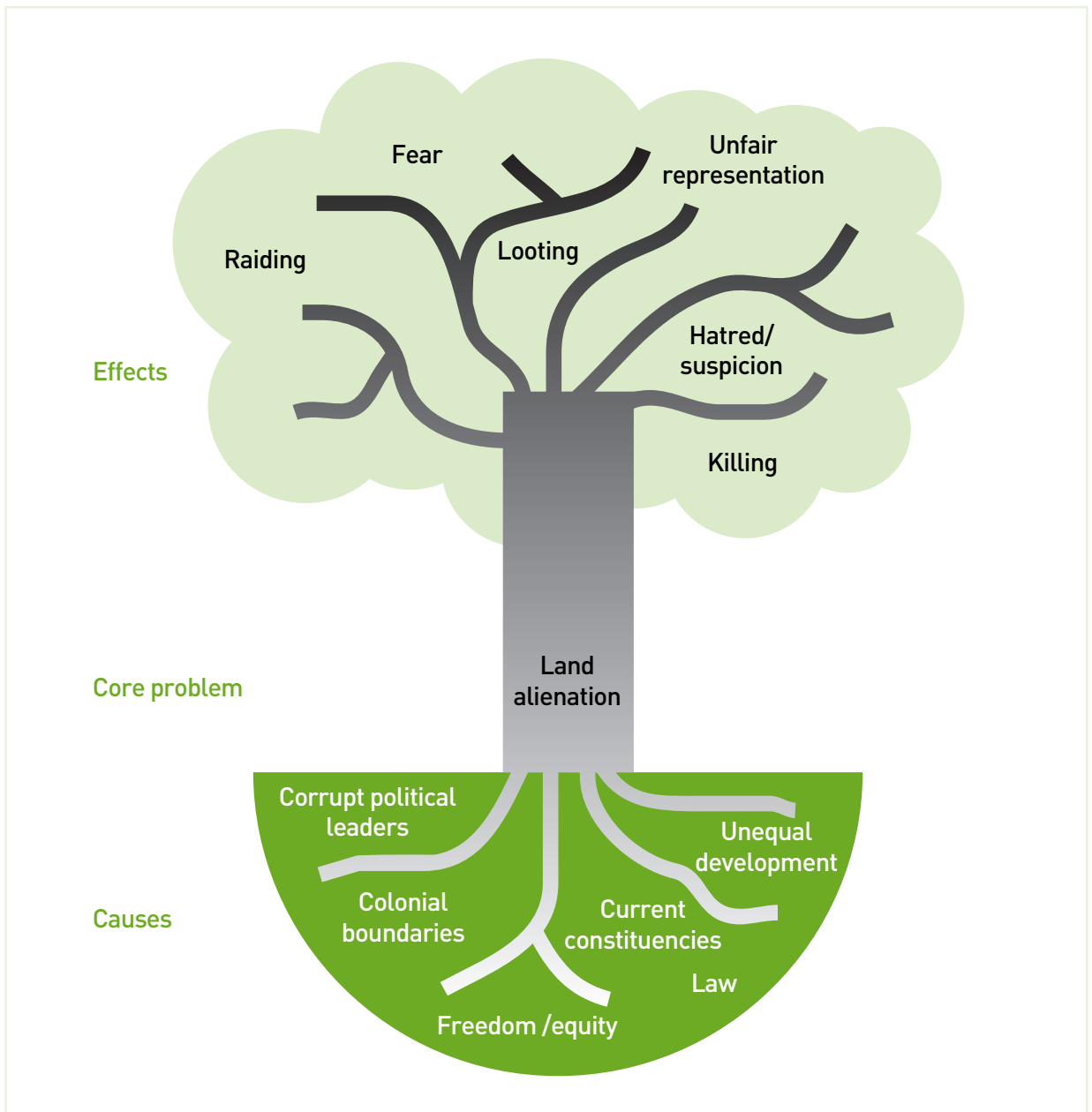


9. Adapted from Responding to Conflict (2000) **Working with Conflict: Skills and Strategies for Action** (London Zed Books).
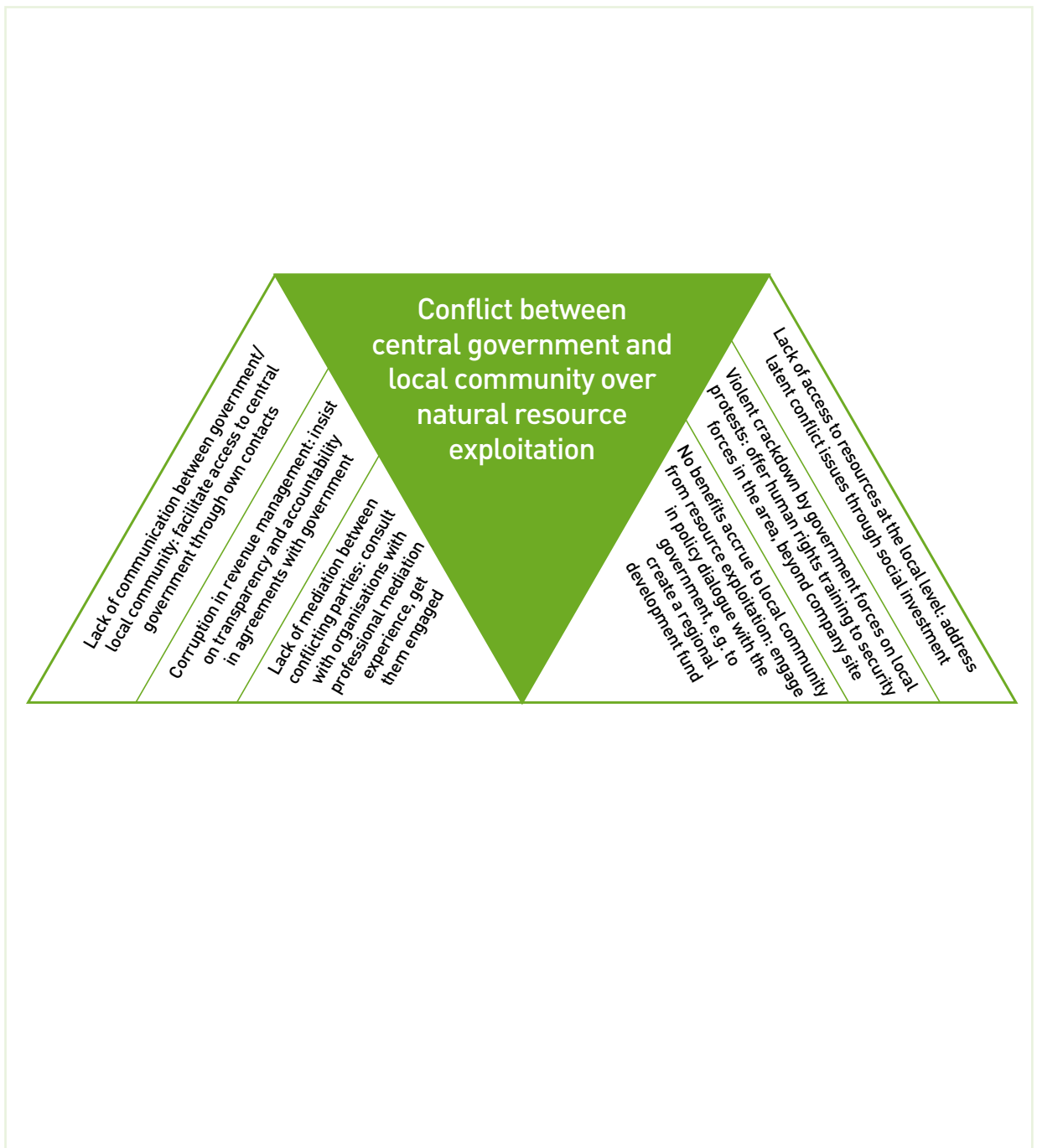
## The peace flower[10]

The peace flower, representing the inverse of the problem tree, can be used to understand what factors contribute to peace or conflict prevention in a particular society. The components of the flower include its name (peace issue, e.g. good company/community relations), its roots (systemic support, e.g. access to resources), its stem (processes in place, e.g. strong community structures) and petals (on-going peace efforts). Again this tool can help the company to understand issues and stakeholders in the context or could be used to address company/community conflict.
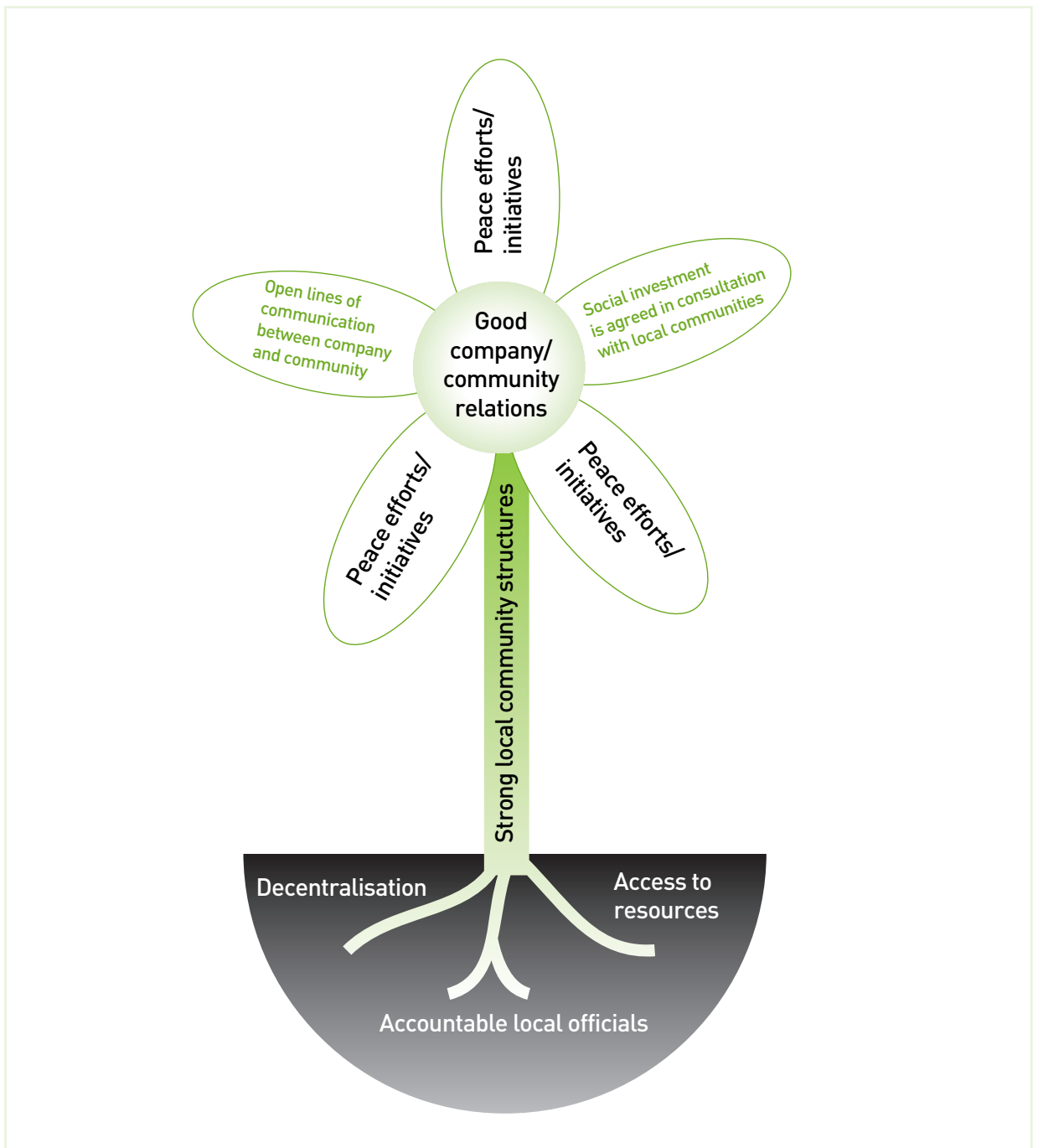


10. Adapted from WANEP/FEWER.

### The pillars tool[11]

The pillars tool can help to focus users, including the P-CRIA team, on the factors or forces that sustain violence or tensions. Having identified these 'pillars', users consider how to weaken or remove them, and replace them with pillars that strengthen stability.

Conflict between central government and local community over natural resource exploitation

Lack of communication between government/ local community: facilitate access to central government through own contacts

Corruption in revenue management: insist on transparency and accountability in agreements with government

Lack of mediation between conflicting parties: consult with organisations with professional mediation experience, get them engaged

No benefits accrue to local community from resource exploitation: engage in policy dialogue with the government, e.g. to create a regional development fund

Violent crackdown by government forces on local protests: offer human rights training to security forces in the area, beyond company site

Lack of access to resources at the local level: address latent conflict issues through social investment

11. Adapted from Responding to Conflict (2000) **Working with Conflict: Skills and Strategies for Action** (London Zed Books).

## Resources

### Environmental and Social Impact Assessments

Goldwyn, R. and J. Switzer (2004) 'Assessments, Communities and Peace: A Critique of Extractive Sector Assessment Tools from a Conflict-Sensitive Perspective', in **Oil, Gas and Energy Law Intelligence** (OGEL), vol.2 issue 4. www.gasandoil.com/ogel/

Moser, T. and D. Miller (1997) 'Multinational Corporations' Impacts on the Environment and Communities in the Developing World: A Synthesis of the Contemporary Debate', in **Greener Management International**, issue 19.

Jones, M. G., J. J.Hartog, R. M.Sykes (1996) **Social Impact Assessment – New Dimensions in Project Planning** (Society for Petroleum Engineers, Inc.).

International Association for Impact Assessment (2002) 'Impact Assessment, Sound Business Operation, and Corporate Responsibility for Sustainable Development', in **Impact Assessment in the Corporate Context,** Business and Industry Series no.1. www.iaia.org

International Association for Impact Assessment (2003) 'International Principles for Social Impact Assessment' in **Special Publications Series** no.2. www.iaia.org

UNEP (2002) **Environmental Impact Assessment Training Resource Manual**, second edition (UNEP), including sections on social impact assessment. www.unep.ch/etu/publications/EIAMan_2edition_toc.htm

Petts, J. (ed.) (1999) **Handbook of Environmental Impact Assessment** (London: Blackwell Science).

Vanclay, F. (2002) 'Conceptualising Social Impacts' in **Environmental Impact Assessment Review**, 22.

World Bank and IFC, **Environmental and Social Safeguard Procedures.**  www.worldbank.org, www.ifc.org

### Conflict analysis and impact assessment tools from the development and humanitarian aid sectors

African Peace Forum, Consortium of Humanitarian Agencies, FEWER, International Alert and Saferworld (2004). **Conflict Sensitive Approaches to Development, Humanitarian Assistance and Peacebuilding – a Resource Pack**. www.conflictsensitivity.org/

Bush, K. (2003) **Hands-On Peace and Conflict Impact Assessment Handbook.** www.swisspeace.org/koff/uploads/nl/tools/HandsOnPCIA-Handbook0X-Part-I.pdf" \t "_blank Vol l and www.swisspeace.org/koff/uploads/nl/tools/HandsOnPCIA-Handbook0X-Part-II.pdf" \t "_blank Vol II, available from www.swisspeace.org/koff/t_tools_pcia.htm

CARE International **Benefits/Harms Handbook**. www.careusa.org/getinvolved/advocacy/policypapers /handbook.pdf

Collaborative for Development Action Inc. **Do No Harm/ Local Capacities for Peace Project**. www.cdainc.com/dnh/

Paffenholz, T. and L. Reychler (2005) **Aid For Peace: A Guide to Planning and Assessment for Conflict Zones**, (Boulder: Lynne Rienner). www.swisspeace.org/koff/uploads/website/WorkingIn ConflictZones.pdf

### Specialist assessment tools

Confederation of Danish Industries, Danish Institute for Human Rights, and Industrialization Fund for Developing Countries, Human Rights and Business Project **Human Rights Compliance Assessment.** www.humanrightsbusiness.org/compliance_ assessment.htm

Schmeidl, S. and E. Piza-Lopez (2002) **Gender and Conflict Early Warning: A Framework for Action** (London, UK: International Alert and Swisspeace). www.internationalalert.org/women/publications/EWGEN.PDF

### Training and resources on conflict analysis and conflict transformation

African Centre for the Constructive Resolution of Disputes (ACCORD) **Introduction to Conflict Management**, Mediation Training 3-day courses, based in South Africa. www.accord.org.za/web/home.htm

Centre for Peacebuilding and Conflict Management **Basic Conflict Management Skills**, 3-5 day courses. www.ccm.no/

Creative Associates International **A Toolbox to Respond to Conflicts and Build Peace.** www.caii.com/

Eastern Mennonite University **Summer Peacebuilding Institute** 4-week training. www.emu.edu/ctp/spi.html

International Alert **Resource Pack for Conflict Transformation**. www.international-alert.org/publications.htm

Network University **Transforming Civil Conflict**, 4-week online certificate course. www.netuni.nl

Responding to Conflict (RTC) **Strengthening Policy and Practice**, 1-week training course; **Working with Conflict**, 10-week training course; **Confict Resolution Skills**, 2-week post-graduate certificate. www.respond.org/

Transcend **Peacebuilding, Conflict Transformation and Post-War Rebuilding, Reconciliation and Resolution**, 5-day training course. www.transcend.org/

UN **Developing Capacity for Conflict Analysis and Early Response**, training manual. www.unpan1.un.org/intradoc/groups/public/documents/ un/unpan011117.pdf

University of Waterloo **Certificate Programme in Conflict Management**, courses of varying length and topics. www.grebel.uwaterloo.ca/

**Local sources**
Newspapers
Civil society reports and studies
Academic papers
Local think tanks and research-institute papers
Interviews