The Art and Science of Social Impact Assessment – *Building Positive Outcomes for All*

For International Mining Myanmar Conference 2014

Friday 31 October, 2014

Social Clarity

sense from complexity

Overview of Presentation

- The SIA context in Myanmar

- What are the benefits of an SIA?

- In Myanmar – the conflict dimension

- The science of an SIA

- The art of an SIA

- Some conclusions

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About Social Clarity

- We are a social performance consulting firm, with a focus on emerging economies and fragile states.

- We have an office in Myanmar.

- We work with businesses, governments and communities.

- We have strong experience in the extractives sector.

- Our services span social impact assessments, social risk management, stakeholder engagement, social investment and local content strategy development and execution.

- We partner local social and environmental consulting firms.

- We draw on complementary technical expertise e.g. environment, health and safety, security.

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The SIA Context in Myanmar (1)

- SIA is a relatively new process in Myanmar and is not well reflected in the draft EIA Procedure.

- MOECAF – the regulatory agency - has limited experience in environmental conservation and less in social dimensions.

- Coordination across government ministries is limited e.g. Ministry of Mines and MOECAF.

- Nevertheless, it's important to go beyond compliance – and align with international standards (IFC).

- Despite the limitations of the regulatory framework, there is a clear expectation within Myanmar of <u>responsible investment</u> and <u>responsible business</u>.

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The SIA Context in Myanmar (2)

- Political Transition – *Elections 2015*.

- Social Dynamism and Evolution.

- Ethnic Conflict – Rakhine State, Central Myanmar (Meiktila near Mandalay), Tanintharyi/Mon, others; *resource sharing a key element.*

- Land Acquisition – *opaque and complex*.

- Human Rights – *see Oil & Gas SWIA*.

- Cumulative Impacts – *see Oil & Gas SWIA*.

- Myanmar EITI – a focus on transparency in extractives.

- Liberalising Media:
  - new freedom to exercise 'voice'.

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The SIA Context in Myanmar (3)

- Increasingly wide access to communications technology:
  - rapid shift from a 10% mobile penetration rate.
  - exponential increase in potential for social media.
  - Myanmar voice and data charges are now amongst the most competitive pay-as-you go rates in the world: $0.01 per MB.

- Evolving community and government expectations.

- Reputational risk is real:
  - E.g. UNICEF.

- International NGOs are building the capacity of local NGOs.
  - Land acquisition and resettlement and conflict-sensitive economic governance are key areas of focus.
  - There is a focus on Shared Value in the extractives sector.

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What are the benefits of an SIA? (1)

- <u>Risk mitigation</u> – can identify potential social risks.

- Structured process of <u>early engagement</u> with communities.

- <u>Stakeholder identification</u> – can help you work out who's who and how to shape your engagement program.

- Baseline information - can help you <u>assess impacts and changes</u> over time: both positive and negative.

- Needs to be an <u>ongoing process</u>, supported by ongoing monitoring and evaluation; not a 'once off'.

- <u>Builds credibility</u> with government and communities.

- Important as an <u>indicator of project quality</u> if looking to secure investment.

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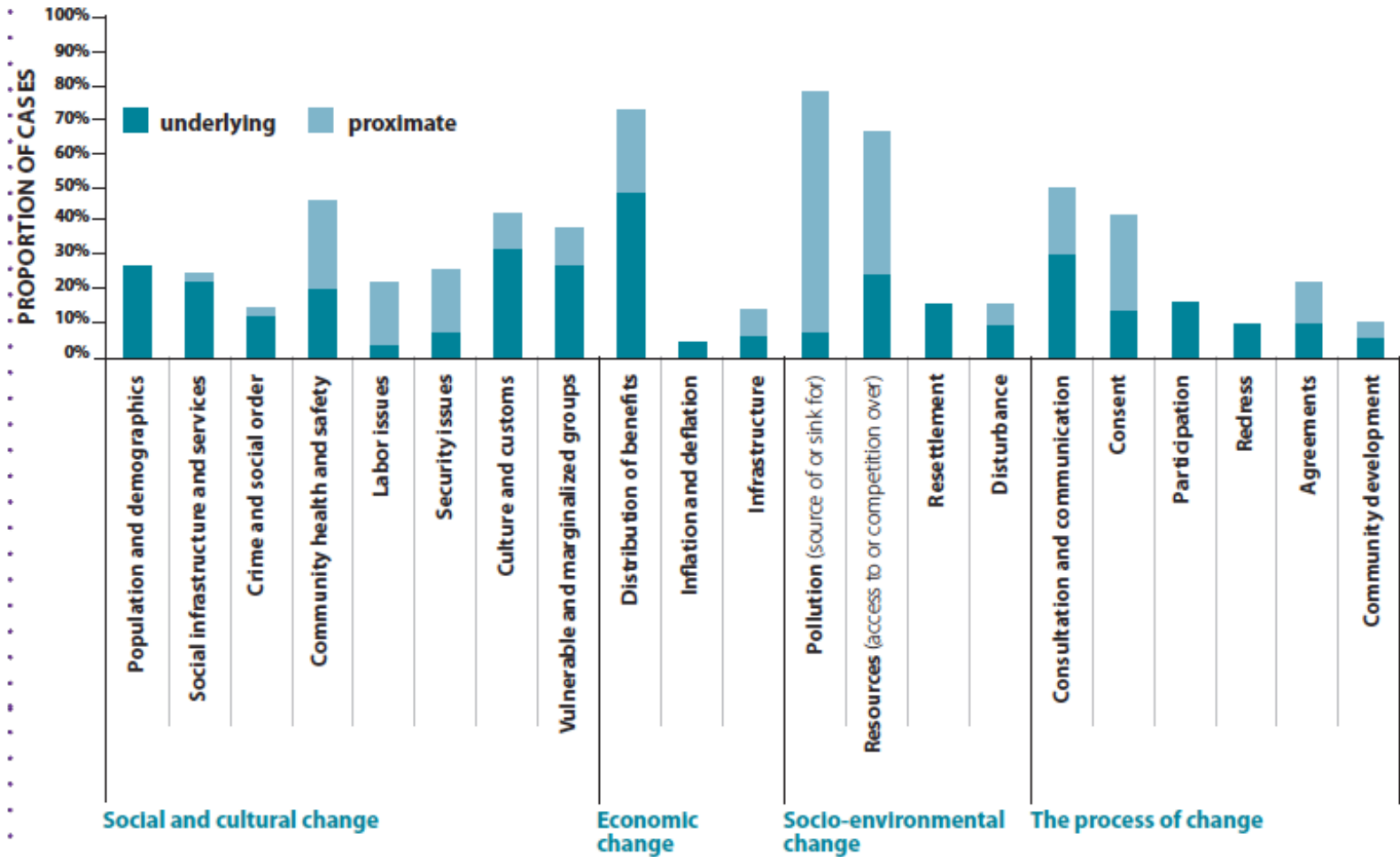
What are the benefits of an SIA? (2)

- Can provide early insights into the <u>workforce potential</u> within host communities.

- Can provide early analysis and insights into the potential for local companies to become <u>suppliers</u>.

- Can identify potential <u>social investment</u> (CSR) initiatives that could form part of an early 'social license' strategy.

We have an opportunity in Myanmar to 'leapfrog' the traditional approach…

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In Myanmar – the Conflict Dimension

- It's advisable not to neglect the potential for conflict.
  - Just because you can't see it doesn't mean it isn't there.

- Mining initiatives introduce new resources into communities that can inadvertently exacerbate ethnic and political tensions.
  - Conflict analysis is critical…don't be lulled by the surface.
  - Complaints mechanisms can serve as an 'early warning' system.

- Perceptions of mining have been coloured, in some instances, by the experience of Letpadaung.

- Focus needs to be paid to identifying the threads – the enablers and connectors – that could draw fractured communities together and build trust if required.

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FIG. 1. CASES OF COMPANY-COMMUNITY CONFLICT: PROXIMATE ISSUES/ISSUES IN DISPUTE (*n*=50)

PROPORTION OF CASES

■ underlying   ■ proximate

Social and cultural change
- Population and demographics
- Social infrastructure and services
- Crime and social order
- Community health and safety
- Labor issues
- Security issues
- Culture and customs
- Vulnerable and marginalized groups

Economic change
- Distribution of benefits
- Inflation and deflation
- Infrastructure

Socio-environmental change
- Pollution (source of or sink for)
- Resources (access to or competition over)
- Resettlement
- Disturbance

The process of change
- Consultation and communication
- Consent
- Participation
- Redress
- Agreements
- Community development

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The Science of an SIA

- SIA involves the application of science – social science.

- The Science dimension:
  - provides the foundation for credible data collection.
  - draws on proven research methodologies – qualitative and quantitative.

- Enables complementarity between the environmental and the social and supports economic modelling of impact.

- Science provides the foundation for melding both the objective and subjective into a coherent and useable form.

- It provides the academic consistency that is required.

- The 'Science only' approach to SIA is OK but has limits.

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The Art of an SIA

- The Art approach to SIA can bring to life the richness of the data provided by communities.

  - Information provided visually and orally – community maps, stories, community theatre – illustrates cultural values in a way that pure data collection may struggle to do.

- It enables the strategic and conceptual consideration of what a future for the host communities might look like.

- Techniques such as social network analysis (SNA) provide insights into community dynamics that may not be evident.

- The art takes you between the lines of data and paints a better picture of impacts – known, likely and possible.

- Linkages – current and potential – become more evident.

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Some Conclusions

- A high quality SIA needs both science and art.

- The art helps capture some of the nuance and dynamism of a country but needs to be underpinned by strong baseline data that will enable changes to be tracked over time.

- Insights into new concepts can come from art – but over time need to also become science (be validated and quantified) to become credible.

Note that SIA as a technical field is continually evolving. New techniques and approaches are continually being developed.

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Myanmar Centre for Responsible Business (MCRB)

- MCRB's mandate is to encourage responsible business activities throughout Myanmar.

- Joint initiative of the Institute for Human Rights and Business (IHRB) and the Danish Institute of Human Rights (DIHR).

- Based in Yangon.

- Closely engaged with and following the evolution of the EIA procedure and also CSR requirements of companies.

- Sector-Wide Impact Assessments (SWIAs) may provide insights for mining companies.

http://www.myanmar-responsiblebusiness.org

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■Questions?

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