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## Summary Note

DCAF-ICRC Side-event at the Fourth Annual Forum on Business and Human Rights,  
Geneva, 17 November 2015

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**Title:** ‘Overcoming Challenges of Company-Community Relations in Complex Environments’

**Location/Time:** UN Palais des Nations, Room XXII - 16:40-18:00

### Panellists:

- Mr. Alan Bryden, Assistant Director and Head of the Public-Private Partnerships Division, DCAF (moderator)
- Mr. Claude Voillat, Economic Advisor, Division for Multilateral Organisations, Policy and Humanitarian Action, ICRC (moderator)
- Ms. Lucía Hernández, Project Coordinator, Public-Private Partnerships, DCAF
- Ms. Dost Bardouille-Crema, Director, CDA Collaborative Learning Projects
- Mr. Jerry Nwigwe, Senior Programme Manager, LITE-Africa
- Ms. Tamara Wiher-Fernandez, Human Security Advisor, Swiss Federal Department of Foreign Affairs
- Mr. Hubert de Bremond d’Ars, Corporate Security, Head of Protection, Maritime Security and VPSHR Coordinator, Total S.A.

**Summary:** The side-event focused on challenges and opportunities for corporate-community relations in the context of security operations around extractive company activities. The event was divided into two parts: First, panel members presented current projects on corporate-community relations and highlighted challenges faced and lessons learned. Second, a multi-stakeholder panel discussed security and human rights challenges and fielded questions and comments from the audience. Around 90 participants ensured a constructive discussion.

## I. Panel Presentations

### Addressing Security and Human Rights Challenges in Complex Environments

Alan Bryden and Lucía Hernández introduced the DCAF-ICRC joint project ‘Addressing Security and Human Rights Challenges in Complex Environments’. Two products have been developed by the project: a **Knowledge Hub** and a **Toolkit** of good practices. They can be freely accessed at:

- <http://www.securityhumanrightshub.org/> (Knowledge Hub)
- <http://www.securityhumanrightshub.org/content/toolkit> (Toolkit).

The Knowledge Hub is a web platform that brings together guidance documents, tools and case studies that address security and human rights related issues in an easily accessible and organised way. The Toolkit offers good practices and recommendations structured around real-life security and human rights challenges, identified through consultations with a wide variety of stakeholders.

The presentation focused on the current work of the DCAF-ICRC project developing, in collaboration with CDA, a new chapter of the Toolkit on corporate-community relations. This chapter will identify common challenges that companies face in their relations with communities in different regions of the world and propose good practices and tools to address those challenges. It was clarified that the project approaches corporate-community relations from a security angle, a perspective that was found to still be largely missing in existing guidance.

The methodology for identifying the common challenges and good practices was outlined as a) extensive desk research; b) multiple interviews and consultations with governments, companies, civil society, communities and other relevant actors; c) field missions to Ghana, Papua New Guinea and Peru, as well as meetings in the UK, US, and Canada; and d) a review process of a group of experts.

Lastly, Lucía Hernández provided a few important remarks on how the project approaches the subject of company-community relations: 1) company-community relations are always to be analysed in relation to the role of the host government; 2) communities are not to be studied as monolithic actors; 3) the aim must be to address root causes of grievances rather than to mitigate symptoms; 4) the role of community members in conflicts must be considered; 5) non-state armed groups are considered separate actors and will not be fully addressed in the chapter (due to complex issues of sensitivity); and 6) effective conflict prevention and management requires long-term, multi-stakeholder engagement (including home and host governments).

#### **Audience Response:**

Three comments were made by the audience in response to the ‘Addressing Security and Human Rights Challenges in Complex Environments’ project presentation (with responses from the panel indented):

- a) The importance of identifying root causes. It was also noted that there are established systematic methods to do this
  - a. The project is building on these mechanisms and develops them further where possible. Gaps still exist.
- b) The possibility that companies’ targeted engagement with particular parts of the community can fuel conflict
  - a. This perspective will be addressed in the development of the Toolkit chapter.

- c) The need for and value of practical examples / short case studies on how companies have overcome community relations challenges
  - a. Practical examples will be included in the Toolkit chapter. It has often proven crucial to get the basics right, such as a thorough stakeholder mapping exercise. This is a standard procedure, but it is often only implemented superficially.

### **Global Memorandum of Understanding (GMOU)**

Jerry Nwigwe presented LITE-Africa's support for the Global Memorandum of Understanding (GMOU), a multi-stakeholder partnership agreement in Nigeria between a company, government and host communities. The partnership agreement was initially introduced with Chevron Nigeria Limited and Shell Development Petroleum Company in 2005/2006. The objective of the GMOU is to build the capacity of local communities to a) take part in the negotiation process for development funding and b) decide independently on the development projects in their communities. Local communities are represented by the Regional Development Councils (RDCs), which are governed largely by community representatives. The primary responsibility for identifying, developing and implementing community development projects rests with the RDCs (under the terms of the GMOU).

Strengths of the model highlighted by Jerry Nwigwe included: a) increased transparency, b) local ownership and trust, c) more predictable channels for dialogue, and d) the possibility of addressing sensitive issues through representative institutions (RDCs). Persistent challenges noted were: a) rights of women and environmental concerns of the communities remaining outside the domain of the RDCs, b) lack of government engagement, c) inter-communal conflict, due to limited geographical scope of the partnership agreement, and d) security sensitive issues or information not being shared with communities.

### **Audience Response**

The audience asked whether the model has been able to help manage the expectations of local communities.

- a) Jerry Nwigwe noted that the partnership has indeed been helpful as it established a coordinated communication process with official information channels. Each community in the GMOU has a 5 year development plan and through this plan, each community selects projects to be executed by the company. This way, expectations are managed as community members are aware of what need to be done at each period. The company can further ensure no false information is being spread and communities have an official point of contact.

## II. Panel and Audience Discussion

Claude Voillat posed the question for the panel discussion: What should the role of companies be in the context of 'weak governance' (e.g. insufficient public services, infrastructures and justice mechanisms)? Should they take on some or all of the role of the absent government?

Dost Bardouille-Crema suggested that companies need to find shared security solutions *with* governments and communities, rather than taking on the government's role in fragile and complex environments. In contexts of weak governance, the response of the government is often to increase police and military presence to maintain social order, which can be perceived by communities as a threat and may lead to increased tensions and conflict. In the case where a rise in police or military presence is due to, or even funded by companies, companies may be held responsible for human rights violations caused by public security forces. Instead, working in a collaborative way, through multi-stakeholder agreements and initiatives provides the most effective and preventative security structures.

Hubert de Bremond d'Ars highlighted that one key advantage extractive companies have in relation to community engagement is time. Projects and operations are long-term and company representatives should understand their role in this context. Instead of quick solutions, companies should invest in thorough impact assessments, engage with local communities and NGOs and establish good communication structures early in operations. First, this long-term approach needs to be internally coordinated, so that all departments, security as well as community relations, pull together. Afterwards, education and expectation management is key in good company-community relations. These are the areas in which the company can really make a difference and prevent security challenges and conflicts.

Tamara Wiher-Fernandez confirmed the risk that communities may perceive any increase in public security as a threat and as a measure that furthers the interests of the company rather than protecting the communities. Furthermore, she warned against a narrow conceptualization of security issues, as many security challenges are not initially apparent but develop as a result of other mismanaged community interactions. Companies should not try to take on the role of the government, but they can contribute to the prevention of security issues for example through economic development projects. Lastly, Tamara Wiher-Fernandez highlighted the importance of creating structures for inclusive security communication practices that allow for diverging community interests to be voiced. Communication structures should, at least, include company, community and local government representatives.

Jerry Nwigwe stated that a company should conduct adequate security risk assessment to decide if the environment is conducive for business and nature of security arrangements required. He confirmed the importance of thorough needs

and impact assessments as this helps each stakeholder; government, companies and community know their roles and responsibilities as security requirements can only be identified through a detailed and inclusive consultation with local stakeholders. The absence of public security structures at the local level should not automatically lead to companies taking on role to provide security, rather it should be an inclusive responsibility where communities are involve in the planning.

### **Audience Questions and Comments**

1. Having predominantly discussed public security violations, are companies aware that the use of private security companies also has the potential to cause human rights abuses?
  - a. Hubert de Bremond d'Ars: Yes, we certainly are and we work to avoid all kinds of security and human rights incidents. The advantage we have with private security forces is that we have much more control: we can audit them and we set the rules of engagement in accordance with internationally recognized human rights standards. It is harder to control the quality of public security forces. We also don't normally use armed private security forces, only in rare, exceptional circumstances.
2. What is the role of home governments? Should they support companies and host governments to address company-community challenges?
  - a. Tamara Wiher-Fernandez: Home governments absolutely have a role to play and responsibility to support. Switzerland does so in multiple ways, including: a) as a participant in the VPs, b) as the key supporter of the DCAF-ICRC project, and c) by supporting training of police forces in Peru working around extractive company operations.
  - b. Dost Bardouille-Crema: Home governments can play a key role in supporting host governments to fulfill their human rights responsibilities. They can highlight the benefits from engaging in international initiatives such as the VPs or support national projects such as the Restorative Justice Initiative in Papua New Guinea.
3. Can dialogue tables and multi-stakeholder processes improve the governance in host countries?
  - a. Tamara Wiher-Fernandez: Yes, definitely. These processes can improve governance, particularly when they are anchored in the legislation of a host country. However, there are also examples of where the processes only exist on paper. The implementation of these processes require the continuing commitment and input from all stakeholders.

4. Do you know of cases where companies have made agreements with local governments that required the government to improve local governance?
  - a. Hubert de Bremond d'Ars: We always try to work closely with governments to share knowledge, experience and insights. We also aim to establish standard Memoranda of Understanding (MoU) on how to control the use of force by private and public security forces.
  
5. There are examples of companies benefiting from conflict (e.g. land grabbing in situations of internal displacement). How should we deal with weak governance if companies seek to take advantage of a conflict situation?
  - a. Dost Bardouille-Crema: It is always important to not only highlight 'how' actors can improve their practices and relations, but also 'why' they need to address certain issues. You only start to see changes once actors understand why they are making these changes. Companies must understand that any short-term benefit from conflict situations poses very costly long-term risks, as extractive companies require a social license to operate.
  - b. Hubert de Bremond d'Ars: The vast majority of companies understand that they cannot benefit from conflict. Companies invest for long-term benefits and conflict does not facilitate the stable environment that is necessary for this.