

Grievance Management

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Grievance Management

For projects with environmental and social impacts, grievances are a fact of life. How a company responds (or is perceived to be responding) when such grievances surface is important and can have significant **implications for business performance**. A grievance mechanism should be scaled to fit the level of risks and impacts of a project. It should flow from a company's broader process of stakeholder engagement and business integrity principles, and integrate the various elements of engagement discussed in the preceding sections. In fact, having a good overall community engagement process in place and providing access to information on a regular basis can substantially help to prevent grievances from arising in the first place, or from escalating to a level that can potentially undermine business performance. Thus, from a basic risk-management perspective, spending the time and effort up front to develop a well-functioning process is a good investment.

Ideally, grievance procedures should be in place from the beginning of the social and environmental assessment process and exist throughout construction and operations through to the end of project life. As with the broader process of stakeholder engagement, it is important that management stays informed and involved so that decisive action can be taken when needed to avoid escalation of disputes. The following points are worth considering when setting up a mechanism for addressing external grievances.

✓ Process is important

For affected communities and other stakeholder groups seeking to have their complaints resolved, the perception of transparency and “fairness of process” is important. A good process can enhance outcomes and give people satisfaction that their complaints have been heard, even if the outcome is less than optimal. When designing grievance procedures, think about whether they will be readily understandable, accessible and culturally appropriate for the local population. It is important to clarify at the outset who is expected to use this procedure, and to assure people that there will be neither costs nor retribution associated with lodging a grievance. The entire process – from how a complaint is received and reviewed, through to how decisions are made and what possibilities may exist for appeal – should be made as transparent as possible through good communication.

✓ Scale the mechanism to project needs

Grievance mechanisms should be designed to fit the context and needs of a particular project. Smaller projects with relatively straightforward issues might have simpler means of addressing complaints, such as through community meetings, community liaison personnel and suggestion boxes allowing for anonymity. Larger, more complex projects will likely need a more formalized process and mechanism,

and a higher level of dedicated resources for receiving, recording, tracking, and resolving complaints. However, grievance mechanisms should not be thought of as a substitute for a company's community engagement process or vice-versa. The two are complementary and should be mutually reinforcing.

Even in the same project, not all grievances can or should be handled in the same way. For example, a complaint about a company truck running over chickens in the road may be readily resolved through direct interaction between the complainant and the company's community liaison staff (with a more formal grievance process only as a back up if staff are not responsive). However, allegations of widespread ground water contamination, for example, may be of such a serious or urgent nature that they require immediate intervention by senior managers and subsequent



LONMIN, SOUTH AFRICA: TOLL-FREE TELEPHONE HOTLINE

In South Africa, Lonmin, the world's third-largest platinum producer, found that a particularly effective means for allowing the public to report concerns or complaints relating to Lonmin's operations – especially with regard to environmental, health and safety, community, and security issues – has been a toll-free telephone hotline established by the company. A register is kept of these complaints and any responses provided. In addition, regular meetings are arranged with specific sub-groupings of affected stakeholders to discuss particular problem areas, for example noise and vibration associated with new open-cast mining operations. Stakeholders are also invited to raise their more general concerns in regular stakeholder forum meetings involving Lonmin management and key stakeholder groups.

mediation. In other words, consider creating different levels of redress within your grievance mechanism that correspond to the scale and seriousness of the complaint.

Grievance mechanisms should not be thought of as a substitute for a company's community engagement process or vice-versa. The two are complementary and should be mutually reinforcing.

✓ Put it in writing and publicize it

A policy or process for addressing complaints cannot be effective if nobody knows about it. A company's grievance procedures should be put into writing, publicized, and explained to relevant stakeholder groups. Simply put, people should know where to go and whom to talk to if they have a complaint, and understand what the process will be for handling it. As with all information, it should be provided in a format and language readily understandable to the local population and/or communicated orally in areas where literacy levels are low. As a general rule, it should not be overly complicated to use nor should it require legal counsel to complete.

✓ Bring in third parties where needed

Sometimes, ensuring "fairness of process" for affected individuals or groups requires certain measures to level the playing field of perceived power. At a minimum, communities need to have access to information. Companies can facilitate this by providing project-related information in a timely and understandable manner. In cases where significant imbalances in knowledge, power, and influence

exist, a company may wish to reach out to other partners to assist in the process. In terms of advocacy, an NGO might be brought in to assist local communities and advocate on their behalf. Where mediation is desired, academic or other local institutions may be sought out to play an “honest broker” role in mediating between the company and stakeholder groups. In certain circumstances, it can be good practice for a company to provide funding for such third-party advice or facilitation in a way that is acceptable to all parties and doesn’t compromise the integrity of the process.

✓ Make it accessible

Projects that make it easy for people to raise concerns and feel confident that these will be heard and acted upon can reap the benefits of both a good reputation and better community relations. One of the best ways to achieve this is to localize your points of contact. Hire people with the right skills, training, and disposition for community liaison work and get them into the field as quickly as possible. Maintaining a regular presence in the local communities greatly helps to personalize the relationship with the company and engender trust. Talking with a familiar face who comes to the village regularly, or lives nearby, creates an informal atmosphere in which grievances can be aired and sorted out, or referred up the chain of command. This is usually more convenient and less intimidating to people than having to travel distances to the company offices during business hours to file a formal complaint.

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MINERA YANACOCCHA: DIALOGUE ROUNDTABLES AS A MECHANISM FOR CONFLICT RESOLUTION

The largest gold mining company in Peru, **Minera Yanacocha**, has had serious conflicts with local communities around its Yanacocha Gold Mine, sparked by a mercury spill along a section of road that passed through three villages. Local groups alleged that the company was adversely impacting the water, air, health and livelihoods of surrounding villages and that the mine development was occurring without adequate community consultation.

The creation of the *Mesa*, a roundtable for dialogue, resulted from complaints filed with the IFC's Compliance/Advisor Ombudsman (CAO). The Assembly of the *Mesa*, composed of representatives of 52 registered organizations – including national government, members of the affected communities, NGOs, church groups, the Chamber of Commerce, the company, and the Board of Directors elected by the Assembly – meets monthly. Its mission is to “address and resolve the conflicts between the Minera Yanacocha and the community of Cajamarca with the participation of public and private institutions in a transparent, open, independent and participatory manner.”

The *Mesa* has successfully created a new “culture of dialogue” and helped defuse tensions between the company and community through the respectful and tolerant nature of the actively facilitated, multi-stakeholder discussions. For example, an independent and participatory water quality and quantity study took place as a result, with accompanying recommendations on how to address these issues. The company's Hazardous Material and Emergency Response Plan has also now been revised as a result of this process. However, there are still issues that the *Mesa* has not yet addressed and the mechanism also faces challenges regarding public perceptions in the broader community of its representativeness, independence and transparency. Furthermore, because the *Mesa* has been receiving financial and technical support from the IFC's CAO since its inception, the sustainability of the mechanism into the future remains a question.

Source: Report of the Independent Evaluation of the Mesa de Dialogo y Consenso CAO - Cajamarca May 2005
http://www.cao-ombudsman.org/pdfs/MESA_%20Evaluation_%20Report_%20Final_%20English.pdf

✓ Response time and transparency matter

It is good practice for a company to publicly commit to a certain time frame in which all recorded complaints will be responded to (be it 48 hours, one week or 30 days) and to ensure this response time is enforced. This helps allay frustration by letting people know when they can expect to be contacted by company personnel and/or receive a response to their complaint. Combining this with a transparent process by which stakeholders can understand how decisions are reached inspires confidence in the system. During critical time periods, such as construction, it is important to have an immediate response to time-sensitive complaints, such as a fence being knocked down by a contractor, for example, and livestock getting out. A related issue is making sure that company personnel receiving grievances (typically community relations staff) have the authority to resolve basic complaints themselves, as well as a direct reporting line to senior managers if the issue is more serious or costly to address.

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✓ Keep good records and report back

Whether it is simply keeping a log book (in the case of small projects) or maintaining a more sophisticated database (for bigger projects with more serious impacts), keeping a written record of all complaints is critical for effective grievance management. The record should contain the name of the individual or organization; the date and nature of the complaint; any follow-up actions taken; the final result; and how and when this decision was communicated to the complainant. In some countries, detailed personal information such as passport numbers are required to officially “register” a grievance. This can be intimidating to stakeholders and discourage them from

using the mechanism. Overly personal data should therefore be optional and kept confidential unless required to disclose to authorities. In addition to informing the complainant of the outcome (in writing where appropriate), it is also good practice as part of the broader community engagement process to report back periodically to communities and other stakeholder groups as to how the company has been responding to the grievances it has received.

✓ Don't impede access to legal remedies

If the project is unable to resolve a complaint, it may be appropriate to enable complainants to have recourse to external experts. These may include public defenders, legal advisors, legal NGOs, or university staff. A company may find that it can work in collaboration with these third parties and affected communities to find successful resolution of the issues. However, this is not always possible, and situations may arise where complainants will choose to pursue legal recourse. Under these circumstances, companies should be familiar with the judicial and administrative channels for dispute resolution available in the country of operation and should not impede access to these mechanisms.



EXXONMOBIL: MULTI-PARTY COMMISSION TO ADDRESS GRIEVANCES ON THE CHAD-CAMEROON PIPELINE PROJECT

Sometimes, having representatives from different stakeholder groups participate in decision-making related to grievances can help increase the credibility and legitimacy of the process. In **Cameroon**, **Exxon Mobil** faced the challenge of having to acquire land in a large area where there is no private property recognized by the state and a complex land-use system that led to multiple individuals having claims on the same piece of land. The company needed to develop a fair and transparent process whereby it could establish eligibility for compensation and address grievances.

A **multi-party commission** was established that included government officials, village chiefs, traditional authorities, ExxonMobil representatives, and two NGOs selected through a competitive bidding process. The Commission undertook a systematic, village-by-village process of “social closure,” whereby they reviewed each compensation agreement along the pipeline route, and determined whether it was in compliance with the broader environmental and social management plan. For cases of non-compliance, the commission determined appropriate corrective measures. To promote transparency, final compensation payments took place at public hearings in the affected villages, with one of the NGOs serving the role of “witness” to the process.