Community Engagement – Creating a Social License to Operate

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Introduction

Previously at the inaugural PNG Security Congress I presented on the importance of partnership models creating security as a by-product of engaged communities instead of relying on traditional harder security measures. Today, I will focus more on community and less on security, however I maintain that the two cannot be separated. I am going to elaborate on our community model and examine my experiences with local culture and the risk lens that is applied to communities – in particular considering extractive industries in PNG where local engagement is mandated formally as part of legislation and informally as part of local culture. The approach I’m advocating for seeks to ensure that various communities identify the things that make them different, but also look at the things that bring them together. Traditionally local communities which can be seen as a threat by extractive industries that needs to be ‘managed’, whereas extractive industry major players are seen as an ‘opportunity’ for the local community. Flipping this on its head, extractive industries need to see the opportunity in local communities. Paladin calls this Build, Operate and Transfer and a ‘we’ approach to this dynamic can be an innovative game changer.

Background

Paladin and more recently, Black Swan have been working with landowners and communities throughout PNG. As an example of community engagement I am going to talk about a trip I first made up the Purari river in 2013 where I was welcomed at a local village. I was invited there by Paladin workers who had come from the gulf region and who knew that we had a different approach to partnering with communities.

There is an airstrip at Purari and you can charter a plane or access one of the infrequent services that fly to get there. Alternatively you can travel via helicopter on one of the many exploration and drilling operations being undertaken in the area. Given I was travelling into a local community, I elected to travel the way the local people do. In my first 2 months in Papua New Guinea after joining Paladin from working in Timor Leste (East Timor) I took a PMV (local transport option) to Kerema – which is 7 hours by road from Port Moresby. It is only 300km from Port Moresby, but as the capital of the Gulf Province it is a gateway to a vast river delta. Upon arrival in Kerema, it is then 19 hours by banana boat up the river until you pass Herd Base where InterOil operations were centralised. A further 3-4 hours up the river takes you to the regional centre Wabo – distances are measured in outboard horsepower and the time it takes to get around – I don’t recommend a 40horsepower outboard for such a trip. The village is some 200km by boat from Kerema and requires a treacherous journey across the ocean outlet of many river systems to gain access to the delta. At night on a new moon, only the fireflies light the pathway of the river, although treacherous floating debris and sandbanks are an ever present danger.

The people of Gulf Province are coastal people and very friendly, warm and welcoming to outsiders. As it was explained to me, the need to get along with outsiders is a fundamental trait of coastal people as it had underpinned their trading culture for hundreds of years. I had been working with local communities previously for 2 years in similar cultures in Solomon Islands on the Regional Assistance Mission Solomon Islands (RAMSI) supporting the Australian Federal Police. There we had 144 Solomon Island national workers, which by virtue of my wife’s Fijian grandmother’s first cousin, we were related to around 20 of them. This is a perfect example of how communities are connected
and a good reminder that we are not much different no matter where we come from – 20 of the workers from the Solomon Islands and my three children share the same great grandparents. The Gulf Province and Papua New Guinea is rich with stories of a similar nature and it struck me when I stayed in the village that the leaders in the village knew of every tribe and every person and clan in the area. The flip side of this though was that there was a very detailed drilling operation underway in the 10km radius around the village that had been ongoing for 12 years as at 2013 and is known as PRL-15 or Elk-Antelope.

Despite this sense of connectedness, the village leaders confided in me that in those 12 years, not one person from InterOil or Herd Base had ever been to their village, and that if they wanted to engage with Community Affairs, they had to head to Wabo by foot or boat (assuming they had fuel). I have seen this construct replicated across a range of areas in Papua New Guinea, where landowners are kept at arms length and shopped around a false-bureaucratic system. For instance, if you have a question on who the new security company is at a drilling site, with personnel working there from outside your province, and you want engagement with the company for an issue like this near Herd Base then you need to go to Wabo. Once there you might find that the only person you can speak to is the Community Relations Manager, who is in Port Moresby. Some landowners will then travel overland and water for 2-3 weeks to Port Moresby only to be told the Community Relations Manager is in Wabo. Once you catch up with them, then you are told that you need to have a registered landowner association, be recognised by the lands department, be registered with a full board and have past experience in providing the services, despite the fact that there are no associated economies, schools or technical colleges in the area to achieve these things. You will then be forced to ‘partner’ with another firm that may or may not be of good intention.

**Issue**

This is not a specific story, nor is it intended to embarrass anyone or highlight a particular company – using the discontinued InterOil company construct should be safe here today, and apologies for any legacy employees – but it is indicative of how local communities see their partners in the resource extraction process:

1. They are absent and not willing to come to the people.
2. They create barriers that local people cannot hope to clear.
3. They are not genuine.

By contrast, in attending a number of meetings and events by security professionals in PNG and other areas around the world, the local people are seen to be:

1. A security threat that will shut down the project.
2. An economic threat with un-checked claims for compensation and contracts.
3. Not capable of delivering services to the required standard.
4. Are not trusted.

I will briefly now discuss Social License to Operate (SLO) which is a community’s perceptions of the acceptability of a company and its local operations. It is best summarised with this graphic. There are notions of license being issued through a combination of power, legitimacy and urgency, and in PNG landowners have both informal power from their legitimacy, as well as formal power under the law, whereas operators have formal power under the law by their government issued extractive license. The goal under SLO is to elevate the project into a mutual benefit and establish a mutual trust relationship whereby affected communities see the issues facing a project as mutual issues – with the ideal concept being ‘psychological identification’ whereby you achieve a standard of trust such that ‘I trust you as I trust myself, so if I trust myself then I trust you’. In the PNG highlands I was
introduced to a local community with the phrase ‘when you see him you see me, when you see me, you see him’ – meaning culturally we identified as the same. I believe these concepts are fundamental to the PNG way of life.

**Potential Solution**

I think issues emerge as a manifestation of lack of communication and basic cultural misunderstanding. I will now talk about the role companies like Paladin for garrison and facilities services and Black Swan for security can play as cultural brokers to remove the misunderstanding, I will use our Community Security model and our 6P framework to highlight how we can spread risk and reward and create mutually beneficial outcomes that focus on opportunity instead of risk. My primary focus will be on the People aspect of the 6P framework as it is fundamental to the topic of ‘community’.

The 6P framework includes:

1. **People.** We believe people are at the centre of what we do and we value their experience.
2. **Projects.** We have successfully delivered on projects across the region.
3. **Place.** We understand the culture, people and government of the areas we operate in.
4. **Partners.** We work to develop strong partnerships at all levels for mutual benefit.
5. **Presence.** We seek to create a positive, lasting contribution for our projects.
6. **Past.** We value our past experience and carry that knowledge into the present.

**People**

Community Security seeks to have the goals of participants in the impact area, the security company and the investment company as one and the same. The result being that the whole community will rally to support the local project where a significant amount of community outcome is tied to the project in a positive way.

Stakeholders in the community security model include: Landowners, Indigenous populations (impact area, tribe/village, clan, district, province, country), Staff, Interest Groups, Investors, End Users, and Government (local, provincial, national).

The end user concept is interesting. With some products and services it is important for end users to be clear that ethical and appropriate practices have been adopted along the supply chain. We might consider a ‘people supply chain’ in this context where the closer to the impact area of the project, the higher the value. This requires an effort of every group and some type of verification to be meaningful, so think ‘organic’, ‘blood diamonds’, ‘fair trade’, ‘cruelty free’ as examples of this. On the frontline, by necessity extractive industries have to get this right, but it is not always core business to seek out and engage with a local community. Companies that have the highest levels of local employment are best placed for this. During any development, these are services based industries such as security, catering, cleaning, maintenance, as the employment barriers for entry into these are minimal, with lower literacy and numeracy being possible for entry level positions. Following development, during operations, a lot of these ongoing roles pivot to higher technical skills and the services-based industries are a lesser support role.

People are the centre of these projects and the opportunity for them to grow their experience, skills and businesses is important. A true commitment to maximising local engagement of people closest to the impact area is the clear goal of people in the impact area, but more a stated goal in project leader. In future, services-based companies might be assessed on their ability to hit increasing levels of local employment and opportunity in future contract awards based on their ability to build a workforce locally – as measured in distance from the impact area. Such an approach leads to higher
levels of community engagement and creates a more stable project and public image for all stakeholders along the ‘people supply chain’.

In my presentation at the PNG Security Congress I identified that people almost universally want:

1. To gain paid employment and stability for themselves and their families
2. To get security over a house for themselves and their families
3. To ensure that their children have better opportunities in education and life than they did

When you consider the people in the impact area along these lines, they are no different to anyone else.

I will now briefly touch on the other 5Ps.

Projects & Place

Each area has manifest different needs and approaches need to be catered to the area. It is our work with local communities that really sets us apart. Wherever we work, we make it a priority to get to know the local community, find out what their needs are and partner with them to make sure they will benefit from working with us.

Partners

By partnering with communities we get to work with some really great people and help them to achieve their goals. Paladin uses a Build, Operate and Transfer Model (BOT) which involves pursuing Joint Ventures with local populations. We reject corruption – and consider not using local people a form of corruption, instead we encourage respectful engagement that enhances the legacies of the people we work with.

The most successful partnership results in self-determination, and the ‘Transfer’ part of our model does not see us involved going forward except by invitation.

Presence

When considering the gulf village example from earlier in this presentation, my point on presence is very simple. Key operators in an area cannot go 12 years without visiting their neighbours. This is not a community approach and it underlines a basic misunderstanding of what mere presence can do. I have been an operational policeman in the past in Australia and most situations are mitigated just by police being present. In my view the lack of presence creates issues for all sides. It creates issues with the community as they cannot meaningfully engage and be heard, where lack of communication leads to assumption and conflict. It creates issues with the project leader as they do not genuinely address their engagement plan if they do not meet the people their plans purport to represent. I have been to the gulf village three times in 6 years, have sent other people from my company there and ran a certificate II security course in the village to see if it could be done. It can be done and it reinforces the self-esteem and value of the villagers.

Past

Key landowners that I’ve met like those in the Gulf, Rodney Pokapin and Kepo Pomat in Manus, don’t talk about enrichment, they talk about legacies. They talk about building up the people they represent as custodians of their culture. Our business model seeks to transfer skills and know-how to the local communities in which we work, so that they can ultimately take ownership of projects that affect their lives and those of their families. That, I believe, is a legacy to be proud of.
Summary

I think a reporting framework that monitors Social License to Operate is very relevant to local issues in PNG and I would like to see a report developed that weighs value of community involvement starting with the direct impact area (project area), the regional area, the province, nationally, regionally (other pacific nations), then internationally, with reporting metrics measured against the ability to transfer involvement closer to the epi-centre of the impact area and reduce the involvement of others over time.

In summary, by bringing together the goals of the community and project leader using services based providers as cultural brokers, projects can stabilise and provide community outcomes that exceed compliance. These cultural brokers must be willing to go out into a local community and sit with them in a genuine culturally respectful way. A compliance mindset of using local communities where mandated can be replaced with an opportunity mindset – can we really transform the future for these people by our presence here? Paladin’s approach to community security that considers People, Projects, Place, Partners, Presence and Past is an innovative framework that can be unifying. A key partner in this respect can assist in helping project leaders see that local communities are not a risk, but also help local communities to reach out and achieve their potential by gaining the full benefit of a project in their area. The outcome should be that all parties **Build** a project together, **Operate** it in harmony, and **Transfer** as many benefits for as big a future legacy as possible.