



Evaluating the alignment of Social and Labour Plan (SLPs) commitments with municipal Integrated Development Plans (IDPs)

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Introduction & problem statement

- Mining is associated with a variety of environmental and social impacts, such as the disruption of water resources, land degradation and impacts on the livelihoods (Evans and Kemp, 2011)
- According to the SLP Guidelines, the mining SLP must be aligned with the municipal IDP in order to ensure the sustainability of the mine
- The industry is constantly faced with increased pressure from its employees, local communities and the regulators to improve their social and environmental performance
- The purpose of a SLP is to enhance the mine's positive impacts and avoid or offset negative impacts

Introduction & problem statement

- We argue that the alignment of SLPs with IDPs will ensure that the mine focuses its social responsibility initiatives on the mandatory issues raised by the community through the IDP
- This alignment will provide a platform for investment opportunity, economic growth, poverty reduction and infrastructure development (ICMM, 2006)
- Therefore it is important to critically review the alignment of SLP and IDP and to identify any challenges that may need to be overcome



- The objectives for the research included the following:
 - To determine to what extent mining SLP commitments are aligned with municipal IDPs
 - To determine how the alignment between mining SLP commitments and municipal IDPs may be improved

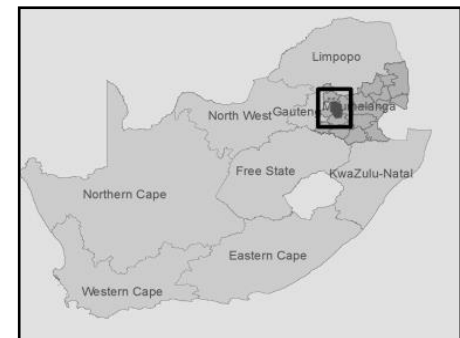
Case Study Analysis

- The main selection criterion of the case studies was based on the availability of documents
- The following criteria were also considered:
 - *Criterion 1:* a municipality where mining has been operating for many years.
 - *Criterion 2:* the availability of information, SLP and IDP reports, and ease of access to further data.
 - *Criterion 3:* based on the different resources being mined in these areas.
 - *Criterion 4:* mining areas where there has been recent community unrests.

Methodology... Cont

Given the above criteria, the following three mines and municipalities were selected:

Case Study (Mine)	Province	Municipal Category	Year of IDP	SLP Report	Population (Census, 2011)	Geographical Municipal Area (km ²)
(Mine A)	Northern Cape	B	2009 – 2013	2008 - 2012	18 687	2 277
(Mine B)	Gauteng	B	2010 - 2015	2010 - 2014	197 520	1 631
(Mine C)	Mpumalanga	B	2012 - 2013	2013 - 2017	395 466	2 677



Methodology... Cont

Case study documents review

KPIs were based on the requirements set out in the SLP guidelines DMR (2010) used to analyse and measure the alignment with Municipal IDPs

*KPI		Lines of enquiry
1	<i>Social and Economic Background</i>	To what extent is the socio-economic background information of the community set out in the IDP aligned with the SLP planning process?
2	<i>Key Economic Activities</i>	To what extent does the SLP align its key economic activities within the mining community to those activities identified by the IDP?
3	<i>Negative Social Impacts</i>	To what extent are the negative social impacts outlined in the SLP aligned with the IDP?
4	<i>Projects / Programmes</i>	To what extent is the SLP aligned with the projects identified or prioritized by the IDP?
5	<i>Overall Plan</i>	To what extent does the IDP inform the overall local economic development plan of the SLP?

Methodology... Cont

- The following scoring criteria were used:
 - Ranged from Aligned (A) to Not Aligned (D) based on the level of alignment with the IDP
 - Used qualitative methodology (Retief, 2007b; Sandham & Pretorius, 2008)

Symbol	Description	Degree of Alignment (%)
A	Aligned	76 – 100%
B	Generally aligned	51 – 75%
C	Just aligned	26 – 50%
D	Not aligned	0 – 25%

Results

Key Performance Indicators (KPIs)	Mine A (Kgatelopele LM)	Mine B (Merafong City LM)	Mine C (eMalahleni LM)	Overall score
KPI 1: <i>Social and Economic Background</i>	A	A	A	A
KPI 2: <i>Key Economic Activities</i>	B	A	A	A

Note: Scoring criteria: A = Aligned; B = Generally Aligned; C = Just Aligned; D = Not aligned.

- Across all the 3 case studies there seemed to be an alignment of mine SLP social and economic backgrounds (*KPI 1*) as well as key economic activities (*KPI 2*) such as employment levels with those outlined in the municipal IDPs
- The identification of key economic activities in the SLP (*KPI 2*) is critical for the alignment with municipal IDP and other mines (private businesses) in the area
- This will assist in aligning the needs of the community and work together to address the community needs

Results

Key Performance Indicators (KPIs)	Mine A (Kgatelopele LM)	Mine B (Merafong City LM)	Mine C (eMalahleni LM)	Overall score
KPI 3: <i>Negative Social Impacts</i>	C	B	C	C

Note: Scoring criteria: A = Aligned; B = Generally Aligned; C = Just Aligned; D = Not aligned.

- The negative impacts of the mining (*KPI 3*) seem to be less aligned with the municipal IDPs across all the case studies.
- The SLPs provided less information on how the mines are going to deal with the negative social impacts resulting from their mining activities
- This gap was identified in the IDPs but not well addressed in the SLP reports
- One classical example is the influx of people looking for employment which results in informal settlements.

Results

Key Performance Indicators (KPIs)	Mine A (Kgatelopele LM)	Mine B (Merafong City LM)	Mine C (eMalahleni LM)	Overall score
KPI 4: <i>Projects / Programmes</i>	B	B	B	B

Note: Scoring criteria: A = Aligned; B = Generally Aligned; C = Just Aligned; D = Not aligned.

- Most of the mining SLP projects and programmes (*KPI 4*) were generally aligned (scoring criteria B) with the IDP
- The LED projects and programmes focussed mainly on basic services such as water, electricity and roads infrastructure for the community
- A number of enterprise development initiatives were also initiated to address the unemployment challenges in the community
- Classical examples includes water, electricity and sanitation infrastructure projects

SLP Water Projects



Overall results

Key Performance Indicators (KPIs)	Mine A (Kgatelopele LM)	Mine B (Merafong City LM)	Mine C (eMalahleni LM)	Overall score
KPI 1: <i>Social and Economic Background</i>	A	A	A	A
KPI 2: <i>Key Economic Activities</i>	B	A	A	A
KPI 3: <i>Negative Social Impacts</i>	C	B	C	C
KPI 4: <i>Projects / Programmes</i>	B	B	B	B
Overall: To what extent does IDP inform the SLP local economic development process?	B	B	B	B

Note: Scoring criteria: A = Aligned; B = Generally Aligned; C = Just Aligned; D = Not aligned.

Challenges for the alignment of SLPs and IDPs

- The following challenges were identified:
 - The way in which mining companies deal with community grievances and risks
 - Capacity constraints especially in local government
 - Poor stakeholder engagement
 - Lack and/or backlog of service delivery at local government level
 - Lack of identification of the negative social impacts of mining
 - Poorly drafted IDPs

Conclusion

- There is general alignment of socio-economic elements of the SLP with the relevant IDPs
- The key strengths are identifying the socio economic background of the local community, key economic activities, projects and programmes
- The key weakness relate to the poor alignment of the negative social impacts associated with mining with those identified in the municipal IDPs
- Opportunities exist to improve the integration of SLPs and IDPs that would assist the mining companies to target their social initiatives more effectively
- SLP projects and programmes can contribute positively to uplifting local communities, but the challenge will always be how to meet the ever increasing community demands

How can the alignment between mining SLP commitments and municipal IDPs be improved?

- Proper stakeholder engagement both with the mining industry and with local municipalities is needed in order to ensure that communities are well aware of any proposed activities
- Capacity building in local government could be a tool that the mining companies could adopt to ensure the proper implementation of LED projects
- A certain portion of taxes and royalties should be paid directly to local municipalities to address the immediate challenges in the community

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Thank you!

Any questions?