

Cross-Sector Collaboration in Ghana

Chirano Gold Mine's Community Consultative Committee Case Study

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Context

This case study has been prepared with the support of the Devonshire Initiative (DI), the High Commission of Canada to Ghana, and Global Affairs Canada as part of an effort to share experiences in cross-sector collaboration in the mining context in Ghana. As defined by the DI, cross-sector collaboration goes beyond engagement and relationship building, it involves representatives of more than one sector working together towards a (slightly) common goal.

This case study focuses on the Community Consultative Committee (CCC) put in place by Chirano Gold Mine Ltd. (CGML) in Ghana. It has been prepared on the basis of a presentation by CGML as part of a webinar on cross-sector collaboration hosted by Global Affairs Canada and the DI in May 2021, as well as an interview with representatives of CGML and the CCC, and a desktop review of publicly available documents.

Building a Strong Foundation

The Chirano Gold Mine is located in the Western North Region of Ghana, approximately 100 km southwest of Kumasi, the country's second largest city. The mine was developed by Red Back Mining and began operations in 2005. Red Back was acquired in 2010 by Kinross Gold Corporation, a senior Canadian mining company with projects and operational mines in Africa, Russia, and North and South America.

CGML is located in a rural area and is surrounded by villages, small-scale farms, and a forest reserve. CGML considers its catchment area to cover an area of 150 km², which includes 20 villages with approximately 30,000 residents.

The establishment of the CCC began in 2004, as construction of the mine was nearing completion. CGML's Community Relations Team recognized the importance of engagement with local stakeholders but found that individual consultation was proving inefficient, given the size of the catchment area and the number of stakeholders therein. The CCC was therefore born out of the need to centralize consultation through a mechanism that could be maintained throughout operations.

The structure of the CCC was developed through consultation by CGML with key community members, traditional leaders, and government representatives. Working together, CGML and its stakeholders prepared the CCC Constitution, which continues to govern the committee's activities to this day. The Constitution defines two objectives for the CCC: to promote cooperation and understanding between CGML and its stakeholders; and to ensure that CGML lives up to its commitments to local communities

and the country as a whole. The CCC's activities are grouped into three focus areas: promoting sustainable development, supporting conflict resolution, and facilitating communication between CGML and the broader community.

To ensure representativeness of the CCC, its members were determined by local stakeholders themselves, with limited input from CGML. There are currently 43 members of the CCC, including representatives of traditional leadership, local communities, the district assembly, farmers, law enforcement, health and education directorates, and other government agencies, as well as CGML. The CCC is chaired by one of the traditional leaders, who is nominated by his/her peers and serves an 8-year term.



Figure 1: CCC Meeting, December 2021

Collaboration in Practice

The CCC aims to meet quarterly and has held at least three meetings a year since its inception in 2004. Meetings typically begin with a presentation by CGML's General Manager, who provides an update on the mine's operations, community-focused projects, and other items of interest to local stakeholders. The involvement of the General Manager is considered by the parties to demonstrate the company's understanding of the importance of the CCC and the centrality of the committee in the mine's decision-making processes.

The presentation by the General Manager is followed by an open discussion among CCC members, facilitated by the CGML representative. Decisions are made either through motions by CCC members or, on more divisive issues, by majority vote. CGML's participation also includes the role of secretariat; the company prepares minutes of each meeting that are reviewed and approved by the CCC at its next meeting. CGML also pays per diems to committee members for their participation in the CCC meetings and hosts the meetings at the mine site.

The CCC is considered by the company and community representatives to be a highly effective mechanism for consultation and collaborative decision-making. Examples of the CCC's achievements to date within its three focus areas include the following:

- **Promoting sustainable development:** Since 2004, the CCC has prepared an annual community development plan that has focused largely on building essential infrastructure for local communities. To date, more than 130 projects have been completed from the CCC's plan, with an investment of USD \$13 million by CGML. Projects include the connection of all communities in the catchment area to the electrical grid and the improvement of access to clean water in 90% of households.

- **Supporting conflict resolution:** The CCC has a direct role in the evaluation of rates set for compensation of land affected by CGML. The CCC has helped to successfully mediate numerous disagreements over the mine's impacts on local households' assets and associated compensation.
- **Facilitating communication between the mine and community:** Local businesses became increasingly vocal around demands for increased opportunities as suppliers to the mine. Working with the CCC, CGML organized a series of workshops for local businesses to help them understand the mine's supply chain needs and procurement process. CGML is also preparing a strategic plan to improve integration of local businesses into its supply chain.

CGML's approach to supporting community development has also evolved as a result of engagement with the CCC. Since 2006, the mine has contributed USD \$1 per ounce of gold produced to a community fund. This type of arrangement is often considered an example of industry best practice, but CGML recognized the inevitable impact on the fund as the mine begins to scale back operations and prepare for closure (expected in 2025). Drawing on experiences from other Kinross Gold sites and through engagement with its local partners in Ghana, CGML formally established the Chirano Sefwiman Foundation in 2020. The Foundation will help to ensure the accumulated funds are used for projects that provide genuine benefit to the community, with appropriate governance standards and controls. The Foundation is managed by a Board of Trustees, including representatives of CGML (who will withdraw at the time of mine closure), local communities, and local and district-level government. The Foundation's day-to-day activities are managed by an Executive Secretary, hired from the local area. The Foundation's priority areas are education, health, economic empowerment, and water and sanitation; its first allocation of funds was in support of the creation of scholarships for local youth.



Figure 2: CCC Meeting, December 2021

Lessons Learned

The following lessons learned are drawn from reflections shared by representatives of CGML and the CCC. They are offered here to support other organizations considering engaging in similar cross-sector collaboration.

- **The value of a standing mechanism for community dialogue:** The CCC highlights the role that a formal dialogue mechanism can play in establishing trust and goodwill. It allows the parties to build meaningful relationships over time.

- **A company can help to facilitate community-led development:** The CCC is led by local voices and builds on the strengths and traditions of its members. The company plays an important role as a facilitator and in supporting strategic thinking and collaborative decision-making.
- **Clear objectives are central to success:** The CCC was formed with clear objectives and has maintained this focus since its inception. This in turn has allowed it to make significant progress on the issues and areas important to local communities.
- **Stability builds credibility:** Despite challenges over the years, the continuity of the CCC has strengthened the connection between the parties and bolstered its resilience. This has given the parties the ability to work through issues together.
- **Ensure continuous internal engagement:** CGML has had five General Managers since the CCC was established in 2004. Each has been introduced to the CCC by the Community Relations Team and been helped to understand the CCC's role and value. As a result, each General Manager has invested the time necessary to further the mine's relationship with the committee and its members. Information on the CCC is also shared as part of every new CGML employee's onboarding process, to ensure the role of the committee is understood throughout the workforce.
- **Keep the focus on the common good:** It is natural for communities to have divergent and occasionally competing interests; focusing on what is best for the long-term sustainable development of the area is critical to maintaining momentum and sustaining cross-sector collaboration.

"In every human institution challenges are bound to arise, and as the Chairman of the CCC, I can proudly say that the CCC has been an arbiter in ensuring harmonious coexistence between the catchment communities and the mine. Through strong collaboration between the CCC and the mine, sustainable infrastructure projects are fairly distributed for the benefit of the catchment communities.

Additionally, the introduction of Chirano Sefwiman Scholarship has contributed immensely to ensuring that deserving students who are in need have access to tertiary education. I can confidently say that without the scholarship, some of the beneficiaries would have been deprived of the opportunity to pursue a higher education. The entire CCC body and the catchment communities are proud of Chirano mine for such an initiative.

The CCC has lived up to expectations in terms of collaboration with the company especially in the resolution of community issues and conflict."

- Nana Kwasi Nwunu II, Chairman of CCC
