Engaging the private sector to address conflict in natural resource management

Collaborating for Resilience

Summary

International investments in agroindustry present a growing source of tension for local populations who rely on land, forests, water and fisheries for their livelihoods, particularly where local tenure security is put at risk. For governments, civil society organizations and the communities directly affected, engaging the private sector early is critical in order to avoid an escalation of conflict and to build collaboration that can yield dividends for all. Yet care must be taken to address power differences among actors and to avoid manipulation by individuals or interest groups. A structured multistakeholder dialogue approach can help communities gain a voice in resource management planning, access their legal rights, and identify innovations that support local livelihoods.

The problem

Community groups, particularly the poor and marginalized, often lack information about planned investments and have few channels available to voice their interests in natural resource allocation and management. In extreme cases, the first confirmation of a new commercial operation is when bulldozers arrive to clear the forests, fences are erected blocking access to previously communal lands, or construction begins on a processing facility that captures upstream water supply. Where information is available or official procedures provide for public consultation, local resource users may still be reluctant to engage, citing fears of being manipulated or misinformed, or they may lack the capacities needed to participate effectively.

Initially, private sector actors do not always see the value of multistakeholder dialogue. Companies may view close cooperation with public agencies as an invitation for potentially burdensome monitoring, a source of costly delays in setting up or expanding operations, or a risk to reputation and competitive advantage. They may question the motives of civil society organizations that they see as adversaries to private enterprise. Alternatively, private sector actors may wish to engage proactively in hopes of building good relations with local communities but feel uncertain about how to proceed. They may feel the need for a neutral party to help convene the process, or for specialized support to make it constructive.

Commercial fishing lot operator joins in dialogue with government, NGO, and community stakeholders at a basin wide forum; Siem Reap, Cambodia

Multistakeholder dialogue: From conflict to collaboration

What role can a structured process of multistakeholder dialogue and action planning play in moving competing groups from conflict to collaboration over natural resource management? During 2011–2013, the Strengthening Aquatic Resources Governance project pursued an action research agenda focused on this question, working with communities dependent on large lake systems in Zambia, Uganda and Cambodia. The initiative developed, applied and adapted an approach called Collaborating for Resilience, which recognizes that all stakeholders, including private sector actors, have a role to play in improving resource governance. The process focused on engaging key stakeholders, clarifying common goals and competing interests, debating potential actions, and catalyzing innovative institutional collaboration toward the common goals that were identified in the process. Guidance on the Collaborating for Resilience approach, as well as a suite of tools for use in assessment, planning, monitoring and evaluation, were developed in advance, then adapted on the basis of learning from these experiences.

In Zambia, for example, villagers on the shore of Lake Kariba have negotiated agreements with commercial aquaculture investors to maintain fishing grounds and access routes, as well as to secure local jobs. An initial dialogue workshop revealed that community members lacked a voice in decisions over the allocation of shoreline and fishing areas to investors. By law, large-scale investments are subject to environmental impact assessment procedures, which include requirements for community participation. The Zambian Environmental Management Agency was therefore invited to train fishing communities and Department of Fisheries staff on environmental impact assessment provisions. The aim was to encourage the use of environmental impact assessment as a platform to promote dialogue between fishing communities and investors on the lakeshore.

Multiple stakeholders in Lake Kariba cited the dialogue with investors as an empowering and transformative process. The Kamimbi village management committee also found that the dialogue approach brought it a new legitimacy, enabling it to address other community concerns in discussions with the regional chief. Regarding land allocation to investors, for example, the chief, whose traditional authority over allocation of communal lands is recognized by the state, has shifted toward a much more inclusive mode of consultation with village leaders. Conflicts between small-scale and commercial fishers have dropped dramatically, as the larger vessel owners now more consistently recognize and respect the zones reserved for small-scale operators.

In Cambodia, a similar dialogue process on the Tonle Sap Lake helped resolve boundary disputes between community fishery organizations, build an agreement on water allocation to address competition between fishing and dry-season rice farming, and spur joint planning toward a new model of community-based commercial fisheries production. In Uganda, multistakeholder dialogue led a business that processes fish from Lake Victoria for export to agree to provide drinking water to community members at the landing site as an investment in improving community sanitation and, by extension, increasing food safety standards for its products.

Recommendations

Structured processes of multistakeholder dialogue can open new opportunities for collaboration, catalyzing actions that address local livelihood concerns while promoting private sector development. Effective dialogue can avert or manage disputes before they escalate, and can bring changes in institutional relationships that open pathways to broader improvements in resource governance. The same principles used at local levels to convene key stakeholders, assess risks and opportunities, and plan collaborative actions can also be applied in addressing government and industry policies at national and regional scales.

Yet a dialogue approach is not appropriate in all circumstances. The essential precondition is the willingness of all key parties to explore the potential for collaborative solutions. Where conflict has already escalated, professional mediation may be required, or official court processes may be needed to reassert the basic rights of marginalized groups. Where such official processes are unavailable or inaccessible, civil society advocacy or protest may be necessary to draw attention to local concerns and build incentives for dialogue.

Where private sector, government and civil society actors are prepared to enter into a dialogue process, attention to the following principles can increase the chances of success:

1. **Focus on core issues that stakeholders value in common**. Dialogue processes will only be regarded as socially legitimate if they focus on challenges that matter to the private sector, government agencies and local communities alike. Reputation is key for government, aid agencies and the private sector, while investors are also focused on access to resources over time as a component of a stable business environment to ensure profitability. Core resource governance interests of rural communities relate to security of rights, regulations addressing land use and shared resources, and policies affecting small-scale agriculture. By focusing on the points where these goals converge, the International Land Coalition, for example, is fostering inter-institutional collaborations to influence land-related policy and practice related to large-scale public and private investments.

2. **Design a process to balance power differences.** Organizers of a dialogue process must be attentive to balancing power differences among actors in order to avoid manipulation by individuals or interest groups. The Collaborating for Resilience approach provides a process for multiple stakeholders to build a shared understanding of current challenges from different perspectives, explicitly acknowledge power differences, assess the influence of different actors on decision-making, and jointly analyze the ways in which different groups could support or oppose certain actions. Understanding stakeholders' prior experiences with conflict and collaboration is key to tailoring the process to the particular context at hand, as well as selecting appropriate tools and exercises. If there is a history of suspicion between corporations and communities — due to broken agreements, exploitative behavior or failures of accountability, for instance — a long time may be needed to rebuild trust between stakeholders, and the process should take this into account.

3. **Use policy measures to level the playing field.** Multistakeholder dialogue should assess the broader policy context in order to identify obstacles to equitable resource governance and pathways to influence these. In Cambodia, for example, community fishery organizations pursued a dialogue process that reached successive levels of provincial, then national-level officials, contributing to a regulatory shift to expand community-managed fishing grounds. In Guatemala, large-scale land acquisitions related to extractive industries, expansion of monoculture cropping, and commercialization of common-pool resources have aggravated prior social conflicts and contributed to violence. In response, civil society has demanded changes to rural development policies and laws to increase participation of farmer and indigenous peoples' organizations in decision-making and in monitoring enforcement and outcomes.

Structured multi stakeholder dialogue can give local leaders a stronger voice in negotiating with government and private sector players; Panchmahal district, Gujarat, India

4. **Leverage the distinct strengths of private sector actors.** Private sector actors offer significant technical expertise and finance and implementation capacities that can improve the outcomes from collaborative actions for all concerned. Under the CEO Water Mandate, for example, Coca-Cola Co. partnered with local governments and nongovernmental organizations to assess policies, local needs and management challenges in order to improve water conservation, as well as to assess the impacts of Coca-Cola's own operations on local water access. Likewise, a United Nations Development Programme-supported project in Sierra Leone supporting regular dialogue among local council members, traditional authorities, community organizations and NGOs was able to tap private sector expertise in designing and rolling out affordable, climate-resilient water storage and distribution systems.

5. **Strengthen brokering organizations.** Even when they have prepared well in advance, community representatives often remain disadvantaged in comparison to corporate representatives when it comes to articulating their interests, identifying relevant laws and policies, or substantiating their claims. Sometimes NGOs can play an effective brokering role. In other instances, a government agency may play this role if it is perceived as neutral by local players. In the Lake Kariba example cited above, involving the Department of Fisheries and Environmental Management Agency at each stage in the dialogue process improved the standing of community members in the face of higher-level traditional authorities. This also helped build linkages so that local innovations in conflict management could influence longer-term policy and institutional reform efforts, making it more possible that the outcomes of the process will extend to new regions and sectors.

> *"Before we had these workshops, the view was we come in and say, 'This is our territory, you can't come here.' But that's not really the case. People didn't understand where we're headed. Out of [the dialogue events] it was possible to explain … we're here to grow and develop with the community, and we hope we can work with everybody …"*
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> *- Chris Chiwenda, Operations Manager, Kariba Harvest aquaculture enterprise, Zambia*

This publication should be cited as:
Clementine Burnley, Irina Comardicea, Anne Dahmen and Blake D. Ratner. (2014). Engaging the private sector to address conflict in natural resource management. Policy Brief. Collaborating for Resilience.

Collaborating for Resilience supports exchange of experience among practitioners, researchers and policy stakeholders working to build dialogue among groups competing over environmental resources, launch innovations that reduce the risk of social conflict, and strengthen institutions for equitable environmental governance.

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Federal Ministry for Economic Cooperation and Development