

How miners can better manage community resettlement as demand for metals rises

BY: GERRY REDDY AND MIKE STEYN AUGUST 22nd, 2023



Artisanal and small scale miners in Burkina Faso. Credit: SRA

It's an undeniable fact that the world needs more metals to deal with the effects of climate change and to achieve net zero by 2050. Renewable energy (solar panels, wind turbines), electrification of transportation and the need for more power infrastructure are only part of the demand picture. There will also be a huge need to upgrade, replace and build new infrastructure to manage and adapt to the impacts of climate change, for example, in relation to sea walls, drainage systems and other facilities in low lying coastal cities.

Key minerals that will be required for the energy transition will include copper, lithium, nickel, manganese, cobalt, graphite, chromium, molybdenum, zinc, rare earths and silicon. Management and adaptation measures will require large amounts of materials like iron ore. Even with efforts in relation to substitution,

recycling and improved technologies to reduce demand for minerals, as well as the possibility of mining the ocean floor, there will still be a massive demand for minerals mined through open pit and underground methods.

Mining companies, which work in increasingly difficult geographical, political and social contexts, know only too well how long it takes to develop a new mine or even expand an existing operation. This is typically further complicated by the need to obtain 'free and clear' access to land for the mine footprint and related health and safety buffer zones, in a context of challenging community relations and heightened scrutiny of environmental and social performance.

The location of many energy transition minerals will require access to land in

regions of political instability or insecurity, including in Africa, Asia and Latin America, often where communities and operations themselves face challenges of climate change. Currently, production of some minerals is overly concentrated in certain regions, for example cobalt in the Democratic Republic of Congo. Diversification of supply will be critical, and with long lead in times for projects this could create [bottlenecks in supply](#).

The demand for very large amounts of minerals and the concomitant need to access very large areas of land will, in turn, result in a very significant increase in the number of communities and people who will be physically and economically displaced. This will ultimately affect tens, if not hundreds, of thousands of people across the globe, and will require mining companies to work very closely with affected communities and government to facilitate large-scale resettlements.

Responsible resettlement:

For land access to be obtained in the required timelines, project proponents will need to resettle displaced communities as quickly as possible, but in an appropriate and cost effective manner that allows for proper assessment and planning, full engagement with project affected people and other key stakeholders, and compliance with national laws and international standards. Managing resettlement responsibly will ensure a sustainable social licence to operate into the future, while clearly helping to improve the lives of displaced people so that they do not bear the cost of the green transition.

What makes this land access and resettlement challenge particularly difficult is that:

- The availability of land is increasingly under pressure from multiple competing interests, be these related to urban, infrastructural, agricultural, resource extraction, energy generation or conservation purposes;
- Resettlements have often been done poorly in the past, leading to community, government and civil society concerns and mistrust;
- Communities have higher expectations about how their health

and safety concerns are managed, for example in relations to adjacent tailings storage facilities in light of some recent dam failures and the Global Industry Standard on Tailings Management;

- Undertaking a proper and successful land access and resettlement process is never easy and always takes longer than mine planners think. It therefore needs to be thought about and planned as part of overall project planning as early as possible.

As global land access and resettlement practitioners, we have worked with the leading mining companies around the world dealing with land access and resettlement challenges, including **Anglo American** (LSE: AAL), **Newmont** (TSX: NGT; NYSE: NEM) and **Rio Tinto** (NYSE: RIO; LSE: RIO; ASX: RIO), as well as many mid-tier and junior companies. From our experience, at Steyn Reddy Associates, there are several critical 3 strategic and tactical steps mining companies can take to better manage land access and resettlement and to do so on time and in budget. At a macro-level, these steps boil down to the need to plan and manage in a more fully integrated and coordinated manner. Specific steps include the following:

Step 1 – Integrate early

- Integrate land access and resettlement assessment and planning into overall corporate and project wide planning from Day One to ensure that projects go through their scoping, pre-feasibility and definitive feasibility study stages with a realistic understanding of the time and cost to undertake resettlement and secure land ‘free and clear’ for project use, and with a practical road map and timeline for implementing this process.
- Put in place a senior corporate land access and resettlement champion, reporting directly to the CEO, to ensure that land access and resettlement is planned early and integrated with overall corporate and mine level planning, to ensure that the corporate project pipeline can be developed on time, and that these activities are done in a manner that burnishes rather than tarnishes the corporate reputation.



Resettlement village in Ghana. Credit: SRA

Step 2 – Manage effectively

- Develop a company-wide land access and resettlement policy framework to ensure all land access and resettlement exercises follow clear guiding principles, applicable standards and laws, and key steps and procedures in order to optimize and expedite the process and outcomes.
- Put in place an appropriately skilled and experienced land access and resettlement team at site level to ensure practical and locally appropriate outcomes.
- Projects should report to a company-wide land access and resettlement steering committee to ensure land access and resettlement exercises are integrated with overall planning, and the development needs of the company.

Step 3 – Think life-of-mine

- Integrate land access and resettlement planning into a coordinated life-of-mine land management plan to ensure that each mine has a clear understanding of the land it needs to start out and to grow, to what extent and when 4 rehabilitation can take place, and when land can be released during the

mine life and at mine closure.

- A comprehensive land management strategy can ensure community investment and local employment and procurement decisions are aligned with land acquisition strategies.

The need to resettle displaced people in a proper and timely manner is no longer just critical to the success of individual mining projects and corporations. It is going to be critical to global efforts to secure access to the minerals that are necessary to enable the green transition.

- Gerry Reddy and Mike Steyn are founding directors of Steyn Reddy Associates (SRA), a niche firm specializing in land access and resettlement. They have worked globally on the due diligence, planning, implementation and monitoring and evaluation of land access and resettlement projects for clients in the mining, renewables, infrastructure and conservation sectors. (www.steynreddy.com)