Indigenous Peoples, Economic Development, Risk and CSR
Agenda

- Equator Principles, PS7 – Indigenous Peoples
- Indigenous Peoples in Canada
- Indigenous Peoples in South Africa
- Case Study, Canada
- Case Study, South Africa
- Putting it Together
- Economic Development and Indigenous Peoples
- Risk Management and CSR
- What’s next…
Indigenous People – Equator Principles, PS7

Performance Standard 7 recognizes that Indigenous Peoples, as social groups with identities that are distinct from mainstream groups in national societies, are often among the most marginalized and vulnerable segments of the population.

In many cases, their economic, social, and legal status limits their capacity to defend their rights to, and interests in, lands and natural and cultural resources, and may restrict their ability to participate in and benefit from development.

Indigenous Peoples are particularly vulnerable if their lands and resources are transformed, encroached upon, or significantly degraded.
Their languages, cultures, religions, spiritual beliefs, and institutions may also come under threat. As a consequence, Indigenous Peoples may be more vulnerable to the adverse impacts associated with project development than nonindigenous communities.

This vulnerability may include loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases.
Indigenous People in Canada

• According to archaeological and genetic evidence, the Americas were the last continents in the world with human habitation

• Archaeological sites dated at 13,500 years ago have been discovered in western North America, which are from inhabitants and ancestors to all Indigenous peoples in the Americas

• The federal and provincial governments have put in place procedures to identify and give status to Indigenous Peoples in Canada, including: First Nations, Métis and Inuit

• These people are entitled to a wide range of programs and services offered by federal agencies and provincial governments
Indigenous People in Southern Africa

- Cultural presence of the San hunter-gatherers has been attested to in rock art and archaeological findings for over 20,000 years.
- San are distinguished by their rich knowledge of biodiversity and by their complex languages that include a range of click sounds.
- San peoples were colonised first by the arrival of Bantu-speaking Black agro-pastoralists from East and Central Africa, then more aggressively by European settlers.
- In Botswana there are ongoing challenges with access to land, traditional activities (hunting and gathering) and access to health services.
- In Namibia, with the support of the World Wildlife Fund (WWF) there is movement towards community-based natural resource management, in support of the San Peoples.
Indigenous People in South Africa

• No criterion exists for identifying Indigenous peoples in South Africa
• Term ‘indigenous’ is more legal - in reference to the languages and legal customs of the majority black African population as opposed to the other races

• Criteria for “Indigenous” by African Commission’s Working Group of Experts on Indigenous Populations / Communities:
  – self-identification as Indigenous
  – socially, culturally and economically distinct
  – special attachment to their lands or territories
  – suffer discrimination; subject to domination by national majority
  – structurally-subordinate position to the dominating groups
Indigenous People in South Africa

• Recognized Indigenous ethnic groups in South Africa:
  − San
  − Khoe (Nama)
  − Griqua and Korana
  − revivalist Khoisan

• San and Khoe ethnic group:
  − Remain in a subordinate position, discriminated against, marginalized

• Griqua, Korana and revivalist Khoisan groups:
  − Little attachment to their traditional languages, cultures and ways of life
  − Enjoy full political and human rights in South Africa, save for the ‘lack of official recognition as a distinct community’
Indigenous People in South Africa

- South Africa is fully engaged with transforming itself into a socially and economically viable democracy *
  - attempting to create new opportunities for all its citizens
  - positive statements from Government about Indigenous peoples
  - San are working to gain adequate recognition and land rights from the government
  - Complexity and diversity of San cultures and their collective rights to land are not recognized
  - San leadership is not recognized by the government, making it difficult for the San to engage with the government or to hold government positions
  - Great need for income generation and employment training opportunities for the San in South Africa

* Indigenous Peoples of Africa Co-ordinating Committee
Indigenous People in South Africa

Long term goals of San communities in South Africa:
– income generation projects (traditional crafts and eco-tourism)
– training for employment in the mainstream economy
– increased opportunity and access to government jobs
Case Study, Canada

- Project: New mine and road development Feasibility Study

- Location: Northern Ontario

- Indigenous Communities:
  - Multiple remote communities within 100km of mine and road
  - Minimal direct environmental and social impacts (closest community ~75 km)
  - Communities are small, remote, isolated
  - Limited capacity, education, technical skills
  - Seeking economic benefits, jobs, opportunities
Case Study, Canada

• Approach:
  – Extensive consultation and engagement with Aboriginal communities
  – Working to develop economic benefit agreements (MOU)
  – Project is actively looking for opportunities to hire locally
  – Developing capacity for local procurement and service provision

• Challenges:
  – Some communities have limited capacity to participate in the project
  – Capacity building required to meet project standards
  – Differences in culture and expectations
Case Study, South Africa

• Project: Rail expansion and upgrades
  Detailed Design

• Location: Northern Cape, Eastern Cape

• Indigenous Communities:
  – San community at Platfontein in close proximity to rail line (~7km)
  – Traditional land extends beyond Platfontein boundary, and borders rail line
  – Informal settlements located close to rail line (50m)
  – Communities access and use rail line on a regular basis
Case Study, South Africa

• Approach:
  – Consultation has included some San traditional leaders and community representatives
  – Local construction companies will be used to the extent possible
  – Preference will not be given to the Indigenous communities, however, they will be given opportunities the same as other locals

• Challenges:
  – The Northern Cape is known to have high unemployment and poverty rates
  – Significant capacity building would be required to fulfill project needs
  – Local employment and hiring will be difficult and is expected to be limited
  – Ensuring a balanced approach for training and employment, not just for Indigenous communities
  – How to provide San people with benefits / economic opportunities without upsetting other ‘non-Indigenous’ communities (Tswana)
Putting it Together

• The risks and challenges that Indigenous people face in Canada and South Africa are similar:
  – Low levels of education
  – High unemployment
  – Vulnerable and conflicted youth
  – Substance abuse
  – High rates of violence and crime
  – High rates of disease (HIV/AIDS)

• Canada and South Africa have different government policies with respect to Indigenous peoples

• Although, consultation was considered a ‘requirement’ in both projects, approach is different in the two countries

• The expectation for Indigenous participation was different for the two projects
Risk Management and CSR

The connection between Indigenous peoples and…

Corporate Social Responsibility  Social license to operate
Risk Management  Budget and schedule

Things to consider

- Increased international focus on Indigenous communities and Indigenous rights
- Lack of governance or policies by host government can lead to Indigenous people not actively participating
- Exclusion of Indigenous groups leads to increased regulation and government involvement (duty to consult)
- Negative public image from media, NGOs, special interest groups is amplified when reporting on Indigenous communities
- Good practice includes: empowering marginalized groups, promoting human rights, Free Prior and Informed Consent, participatory approach
Indigenous Peoples and Economic Development

How can economic development address the issues identified in IFC’s PS 7

Indigenous Peoples

- Economic, social, and legal status limits the capacity to defend rights with respect to natural and cultural resources
- Restricted ability to participate in and benefit from development
- Particularly vulnerable if lands and resources are transformed, encroached upon, or significantly degraded

Economic Development

- Build capacity
- Protect natural and cultural resources
- Encourage and enable participation
- Facilitate transfer of benefits
- Mitigate vulnerabilities
- Provide compensation
Indigenous Peoples and Economic Development

Indigenous Peoples

- Languages, cultures, religions, spiritual beliefs, and institutions may also come under threat

- May be more vulnerable to the adverse impacts associated with project development than nonindigenous communities, including loss of identity, culture, and natural resource-based livelihoods, as well as exposure to impoverishment and diseases

Economic Development

- Protect and promote language, culture, religion

- Mitigate against adverse impacts

- Provide economic opportunities
What’s next…. 

• How do we ensure meaningful consultation and engagement with Indigenous peoples during economic development?  
• What are the motivators for Indigenous participation? Legal obligations, good corporate citizen, conscience, shareholders?  
• What are the ‘legal’ ways that these groups participate or become involved?  
• What are the informal ways, which are required as part of the “social license to operate”?  
• What are the lessons learned from other countries? Who is leading the way? Do nation states have a significant impact?
Thank you

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