



# SOCIO-ECONOMIC DEVELOPMENT STRATEGY

## BECOMING A DEVELOPMENT PARTNER

Responsible Extractives Summit; June 24<sup>th</sup>, 2014



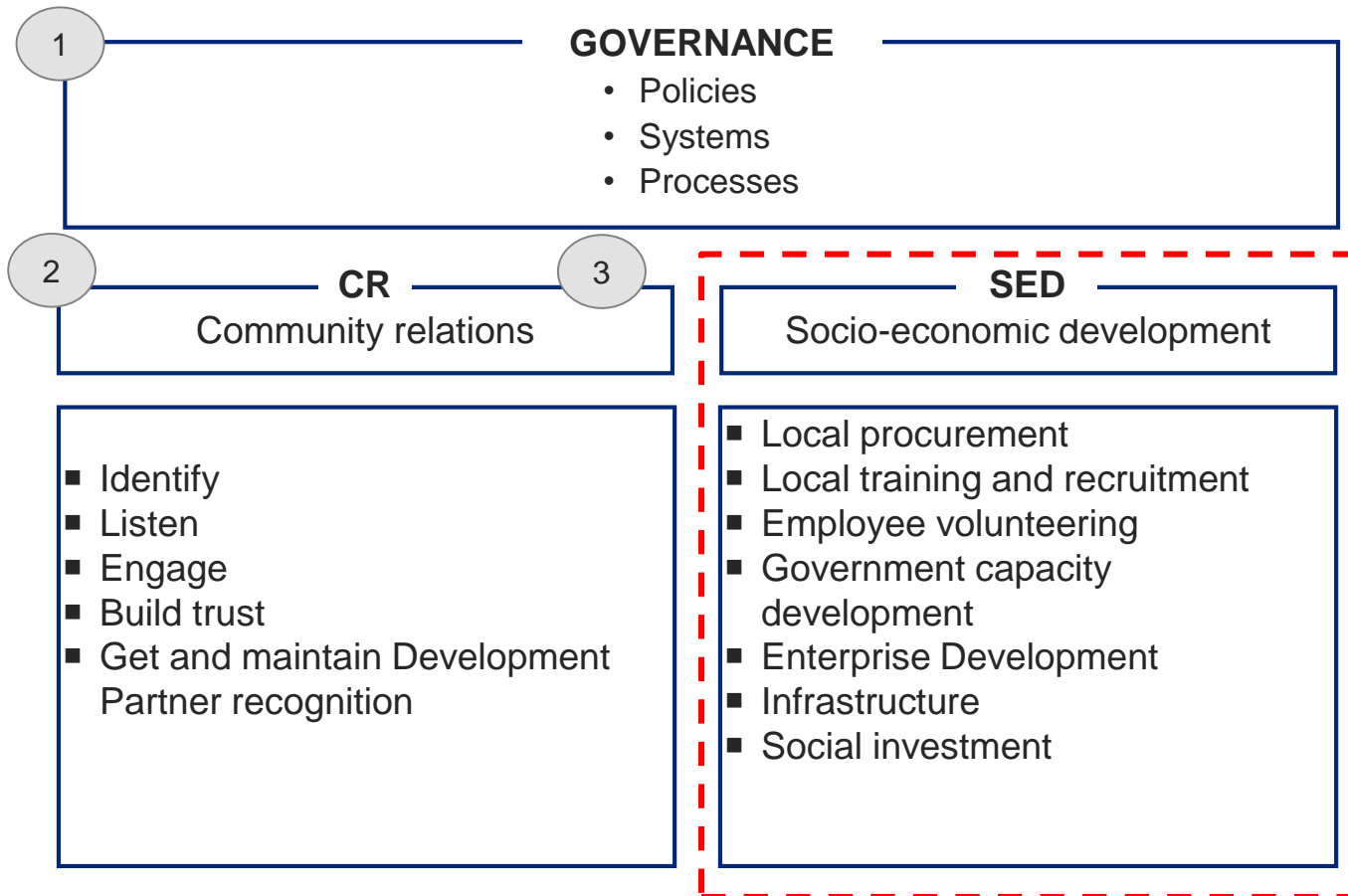
**Real Mining. Real People. Real Difference.**

# Socio-economic development strategy

Christian Spano - Global lead for socio-economic development

# GETTING THE FOUNDATIONS RIGHT

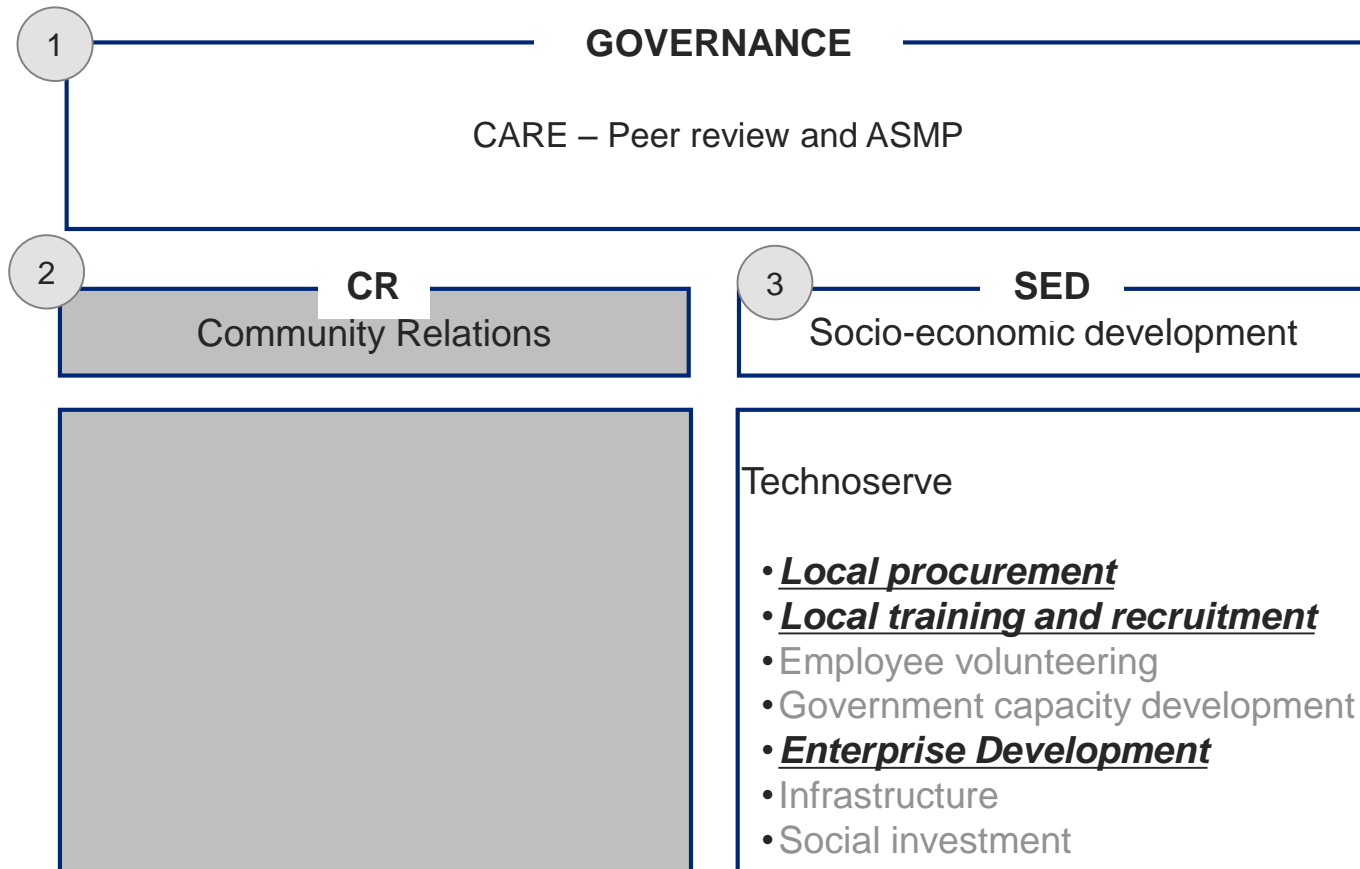
## Delivering socio-economic benefits...



...by getting the foundations right

# GETTING THE FOUNDATIONS RIGHT

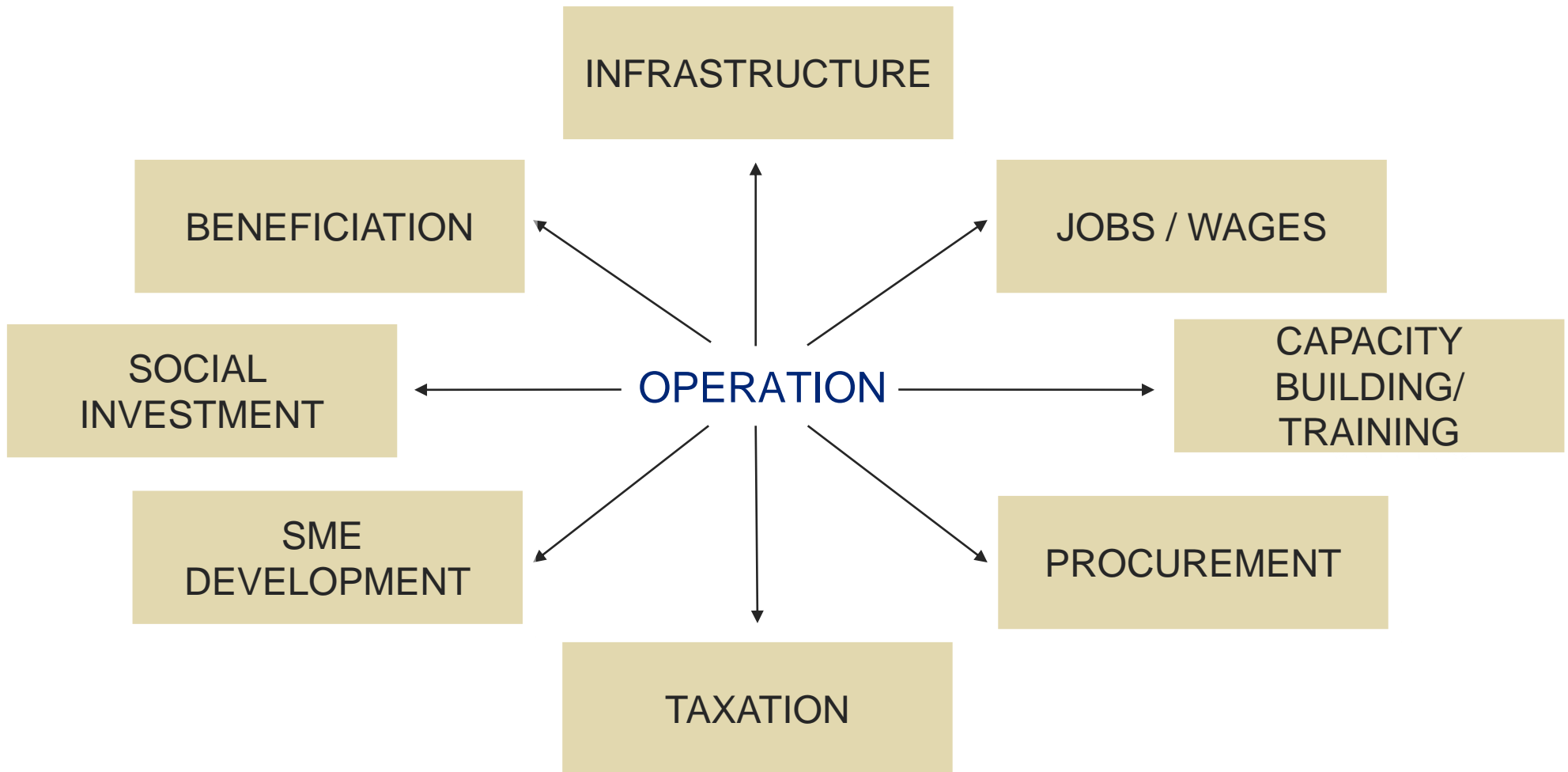
## Delivering socio-economic benefits...



...by getting the foundations right

# WHAT POTENTIAL ROUTES ARE THERE FOR DELIVERING DEVELOPMENTAL BENEFITS FROM MINING?

---



# SOCIO-ECONOMIC DEVELOPMENT: LEVERAGING OUR CORE BUSINESS FOR MORE EFFECTIVE AND EFFICIENT IMPACT

A focus on leveraging our core business limits CSI cost...

## Economic value distribution\*

	\$ million	%
Suppliers	16,137	52
Employees	5,078	19
Reinvested in the Group <sup>1</sup>	3,547	12
Company taxes	3,232	10
Dividends	2,237	7
Providers of capital <sup>2</sup>	720	2
<b>Total</b>	<b>30,951</b>	

<sup>1</sup> Capex

<sup>2</sup> Interest

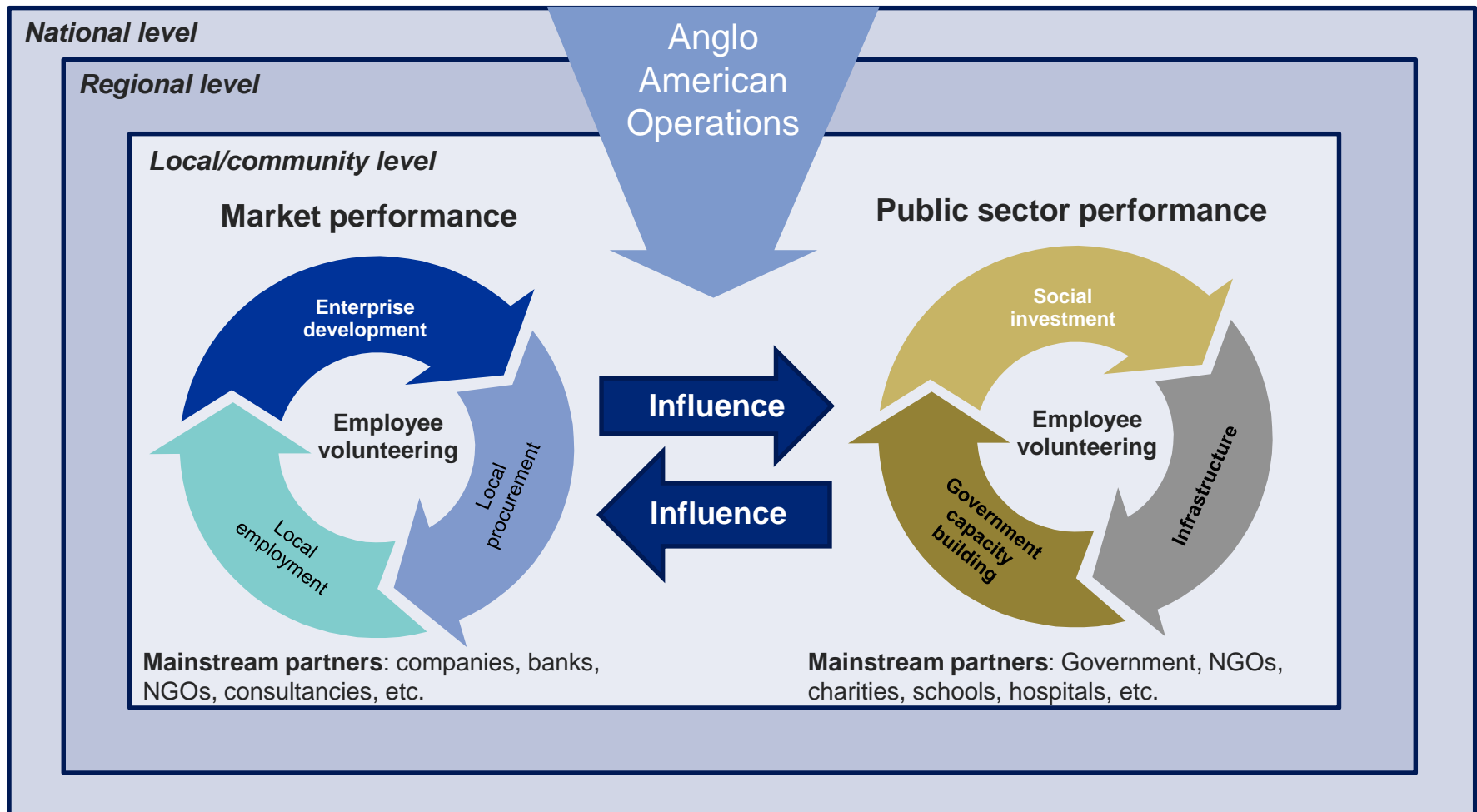


- Leveraging our \$16.1 billion supply chain (over 100 x CSI budget)
- Ensuring that host communities have the best possible chance of securing the increasingly skilled jobs on our operations
- The skills of our employees, from artisans through to professionals, can help host countries and communities to address key challenges
- Focusing in particular on how local municipalities can use tax revenues to provide effective public services
- Offering equity and loans on a commercial basis to support local entrepreneurs, both within and outside our supply chain
- Design projects so that mine infrastructure (water, power, health etc) can be shared use to spread costs and broaden benefits delivered
- Increasingly targeted on those actions not achievable through value chain-focused approaches

\*Source: 2013 data from Sustainable Development Report

...but will lead to a more meaningful, sustainable developmental contribution.

# HOW THE SED COMPONENTS FIT TOGETHER



# TechnoServe: Case studies from Chile and Botswana

Maike von Heymann – Technoserve



# CASE STUDY CHILE: EMERGE PROGRAM

## EMERGE PROGRAM

### Program description

- **Acceleration of micro and small businesses in the communities surrounding Anglo American operations**
- Operated jointly by Anglo American, TechnoServe and Universidad de Chile
- Operating since 2007

### Key program activities

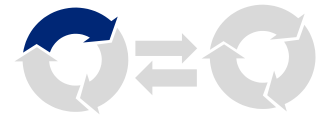
- **Blended business mentoring and advisory support up to 18 months** (on-line, workshops, one-on-one advisory, one-on-one implementation support)
- Certificate from **Universidad de Chile**
- **Financing**

### Why it is different

- **Focus on installing managerial capacity** rather than providing funding
- **Segmented offering** according to the needs of each entrepreneur (Emerge level 1,2 and 3)
- **Pathway for business improvement**

### Results so far

- **150 entrepreneurs accelerated in 2013** (350 since 2011), 300+ entrepreneurs to be supported in 2014
- **50-100% sales increase**
- **50%+ increase in salaries and purchases from other SME suppliers**



# CASE STUDY CHILE – ENTREPRENEUR EXAMPLES



*Being innovative in product development*



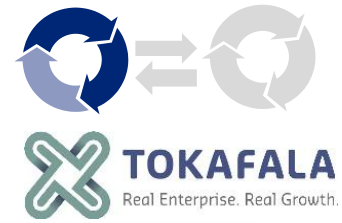
*Providing public health services*

*“Emerge opened our minds to a different way of operating our business. The lessons learned will last for the rest of our lives”*



*Showing leadership*

# CASE STUDY BOTSWANA



## TOKAFALA PROGRAM

### Program description

- 3-year partnership between Anglo American and the Government of Botswana
- **Promotion of economic development and employment creation** by catalyzing the growth of micro, small and medium companies (SMMEs)

### Key program activities

- **Business advisory, personalized mentoring and financing** (in form of loans)
- **Market access** through linking enterprises to up- and down-stream business opportunities within program partners
- **Capacity building** to government enterprise development institutions

### Why it is different

- **Customized longer-term business support** linking mentoring and financing
- **Rigorous filtering** of highly motivated and competent entrepreneurs
- **Market access** focused intervention
- **Institutional collaboration**

### Expected results

- Support of **560 micro and 415 small and medium enterprises** over 3 years
- Support of **up to 5,000 jobs**

# CASE STUDY BOTSWANA – ENTREPRENEUR EXAMPLES



*Providing premium service*



*Applying technology innovation creatively*



*Substituting imports*

# CARE: Peer review process and ASMP

Gianluca Nardi – CARE International UK

# CARE'S ENGAGEMENT WITH ANGLO AMERICAN CORE BUSINESS

---

## *Advisory Role*

- SEAT Review
- Peer Review M&E
- *Risk radar*

• Community Development projects

• **PEER REVIEW PROCESS**

• AMP and ASMP Training\*

*Direct Implementation*

*Shared Learning*

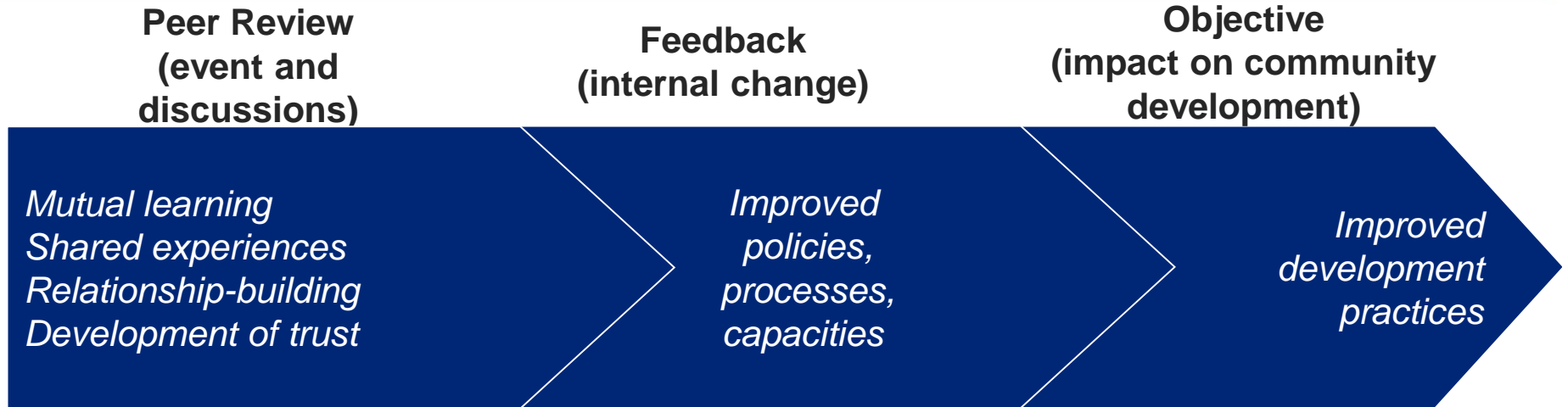
\* AMP = Advanced Management Programme, ASMP – Advanced Social Management Programme

# SHARED LEARNING AND THE ADVANCED SOCIAL MANAGEMENT PROGRAM

---

- It adds an external, NGO perspective, to the sessions and group work, valuable for the Anglo American participants
- It is a very valuable training opportunity for CARE staff.
- It represents an academic opportunity for country office staff to gain insight into the corporate perspective of social performance and investment, and to share learning through critical discussion.
- Strengthens CARE / Anglo relationship at personal level thanks to the interactions among the participants.

# COMMUNITY DEVELOPMENT PEER REVIEW



## INDICATORS

- Number of peer reviews conducted
- Number of business units participating
- Feedback (reports) were discussed with the host operations
- Number of 'good practices' identified and documented
- Number of horizontal exchanges of information that happened among the participants

- Number of improvement plans designed and completed
- Number of recommendations implemented by the host operations
- Teamspace has updated information on reviews and articles are published in Anglo American internal publications
- Number of key challenges identified for improvement across the company
- Number of improvement plans designed / implemented by the company as a whole

100% of Participants in the Peer Review project state an increase in personal and professional growth

60% of improvement plans result in improvements in practices, systems and social project delivery e.g. governance in community projects, creation of long-term strategy, increased community participation in projects, conflict mitigation, etc.

**QUESTIONS?**