



Cardno Emerging Markets Private Clients Update

February 2012

About Us

The Private Clients practice draws on Cardno's extensive experience with international aid programs and applies this to private sector investments. Our clients are mainly mining, oil and gas companies looking to develop a social license to operate and manage project risk. These companies aim to create positive opportunities for local communities and to minimise negative social and environmental impacts in and around investment sites. We are a global practice servicing multi-national companies with staff currently based in Brisbane, Jakarta, Windhoek, Manila, Oxford, Port Moresby and Washington.

Recent Projects

Managing Mining Royalty Flows in PNG

The Morobe Project Management Unit (MPMU) was established by the Morobe Provincial Administration and Hidden Valley Gold Project, as a joint venture aimed at coordinating the flow of mining royalties to local landowners. Cardno has been contracted to provide a framework addressing the MPMU organisational design, stakeholder engagement and assess any capacity limitations that may arise. Cardno has also committed to providing training in the production of Project Implementation Plan proposals and project management.

'Morobe Provincial Administration with the support of CEM is now preparing documentations for PIP. I hope we can do more to assist our local landowners tangibly and this is the start of similar type of projects to help our people.' – *The Minister for National Planning and Monitoring, Hon. Sam Basil*

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Patricia Kassman in Bulolo, Morobe Province, Papua New Guinea.



Sewing skills for Tunisian women provide income for residents near BG Tunisia operations.

BG Tunisia Sustainable Livelihood Program

Cardno has continued to support BG Tunisia's Sustainable Livelihoods Program with a focus on:

1. vocational training / curricula enhancement, job placement and market linkages; and
2. support to / for micro-finance.

The year 2011 was a tumultuous year for Tunisia. In January, the Tunisian Revolution ushered in a period of civil resistance and street demonstrations not previously experienced in the country. During this period of tremendous change and strife across the country – unrest and discontent was prevalent in the communities surrounding BG's Hannibal and Hasdrubal operations. For many months, BG staff experienced demonstrations at the plant gates, threats, demands, and anger extending from the broader events taking place across Tunisia. Although the plant has remained open, the unrest resulted in the closure of the BG Community Liaison office in Nakta and it remains closed at present. It is in this context that Cardno conducted a progress assessment of the livelihoods program. Despite significant challenges, the vocational training program has had notable success with 107 apprentices placed within 29 firms around Sfax. Of those students, approximately 70% have remained in the program, despite the conflict and unrest throughout 2011. The program's second component, microcredit lending to two community areas, has experienced a decline in repayment rates in the aftermath of the revolution, thus Cardno's work beginning in 2012 will focus on making adjustments to the program to bring it back to its previously successful levels.

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Recent and Upcoming Activities

- ▶ Cardno recently provided input to the design of BG Egypt's sustainable livelihoods program. Specifically, Cardno provided a summary of findings, best practices and lessons learned from the BG Tunisia sustainable livelihoods program, and conducted a thorough peer review of the proposed program.
- ▶ In March 2012, Victoria Collins will attend the Investing in African Mining Indaba in Cape Town, South Africa, including two sessions hosted by the ICMM on Sustainable Development.
- ▶ In April 2012, Fajar Daely will present at the Ozmine conference in Jakarta, Indonesia – Australia's key mining event in ASEAN. This year's theme is Sustainable and Responsible Mining.

Value Girls Program, Nike Foundation

The Value Girls Program in Kenya continues to make inroads in creating sustainable relationships and linkages between each girl and her surrounding community including banks, local businesses, and other entrepreneurs. One such relationship that is always difficult to cultivate is between banks and the so-called 'un-bankable'. Breaking the 'fear of loans' culture, on the side of the financial institutions and the consumer, is a daunting task. To address this issue, the program began to work with local Kenyan banks to develop a scheme whereby the program guarantees a portion of the loans – unbeknownst to the girls – and the banks lend money at a reduced interest rate of 9%, down from 17%. After two years, the guarantee expires and the bank re-evaluates their portfolio and assesses whether or not it's profitable to lend to the young women in the program at a normal interest rate, without the guarantee.

It's been over two years since the Value Girls Program began and just recently, the director of one bank strongly recommended to continue serving these women with a normal (non-reduced interest rate) loan, citing that the girls are reliable and creditworthy and have proven their capacity to repay, even at the normal non-reduced interest rate (17%). Seeing a positive change in the behavior and culture of a community is a true success and one that does not come without its challenges. This is the type of impact that will outlive the program and ensure that each girl can continue to grow her business and access other opportunities.

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Nike Foundation's Value Girls tending their vegetable plots.



Addressing Violence Against Women in PNG

Cardno is pleased to be working with Barrick Nuigini (PNG) on an important project to address violence against women in remote Porgera Valley, PNG.

In its report, 'Gold's Costly Dividend' published in early 2011, international NGO Human Rights Watch detailed claims alleging violence against women in and around the Porgera mine site by employees of the Porgera Joint Venture Asset Protection Department – the unit responsible for ensuring the security of the mine and its employees. Porgera Joint Venture is owned by Barrick (95%) and Mineral Resources Enga (5%). Barrick has committed to working towards solutions with their workforce, community, Government of PNG, and others to address the pervasive problem of violence against women.

Cardno will assist Barrick to obtain feedback on its framework document – Olgeta Meri Iगत Raitis (All Women Have Rights). The ground-breaking framework has been developed with reference to international human rights norms including the UN Special Representative John Ruggie's Guiding Principles on Business and Human Rights. This framework includes an individual remedy process for victims of sexual violence allegedly perpetrated by former mine employees and also broader community-wide initiatives to address violence against women.

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Barrick Consultation Workshop.



Contact Us



Cardno's Private Clients practice is an exciting business line that draws on the technical skills of the whole Cardno group. We welcome further discussion about the services we offer.



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