



Cardno Emerging Markets Private Clients Update

July 2011

About Us

The Private Clients practice draws on Cardno's extensive experience with development programs and applies this to private sector investments. Our clients are mainly mining, oil and gas companies looking to manage project risk and develop a social license to operate. We are a global practice servicing multi-national companies with staff currently based in Brisbane, Washington, Jakarta, Lima, Manila, Mozambique and Port Moresby.

Recent Projects

PNG Sustainable Development Program (PNGSDP) – Western Province Health Strategy

Papua New Guinea Sustainable Development Program (PNGSDP) holds a 52% share in the Ok Tedi gold and copper mine in the Western Province of Papua New Guinea. PNGSDP's mission is to promote development that meets the needs of the present population and establishes the foundation for continuing progress for future generations of Papua New Guineans.

In January, 2011 the Cardno Private Clients' team was selected by PNGSDP to assist in developing a strategic health policy framework and designing an implementation plan of activities under the framework. The goal of the Western Province Health Policy Framework was to support, via collaborative partnerships, the sustainable improvement of Western Province health services by strengthening the existing health system.

The Cardno team identified the sector priorities and funding principles and recommended different investing activities based around improving system issues. Cardno Emerging Markets assessed the planned activities, designed a prioritisation decision matrix and helped PNGSDP finalise the resulting Health Policy Framework and implementation plan (including estimated costs). The Health Policy will now go to the PNGSDP Board for approval, and subsequent implementation of activities.



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Community Investment Program Independent Audit – East Kalimantan, Indonesia

Cardno was appointed by two multinational resources companies to conduct an independent technical and financial audit of their jointly funded community development program in Kalimantan, Indonesia. The program consists of three elements, in: (i) basic education; (ii) sustainable livelihoods; and (iii) maternal health. The objective of the audit was to provide an objective evaluation of the program's performance. The audit was conducted May to June 2011.

The audit team collected information from both primary and secondary sources. The collection of primary information entailed a site visit to Kalimantan to conduct stakeholder and program beneficiary interviews, focus group discussions and direct observations at the program sites. The team also used the Most Significant Change technique to obtain more detailed information from the beneficiaries on changes within the community. The collection of secondary data entailed the review of proposals, quarterly reports, annual reports and other supporting documents. The findings were presented to company representatives along with recommendations for enhanced program effectiveness.

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Private Clients Philippines

Ian W. Porter has joined the Private Clients team, heading up our operations in the Philippines. Ian was a diplomat for over 25 years having served in Tehran, Hong Kong, Manila and Jakarta and as High Commissioner in South Africa. Since then he has worked for Monash University, done consulting work in Australia and across Asia and has been involved in AusAID governance projects including as team leader of a large project in the Philippines. He is currently Vice President of the Australia New Zealand Chamber of Commerce in the Philippines.

IFC Performance Standards Update

Since its introduction in 2006, the International Finance Corporation (IFC) Sustainability Framework, has become a global benchmark for environmental and social performance. Over the last two years, the IFC has conducted an extensive consultation process to revise and update the framework. The IFC has opted to strengthen its commitment to issues such as climate change, business and human rights, supply chain management, and transparency. In summary, major changes of interest to the resources sector include:

- ▶ Consideration of inherent risk will gain more prominence in environmental and social assessment. This means that even exploration projects may face the highest requirements for environmental and social due diligence if the inherent risks of project development are taken into account.
- ▶ Increased public disclosure of environmental and social outcomes for individual projects.
- ▶ New measures to enhance energy and water efficiency and target greenhouse-gas reduction.
- ▶ Principle of 'Free and Informed Prior Consent' for Indigenous Peoples applies for projects involving:
 - (i) acquisition of land / resources of Indigenous people;
 - (ii) involuntary displacement of Indigenous people; and
 - (iii) commercialisation of Indigenous technology.
- ▶ Expanded requirements for supply chain management – proponents must assess whether primary suppliers are contributing to the degradation of natural habitats and, if necessary shift purchasing to suppliers who are not, or work with suppliers to improve practices.

IFC will disclose the updated Sustainability Framework and Performance Standards on 1 August 2011 with an effective date of 1 January 2012.



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Recent and Upcoming Activities

- ▶ **International Association for Impact Assessment (IAIA) Annual Conference, Mexico.** How can impact assessment contribute to responsible development for infrastructure, business and industry? This was the central theme of the 31st IAIA conference held in Puebla, Mexico. Cardno was represented by Jeanne Ellis and Melissa Wells. In one session, Jeanne and Melissa explored the different priorities of the aid sector and extractive industries in impact assessment, and areas for potential alignment to increase overall benefit creation. In another session, Melissa discussed challenges in contracting out social commitments and incentives for better project delivery.
- ▶ **Queensland Gas Corporation (QGC), Australia.** Melissa Wells is currently on secondment in the Social Performance team at QGC – an British Gas (BG) Group business based in Australia focusing on coal seam gas exploration and production. Melissa is working on the designing of social investments in the areas of health, employment, training and economic development.
- ▶ **Schlumberger Project.** Cardno Entrix won a bid to provide Environmental Service in Support of Oil and Gas Field Redevelopment in Ecuador and have enlisted Private Clients to complete the Social Investment and Behavioural Management Program. The program will consist of three phases: a Baseline Study and Rapid Needs Assessment; the design of a Social Investment Program; and the launch and monitoring of the Social Investment Program.

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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