BCESG • Quick Card

Social Licence to Operate (SLO) • Field Stakeholder Map & Grievance System

Current version — Nov 1, 2026
Update history: bcesg.org/social-licence-to-operate-fpic-grievance/

~US$20M / wk

MEASURED CONFLICT DELAY COST (DAVIS & FRANKS, 2014)

NPV production loss for US$3–5B capex class mining projects during community stoppages. Top operator recorded >US$6B in 2-year non-technical risks.

Covenant & Law

HARDENING LEGAL PRECONDITIONS

EP4 / IFC PS7: "No FPIC, no disbursement." **CSDDD (Dir 2026/470):** Scope >5k staff / €1.5B (July 2029) cascading contractual terms. **IFRS S1:** Material social friction disclosure.

1. FIVE CORE STAKEHOLDER ARCHETYPES & RISK VECTORS

STAKEHOLDER GROUP	PRIMARY RISK VECTORS	INFLUENCE	VULNERABILITY	PRESCRIBED ENGAGEMENT MECHANISM
Indigenous & tribal leadership	Land rights, cultural heritage, water access & quality	HIGH	HIGH	Formal FPIC protocols; binding Impact-Benefit Agreements (IBA)
Directly impacted landowners	Devaluation, eminent domain, physical/economic displacement	MED-HIGH	HIGH	Bilateral negotiation; independent valuation; compensation panels
Local community & municipalities	Traffic, dust, noise, local infrastructure/service strain	MEDIUM	MEDIUM	Town halls; liaison committees; binding local hiring commitments
Regional environmental NGOs	Biodiversity loss, cumulative airshed/watershed impacts	HIGH	LOW-MED	Technical workshops; open-data monitoring portals; 3rd-party audits
Local businesses & contractors	Economic exclusion, local wage inflation, vendor displacement	LOW-MED	MEDIUM	Procurement forums; vendor training; local-content spend commitments

2. SENTIMENT TRACKING & EARLY-WARNING ARCHITECTURE

Feed A: Hyper-Local Index
Automated monitoring of community forums, municipal minutes, local media rolled into a consistent sentiment index. *Focus on trend velocity, not absolute score.*

Feed B: GIS Liaison Logs
Structured field reports from Community Liaison Officers (CLOs), GIS-tagged to pinpoint emerging micro-grievances geographically before community mobilisation.

Feed C: Threshold Alerts
Automated operational alarms routing spiking topics (e.g., water quality, haul-road safety) direct to site operations before formal dispute escalates.

3. MODEL OPERATIONAL GRIEVANCE ESCALATION LADDER (UNGP PRINCIPLE 31)

ESCALATION TIER	OPERATIONAL TRIGGER	TARGET CLOCK	DESIGNATED OWNER	RESOLUTION TOOL
Tier 1 — Operational	Nuisance: dust, noise, traffic, minor property/crop damage	48–72 HOURS	Community liaison officer (CLO)	Field remediation; direct local compensation
Tier 2 — Systemic	Baseline deviation, water-access concern, contracting dispute	~14 BUSINESS DAYS	Operations director + social performance lead	Joint technical investigation; facilitated mediation
Tier 3 — Strategic	Land ownership, cultural-site impact, systemic health concern	30–45 DAYS	Executive steering committee + independent ombudsman	Arbitration; 3rd-party review; agreement renegotiation
Tier 4 — External	Unresolved fundamental-rights claims, constitutional/statutory breach	EXTERNAL MANDATE	Board committee + corporate legal counsel	Judicial review or international dispute forum

UNGP 31 Criterion 5 Rule: Publish aggregate outcome metrics annually (volumes, categories, resolution velocity). An inaccessible mechanism learns about disputes from journalists; an unpredictable mechanism teaches communities that direct blockades work faster than filing.

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4. OPERATOR-GRADE SOCIAL LICENCE KPI MATRIX

KEY PERFORMANCE INDICATOR	TYPE	OPERATIONAL MEASUREMENT METHOD	EXAMPLE TARGET
Grievance resolution velocity	LEADING	Resolved within SLA ÷ total grievances received (from OGM register)	**≥ 95% in SLA**
Unplanned community stoppage days	LAGGING	Hours of operational disruption from protest, blockade, or legal injunction	**Zero** (Non-negotiable)
Local procurement retention	LEADING	Certified local vendor spend ÷ total tier-1 addressable procurement spend	**≥ 30%**
FPIC re-validation	LEADING	Periodic audit of ongoing consent verification with Indigenous councils	**Full compliance**
Community sentiment trend	LEADING	Consistent-methodology longitudinal index tracking local stakeholder channels	**Stable or improving**
Cumulative EJ exposure	LEADING	GIS spatial overlay of air/water/noise exposure on vulnerable baseline zones	**No severe disparities**

5. FPIC 5-PHASE LIFECYCLE & VALIDITY TESTS (UNDRIP ART 32 / IFC PS7)

THE 5-PHASE LIFECYCLE PROCESS

1. **Initiation & trust-building:** Early engagement prior to regulatory filings, aligned with the community's sovereign decision calendar.
2. **Participatory scoping:** Joint baseline studies recognizing traditional Indigenous ecological knowledge as formal empirical evidence.
3. **Deliberation & decision:** Autonomous governance without coercion, explicitly including the right to withhold consent or condition access.
4. **Binding agreement:** Enforceable Impact-Benefit Agreement (IBA) codifying consented terms, equity, revenue, and exclusions.
5. **Lifecycle monitoring:** Active co-management, joint water/cultural boards, and periodic re-validation when project scopes change.

THE FOUR VALIDITY TESTS

- **Free:** Total absence of coercion, bribery, intimidation, or engineered community factional division.
- **Prior:** Commenced well before permit authorizations, granting genuine time for traditional deliberative assemblies.
- **Informed:** Full, independent, unredacted, culturally adapted disclosures in host Indigenous languages.
- **Consent:** Collective sovereign decision through customary governance mechanisms — including the sovereign right to say no.

6. BENEFIT-SHARING PRACTICE RANGES

Project Equity Stakes:	**5% – 15%**
Local/Indigenous Procurement:	**25% – 40%**
Legacy Community Trusts:	**0.5% – 2.0% rev**

Observed practice in negotiated agreements, not regulatory baselines.

7. 90-DAY IMPLEMENTATION PHASING

Days 1–30 (Baseline): Audit footprint; stand up UNGP grievance mechanism; instrument GIS/sentiment logging.

Days 31–60 (Governance): Formalize FPIC protocols; draft benefit-sharing templates; charter social performance committee.

Days 61–90 (Integration): Feed SLO KPIs to board enterprise risk; deploy open monitoring; drill leadership on ladder.