

**Critical Impacts of Indian Investments  
(Scoping Study Results)  
Mining**

<b>Corresponding NVG principle and core elements</b>	<b>Critical Social Impacts</b>	<b>Kenya – Tata Chemicals Magadi</b>	<b>Zambia – Nava Bharat Ventures Limited</b>
<p><b>Principle 4:</b> Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.</p> <p><b>Core Element 1:</b> Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them.</p> <p><b>Core Element 2:</b> Businesses should acknowledge, assume responsibility and be transparent about the</p>	<p><u>Migration</u> –</p> <ul style="list-style-type: none"> <li>• One of the most significant impacts of mining activity is the migration of people into a mine area, particularly in remote parts of developing countries where the mine represents the single most important economic activity.</li> <li>• Influx of people into mining communities and reduction of agriculture activities can result in social conflict.</li> <li>• Sudden increases in mining communities can also lead to pressure on land, water and other resources as well as bringing problems of</li> </ul>	<p><i>No mention of migration issues</i></p>	<ul style="list-style-type: none"> <li>• There has been an influx of workers and people visiting the district.</li> <li>• There is a population increase expected when the coal mine is fully operational.</li> <li>• Concerns regarding how migration is affecting social life - particularly sexual behaviour.</li> </ul>

<p>impact of their policies, decisions, product &amp; services and associated operations on the stakeholders</p> <p><b>Principle 8:</b> Businesses should support inclusive growth and equitable development</p> <p><b>Core Element 3:</b> Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.</p> <p><b>Principle 5:</b> Businesses should respect and</p>	<p>proper infrastructure and sanitation.</p>		
---	--	--	--

<p>promote human rights</p>	<p><u>Displacement</u> -</p> <ul style="list-style-type: none"> <li>• In rural communities, locals depend on the land as a source of livelihood and many times mining activities (exploration, expansion etc.) force people to be displaced from their land threatening their livelihood and resulting in confrontation between communities and companies.</li> <li>• The long-term implications of such displacement include accelerated food insecurity to landless classes, increased poverty and intensified environmental degradation</li> </ul>	<ul style="list-style-type: none"> <li>• Concerns were raised regarding the acquisition of land.</li> <li>• Community members felt that their leader was coerced into signing an agreement for 120 years which resulted in loss of land for the masai people.</li> <li>• There is a masai ranch approximately 8 km away from the company and consists of about 6 to 10 households.</li> </ul>	<ul style="list-style-type: none"> <li>• There had been previous displacement which effected much opposition from the local community.</li> <li>• Houses for the displaced had been built however the actual displaced populations were not available for interviews.</li> </ul>
-----------------------------	---	---	--

	<p><u>Gender impacts of mining –</u></p> <ul style="list-style-type: none"> <li>• Women aren't consulted when companies negotiate access to land, compensation or benefits. It is therefore important for mining companies specifically and the mining sector in general to involve women in coming up with decisions on issues that affect the women directly. It is also important for the sector to take into account the needs, aspirations and concerns of women as they emanate from the community</li> </ul>	<ul style="list-style-type: none"> <li>• There have been increased job opportunities for women.</li> </ul>	
<b>Corresponding NVG principle and core elements</b>	<b>Critical Environmental Impacts</b>	<b>Kenya – Tata Chemical Magadi</b>	<b>Zambia – Nava Bharat Ventures Limited</b>

<p><b>Principle 6:</b> Businesses should respect, protect and make efforts to restore the environment</p> <p><b>Core Element 1.</b> Businesses should utilise natural and manmade resources in an optimal manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.</p> <p><b>Core Element 2.</b> Businesses should take measures to check and prevent pollution</p>	<p><u>Land</u></p> <ul style="list-style-type: none"> <li>• Impact on agriculture land/soil quality and yield of crops as well as deforestation</li> </ul>		<p><i>Community members uncertain as to whether the oil interceptors and ground fuel tanks are sufficiently safe to guarantee a conducive and dignified living from an agricultural and general perspective (language unclear)</i></p>
--	--	--	--

<p><b>Principle 9.</b> Businesses should engage with and provide value to their customers and consumers in a responsible manner</p> <p><b>Core Element 5.</b> Businesses should exercise due care and caution while providing goods and services that result in over exploitation of natural resources or lead to excessive conspicuous consumption.</p>	<p><u>Water</u></p> <ul style="list-style-type: none"> <li>• Ground water depletion; degradation of water bodies; resultant health impacts on communities/labours</li> </ul>	<ul style="list-style-type: none"> <li>• They hold that the lake has not in the past and present supported their domesticated animals neither do they use it for domestic purposes.</li> <li>• Some community members are concerned that chemicals employed in the processing could be posing health risks.</li> <li>• Some hold the view that the chemicals employed in the processing could be posing health risk to their families and my lead to reduced life expectancy to community members in general <i>(Not sure under which category this should be placed)</i></li> </ul>	<p>-</p>
	<p><u>Air</u></p> <ul style="list-style-type: none"> <li>• Harmful gases or chemicals from mining causing health impacts on communities and labourers</li> </ul>	<ul style="list-style-type: none"> <li>• The environment around is stuffy probably due to procesing action by the company and general lack of external damage from the lake. <i>(uncelar)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Prior to the arrival of Nava Bharat there had been problems related to dust pollution</li> </ul>

Corresponding NVG principle and core elements	Critical Economic Impacts	Kenya – Tata Chemicals Magadi	Zambia – Nava Bharat Ventures Limited
<p><b>Principle 8:</b> Businesses should support inclusive growth and equitable development –</p> <p><b>Core element 4:</b> Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns.</p> <p><b>Principle 1:</b> Transparency and Accountability –</p> <p><b>Core Element 1.</b> Businesses should develop governance structures, procedures and practices that ensure ethical conduct at all levels; and promote the adoption of this principle across its value chain.</p> <p><b>Core Element 3.</b> Businesses should not</p>	<p><u>Human and physical investment in the region</u></p> <ul style="list-style-type: none"> <li>• Education, basic amenities like electricity and water, proper infrastructure, rent-sharing with locals, training opportunities, and health care facilities etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Only the company and its resultant establishments have been built in the area.</li> <li>• The company has built educational and accommodation facilities as well as training facilities for new staff.</li> <li>• Better road network including tarmac and rail transport that link community and the company and facilitates movement of goods have been constructed.</li> <li>• Unlike surrounding communities, the one in close proximity with the company enjoys a wide network of electrification.</li> </ul>	<ul style="list-style-type: none"> <li>• There has been an increase in development - water facilities, road, schools, health facilities are provided by the company.</li> <li>• An airport bridge was built.</li> <li>• There had been efforts to renovate Mamba private school and preschool are and in the pipeline.</li> </ul>
	<p><u>Economic viability</u></p> <ul style="list-style-type: none"> <li>• Impact of mining on local livelihood – whether local livelihood benefit differently from the existence of mining activities.</li> </ul>	<ul style="list-style-type: none"> <li>• The company is a key source of livelihood and has created job opportunities for youths, women, men and women.</li> <li>• It has created opportunities for both skilled and unskilled workers.</li> </ul>	<ul style="list-style-type: none"> <li>• Young people have gained employment opportunities.</li> <li>• There had been previous job losses in 1997 but increased opportunities since Nava Bharat took over in 2009.</li> <li>• There have also been</li> </ul>

<p>engage in practices that are abusive, corrupt or anti- competition.</p>	<ul style="list-style-type: none"> <li>• Have mining activities created multitude of income opportunities for the communities. Employment and skill development.</li> <li>• Backward and forward linkages – the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• There has been an increase in employment in other sectors as a result of the presence of the company including banking, hotel industry, butchery, cultural artefacts, bars etc.</li> <li>• There has been substantial investment in the region: increased job opportunities, provision of scholarships, health services, housing facilities, increased security, banking facilities etc.</li> <li>• The community can no longer establish their own businesses because the land is owned by the company.</li> <li>• There is some frustration regarding inadequate remuneration, expensive health care and exorbitant school fees by the private schools causing the community to rely on the public schools.</li> </ul>	<p>employment spinoffs due to input suppliers</p>
--	---	---	---

**Agriculture**

Corresponding NVG Principle and Core Elements	Critical Social Impacts	Uganda – Mcleod Russel Uganda Limited
---	-------------------------	---------------------------------------



<p><b>Principle 4:</b> Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.</p> <p><b>Core element 1:</b> Businesses should systematically identify their stakeholders, understand their concerns, define purpose and scope of engagement, and commit to engaging with them</p> <p><b>Core Element 2:</b> Businesses should acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product &amp; services and associated operations on the stakeholders</p> <p><b>Core Element 3:</b> Businesses should give special attention to stakeholders in areas that are underdeveloped.</p> <p>Core Element 4: Businesses should resolve differences with stakeholders in a just, fair and equitable manner</p>	<p><u>Land Rights</u></p> <ul style="list-style-type: none"> <li>• Land tenure and/or ownership patterns are sometimes disrupted by major rehabilitation works as well as new agriculture projects</li> <li>• Small plots, communal land use rights, and conflicting traditional and legal land rights all create difficulties when land is converted to irrigate agriculture.</li> <li>• Changes in land use patterns sometimes have impacts on social and economic structure of the project area</li> </ul>	<ul style="list-style-type: none"> <li>• Land issues were raised but not fully addressed in the scoping study.</li> </ul>
<p><b>Principle 5:</b> Businesses should respect and promote human rights</p> <p><b>Core Element 3:</b> Businesses should recognize and respect the human rights of all relevant stakeholders and groups within and beyond the workplace, including that of</p>	<p><u>Displacement and Migration</u></p> <ul style="list-style-type: none"> <li>• Caused due to land acquisition for large scale farming: <ul style="list-style-type: none"> <li>- Agricultural projects tend to encourage</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• There has been a high migration of workers to the area particularly in search of employment.</li> <li>• This has had both positive and negative impacts on the community e.g. Increase in teenage pregnancies</li> </ul>

<p>communities, consumers and vulnerable and marginalized groups.</p>	<p>population densities to increase, either because of the increased production of the area or because they are part of a resettlement project.</p> <ul style="list-style-type: none"> <li>- Resettlement and migration of people displaced due to large scale farming.</li> </ul>	
	<p><u>Gender Issues</u></p> <ul style="list-style-type: none"> <li>• Farming at large scale may affect both the mobility and economic activities performed by women.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a large number of women employed in the tea-picking, drying and processing</li> </ul>
<p><b>Corresponding NVG Principle and Core Elements</b></p>	<p><b>Critical Environmental Impacts</b></p>	<p><b>Uganda – Mcleod Russel Uganda Limited</b></p>
<p><b>Principle 6:</b> Business should respect, protect, and make efforts to restore the environment</p> <p><b>Core element 2:</b> Businesses should take measures to check and prevent pollution. They should assess the environmental</p>	<p><b>Land Pollution:</b></p> <ul style="list-style-type: none"> <li>• Usage of Land: In a sustainable system, soil is kept in balance. Crops are rotated through the fields to</li> </ul>	<ul style="list-style-type: none"> <li>• The company runs forestation projects for the timber required in the running of its projects.</li> <li>• It also supports community forestation initiatives.</li> <li>• When expansion is started, environmental authorities are called in to assess impact.</li> <li>• Environmental concerns were also raised but not</li> </ul>

<p>damage and bear the cost of pollution abatement with due regard to public interest.</p> <p><b>Core element 4:</b> Businesses should continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy</p> <p><b>Core element 5:</b> Businesses should develop Environment Management Systems (EMS) and contingency plans and processes that help them in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to their operations or that of a member of its value chain</p> <p><b>Core element 7:</b> Businesses should proactively persuade and support its value chain to adopt this principle</p>	<p>replace nutrients in the soil. Industrial farms disregard that need for balance. Land is used continuously and not given proper rest. Crops are not rotated in a way that replenishes the soil. Manure and chemical fertilizers are used to “feed” the soil, but through over-application these additives become a problem.</p> <ul style="list-style-type: none"> <li>• Use of fertilizers: Fertilizer carries with it other substances that are used on industrial farms. These include antibiotics and artificial growth hormones, which contaminate waterways and affect the plants and animals that live in them. Salt, a common component of manure from industries can damage</li> </ul>	<p>addressed by the scoping study.</p>
--	--	--

	<p>soil quality and contributes to erosion.</p> <ul style="list-style-type: none"> <li>•</li> </ul>	
	<p><b>Air Pollution:</b></p> <ul style="list-style-type: none"> <li>• Factory farms emit harmful gases and particles such as methane and hydrogen sulphide, which can contribute to global warming and harm the health of those living or working nearby.</li> <li>• Air pollution results from the overuse of machinery, the mismanagement of manure etc.</li> </ul>	
	<p><b>Water Pollution:</b></p> <ul style="list-style-type: none"> <li>• Pollution of surface water and ground water from agricultural biocides, deterioration of water quality</li> <li>•</li> </ul>	
<p><b>Corresponding NVG Principle and Core Elements</b></p>	<p><b>Critical Economic impact</b></p>	<p><b>Uganda – Mcleod Russel Uganda Limited</b></p>

<p><b>Principle 8:</b> Businesses should support inclusive growth and equitable development</p> <p><b>Core element 2:</b> Businesses should innovate and invest in products, technologies and processes that promote the wellbeing of society.</p> <p><b>Core element 3:</b> Businesses should make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations</p> <p><b>Core element 4:</b> Businesses operating in regions that are underdeveloped should be especially sensitive to local concerns</p>	<p><b>Human and Physical Investment in the Region:</b></p> <ul style="list-style-type: none"> <li>• Infrastructural development such as education, medical facilities, roads, electricity, basic amenities, training opportunities etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Amenities are evident and there has been general development in water, road, schools and health facilities whether provided or supported by the company</li> </ul>
	<p><b>Economic Viability:</b></p> <ul style="list-style-type: none"> <li>• Backward-forward linkages: whether large-scale farming has resulted into growth of other sectors/industries and employment in the region.</li> <li>• Livelihood options</li> </ul>	<ul style="list-style-type: none"> <li>• The company has had a high impact in reducing the high unemployment in the area resulting in positive socio-economic impacts.</li> <li>• There has also been a growth in trading centres, transportation businesses and other activities.</li> </ul>

	<p>arisen due to large-scale farming.</p> <ul style="list-style-type: none"><li>• Loss of access to common property resources i.e. ponds, grazing land, market place.</li><li>• Impact on businesses/jobs.</li><li>• Changing labour patterns that make labour-intensive irrigation unattractive: Has large scale faming resulted into decline in employment rate in the region?</li><li>• Adverse/positive impact on local economy as a whole.</li><li>• Overall reduction/increase in income</li></ul>	
--	--	--