

What is the Third Party Review?

In August 2007, Cerrejón and its shareholders, Anglo American plc, BHP Billiton and Xstrata Coal, commissioned an independent panel to review the company's corporate social responsibility practices and its relation with the neighbouring communities of La Guajira.

Since then, Cerrejón has provided detailed updates twice a year on its progress in implementing the review's recommendations. Full progress reports are available here.

Who was on the panel?

The independent panel is chaired by Dr. John Harker, President of Cape Breton University in Canada. Other members of the panel are: Nick Killick from International Alert, Salomón Kalmanovitz, Dean of Economics and Business Administration at the University of Jorge Tadeo Lozano in Colombia and Elena Serrano from the Foundation Casa de la Paz, an NGO in Chile.

Which issues does the review cover?

The independent panel made 24 recommendations on the subjects of human rights, social engagement, resettlement, royalties, and topics regarding healthcare, culture, employment, and the environment. The Cerrejón Foundations System was also included in the panel's recommendations. Click here for a full list of topics covered.

Which actions have still to be completed?

This is a summary of our latest progress in responding to the recommendations of the Third Party Review Process.

**Regional Development Forum
Building a Future: Perspectives on
the Sustainable Development
of La Guajira**

**Taking the Cerrejón Way
to the Communities**

Tabaco Productive Farm

Complaints Office

**Table of Pendings: Third Panel Review (TPR)
Recommendations and Activities October 2010**

Each action item is color-coded.

- Blue = Finished
- Yellow = There are risks to completing the task on time but there is an on-going project that will allow to fulfill this goal
- Green = we are progressing well
- Red = we are delayed

INITIAL RECOMMENDATION	ACTIONS TAKEN	NEXT STEPS
Action 4.2	<p>Improve communications tools used to inform and provide feedback to local communities, as well as to receive feedback from them and adjust our programs accordingly.</p> <ul style="list-style-type: none"> • Cerrejón launched in September a new series of engagement meetings with all neighboring local communities to provide updated information on our standards, our current and future operations, impacts and social programs. 240 indigenous communities in the area of influence of the railway and port participated in these meetings. Around 540 persons were invited, and a total of 962 attended the dialogue sessions. Among them were 107 traditional authorities, 43 community leaders and 111 public administrations and municipal councils. Indigenous traditional authorities from Indian Reservations, Majors of the Municipalities, Council Members from Albania, Maicao, Uribia and Manaure and Community Action Boards were present. Communities expressed concerns over access to public goods and services (water, electricity, education); employment opportunities and loss of cattle in connection to the transit of the train. Another round of engagement sessions has begun in October. • Cerrejón also begun implementing a new engagement and communication strategy for resettlement communities. This strategy is based on improved analyses on social impacts and seeks to follow International Finance Corporation (IFC) Social Performance Standards. 	<ul style="list-style-type: none"> • Systematize these efforts so that engagement sessions occur periodically and feedback informs company policies and social impact management.
Action 4.3	<p>Design and write up an overall social engagement strategy that shows how we go beyond minimum legal requirements and adopting international standards.</p> <ul style="list-style-type: none"> • Cerrejón designed a strategic vision of social engagement that includes the declaration of the international standards it has committed itself to. This strategy is being incorporated into a Community Relations Plan for 2010 to 2014. This plan will be subject to consultations from stakeholders in 2010. The strategy has 6 pillars: • Mitigation of social impacts from our operations, particularly focussing on communities that have been or will be resettled. • Reduction of social risks for the operation, attracting stakeholder communities to build a long-term relationship built on transparency, participation, dialogue, and trust. • Through the work of the four Cerrejón Foundations, support for projects contributing to regional development. • Through the work of our Social Engagement Division, support for health, education, and cultural activity programmes. • 20% of our workforce consists of Wayuu and neighbouring communities, with the support of the Department of Human Resources. • Through the Human Rights Programme and the Complaints and Grievances Mechanism, we promote and respect the rights of our stakeholders so that their concerns and complaints are quickly addressed. 	<ul style="list-style-type: none"> • Issue a completed version of the new Community Relations Plan. Adjust periodically as required.
Action 6.1	<p>Build symbolic Tabaco site.</p> <ul style="list-style-type: none"> • One year ago, in October of 2009, Cerrejón and Tabaco managed to overcome the administrative and legal obstacles to buy La Cruz, the property where Tabaco will be rebuilt. We finally reached an agreement with the 49 owners of the farm, and Cerrejón signed the promissory note in April of 2010. Corpoguajira is still reviewing the environmental requirements and modifying the land use plan together with the district of Hatonuevo. • The Relocation Committee and the Endogenous Network are working together towards reconciliation through a work committee for the physical and social reconstruction of Tabaco. In September, the community were trained in productivity and sustainability issues by the Colombia's National Apprenticeship Service SENA. This course led to the community creating working groups. There are currently over 50 members of the Tabaco Relocation Committee, who are working on the development of 41 new collective business ideas. A major challenge is the distribution of land and identifying how many members of the community want to live in the new town. So far there are 440 households that have been presented as potential beneficiaries. The symbolic site that Cerrejón made a commitment to build, will have to be defined by the community through a participatory process. The exact date of the reconstruction of Tabaco, still depends on many factors. 	<ul style="list-style-type: none"> • Define a process to distribute land • Obtain all necessary permits for the reconstruction of the new Tabaco town • Provide assistance to communities involved in new socio-economic projects • Select and build the Tabaco symbolic site following community participatory process
Action 7.2	<p>Develop and agree with the affected communities timelines for their resettlement processes</p> <ul style="list-style-type: none"> • During the first half of 2010, Social Capital Group discussed the resettlement process and identified opportunities for improvement to align Cerrejón's resettlement practices with those of the World Bank and International Finance Corporation (IFC) Social Performance Standards. A recent phase of this work was the refinement of a social baseline for each of the 5 communities being resettled. Indepaz, a Colombian NGO, has been advising the communities of Tamaquito and Roche since April 2010. • Social Capital Group shared substantial amount of technical information with Indepaz regarding community base lines, surveys and impact assessment methodology. A key meeting in the history of Roche's resettlement took place last September 24th. Indepaz, Social Capital Group, Cerrejón and the Roche Board held a day long workshop where Cerrejón presented the updated Social Impact Assessment, and the approach to compensation, which will serve to calculate the final compensations packages. A second joint workshop with the participation of Indepaz, Cerrejón and the community took place on October 7. One of the main topics was productive projects; Cerrejón and external experts shared with the Roche Community Board the methodology used in this type of projects. Further meetings will take place throughout October. • In July 2010 Cerrejón signed the promissory purchase and sale agreement for Tamaquito. Currently the consultant Gómez Cajiao is carrying out environmental studies on the 300ha plot of land of La Liga. 	<ul style="list-style-type: none"> • Consult baseline and social impact assessments with Tamaquito, Patilla, Chancleta and Las Casitas. • Agree on compensation based on impact assessments • Build new towns • Implement relocation • Follow up on sustainable livelihoods projects
Action 8.1	<p>Develop indicators to measure current living standards of communities to be resettled and identify key actions that will improve these.</p> <ul style="list-style-type: none"> • These indicators were developed with the support of a technical consultant in a process that took 3 months. They measure, among others: quality of life, self-management capacity, and social capital. Likewise, the ability of the local institutions to foster the communities' sustainable development and compliance with agreed schedules is also measured. We hoped that the first base line information would be ready in August and then in November. A draft version is ready, but it needs to be discussed with the community before being finalized. • External consultant, Asicom, will be supporting us. Various indicators will be reviewed frequently in the coming years. 	<ul style="list-style-type: none"> • Consult indicators and measurement with communities. • Incorporate baseline in RAPS (Resettlement Action Plans).
Action 16.2	<p>Monitor entrepreneurship projects derived from training.</p> <ul style="list-style-type: none"> • We still need to strengthen our capacity to monitor closely how training leads to community members setting up businesses or finding jobs. • We hired additional staff to focus on this task Through venture units with the National Apprenticeship Service (SENA) and in the agreement with Crea, from June to October 2009, Cerrejón strengthened four artisan associations in the Indigenous Reservations of San Francisco, Trupio Gacho, Provincial and El Cerro. The agreement with Crea advises on good production, managing and marketing practices, among others. The Crea Foundation offers advice on good manufacturing practices, management and marketing among others. In 2010 this program was strengthened by the business Foundation Crea. Currently benefiting 70 people with the design and product development (innovation), costings and creation of price lists, training More-Sales-More-Profit, catalog design for artisan workshops and participation in promotional events and marketing of handicrafts. 	<ul style="list-style-type: none"> • Participation in regional trade fairs and events focused on small and medium companies. • Design marketing strategies with the participation of the community and with the support of experts in the field.
Action 18.1	<p>Develop and implement a home improvement program in Media Luna.</p> <ul style="list-style-type: none"> • In early 2010 Cerrejón proposed a housing improvement plan to the communities of Malla Norte (Kamusuchiwo>o) and Malla Sur (Pioule Piula). Malla Sur (Pioule Piula) is expected to have the housing designs by April 2011. The licitation process began and there are currently 3 bids. The building dates need to be defined in the following months as a result of dialogue with these communities. • Regarding Malla Norte and their territorial claim, state entities were invited to address these issues with the community and Cerrejón. The date of the meeting will be set in the coming weeks together with the community. 	<ul style="list-style-type: none"> • Consult home designs with the community of Malla Sur. • Set construction dates based on talks with Malla Sur. • Execute contract bidding process for housing. • Define project with Malla Norte.
Action 21.2	<p>Design and put into practice a follow-up mechanism to measure the results of human rights trainings.</p> <ul style="list-style-type: none"> • In October 2010, Cerrejón hired the Conflict Analysis Resources Center (CERAC in Spanish) to design indicators to measure the impact of human rights training that had been carried out. The indicators will be available in late 2010 and 2011 and may be implemented in order to have a baseline in human rights training. 	<ul style="list-style-type: none"> • In 2011, run new set of indicators so as to adjust human rights training programs.