Alcoa Brazil’s New Sustainability Model for Mining
An Independent Review
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This independent review is the result of a collaboration between Columbia University’s School of International and Public Affairs and the Universidade de São Paulo’s Instituto de Relações Internacionais and Centro de Estudos das Negociações Internacionais in an attempt to assess the design, effectiveness, and long-term institutional development of the Council for Sustainable Juruti, Conselho Juruti Sustentável (CONJUS). The Council is part of a three-pronged sustainable development model created by Alcoa, a leading aluminum company, in partnership with the Center for Sustainability Studies at Fundação Getulio Vargas, a leading Brazilian business school, and Fundo Brasileiro para Biodiversidade, the Brazilian Biodiversity Fund. The model is one component of Alcoa’s corporate social responsibility strategy at its newly inaugurated bauxite mine site in Juruti, located in Brazil’s northeastern state of Pará.

The three pillars of the Sustainable Juruti Model are the local development council, the development indicators, and a sustainable development fund, which work together to create a local sustainable development agenda for the Juruti municipality. CONJUS is designed to be a comprehensive dialogue forum that is intended to identify priority socio-economic issues and challenges facing Juruti through participation from members representing the government, civil society and business, including Alcoa.

Through an extensive literature review and field interviews with CONJUS members and other community, company and government stakeholders in the field, this independent review yielded a number of findings, which have been organized into three main areas:

I. Alcoa in international and national context of corporate social responsibility
   - Alcoa developed the Sustainable Juruti Model in response to changing paradigms in corporate social responsibility both internationally and within Brazil that demanded a more sustainable model of community engagement and development.

II. CONJUS: Actors, Interests and Strategies
   - The CONJUS model has been overlaid on a foundation of pre-existing, constrained relationships between Alcoa, the local government and the community with limited input from these actors into its design.
   - CONJUS is seen by the municipal government as a duplication of many existing government structures, inhibiting needed government support.
   - Alcoa previously met community demands through numerous individual negotiations. While CONJUS serves to consolidate these demands, community members have divergent expectations of CONJUS’s objective and purpose as a result.

III. CONJUS: Organizational Structure, Management and Activities
   - The pre-existing relationships between CONJUS members have created challenges in its organizational management and effectiveness. These are analyzed across eight key issue areas: organizational structure, objective and purpose, representation, participation, decision-making processes, financing, accountability and long-term institutional development.

The following report will detail the independent review’s findings and outline recommendations for the future institutional development of CONJUS.
BACKGROUND

Mining in Brazil: The Industry Landscape
Brazil is one of the world’s largest producers and exporters of raw and processed minerals. The mining sector of Brazil represents 14% of its GDP. Of this total figure, aluminum makes up 22.2% while bauxite ore, from which aluminum is extracted, represents 8.3%. Alcoa is one of the world’s leading aluminum producers. In Brazil, the aluminum industry is dominated by a small number of companies: Vale, Alcoa, BHP Billiton, and Rio Tinto Alcan.

Alcoa’s Operations in Brazil
In 2008, Alcoa was the second largest bauxite producer with an 18% world market share. With more than 63,000 employees at 200 locations across 31 countries, it serves the aerospace, automotive, packaging, building and construction, commercial transportation and industrial markets. The company has declared sustainability a core feature of its corporate philosophy, professing its commitment to "environmental excellence, economic success and social responsibility." Alcoa has been active in Brazil for close to 50 years. With eight operating locations throughout the country, it was responsible for one-fifth of the country’s primary aluminum and alumina production in 2004. In Brazil, there is an identified capability to expand, increasing Alcoa’s annual alumina production from 2.1 to 3.5 million metric tons.

Alcoa’s Juruti Mining Project
Juruti has one of the largest deposits of bauxite in the world with reserves of approximately 700 million metric tons. In 2009, Alcoa inaugurated a bauxite mine in Juruti. The mine site is located in the west of the state of Pará, in the center of the Amazon rain forest (for a map of Pará, see Figure 1). The Juruti mine is expected to add 2.6 million metric tons of capacity per year. From the outset of the project, Alcoa has made a commitment to "mine bauxite and return the area to the same, if not better, condition than when we initially arrived."

Figure 1: Map of State of Pará in Brazil

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3 Ibid
The project commenced in 2000 when Alcoa purchased Reynolds Metals and prospected for minerals in the Capiranga, Guarana and Mauari areas. In 2006, the construction activities started and concluded in early 2009. The company plans to mine the area for 40-60 years and then reforest it. The project also includes the following infrastructure components:

- **Juruti Port Terminal**: The port is located on the banks of the Amazon River, located 2 kilometers from the center of the town, and has the capacity to hold ships up to 75,000 tons.
- **Beneficiation (Processing) Facilities**: The plants will be built close to the Capiranga plateau, which is the first to be mined and located approximately 60 kilometers from the town.
- **Railroad**: The railroad is approximately 50 km long and operates with 40 train units.

Local Context in Juruti

Juruti is a 127 year-old municipality that was originally founded as an indigenous Munduruku village in the 19th century. It is a remote municipality situated to the east of the Amazon River, encompassing a territorial area of around 8,304 square kilometers. It is located 848 kilometers away from Belém, the provincial capital of the state of Pará. Juruti has a population of over 35,000 of which 60% live in rural areas. Until 2006 when Alcoa began construction of its bauxite mine, the municipality’s economy relied on fishing, subsistence farming, and small-scale commerce and services—port services, grocery stores, and food outlets—and other small-scale activities, mainly to supply the local market. The first time the municipality was visited by a state governor was in 2006 as a result of the Alcoa Project.

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11 Ibid, 14.
JURUTI AT A GLANCE
Population: 35,530
Municipal GDP: 125,866 thousand reais
Percent Living Below Poverty Line: 60%
Infant mortality: 21 per 1,000 live births
Total number of teachers: 828
Roads: 52km (paved) vs. 1,117km (unpaved)
Source: IBGE and FGV, Indicadores de Juruti

Sustainable Juruti: Proposed Model for Local Development
In 2006, Alcoa approached the Center for Sustainability Studies at Fundação Getulio Vargas (FGV) and Fundo Brasileiro para Biodiversidade (Funbio), the Brazilian Biodiversity Fund, to partner to create a sustainable development model for the Juruti municipality. FGV is a leading business school and think-tank in Brazil, offering undergraduate and graduate programs in business, economics, and international relations. Funbio is a nonprofit civil association with the objective to provide financial and material support to initiatives related to conservation and the sustainable use of natural resources in Brazil. In order to inform the design of the local development model, FGV and Funbio surveyed the local community in 2006. The surveys found that the local community had high expectations of the project, and of Alcoa in meeting many demands traditionally placed on the state and municipal governments. People were concerned about the impacts the project would have on their environment, the culture and way of life in the area, reporting negative experiences with previous mining projects in the region, such as the Alumar consortium, of which Alcoa is a member, in São Luís.

In 2008, the local development model was outlined in Sustainable Juruti: A Proposed Model for Local Development, produced by FGV and Funbio, and subsequently implemented. In the model, the concept of local sustainable development—economic development, social development and environmental protection—has its foundation in “promoting an improvement in the quality of life of the population, based on its capacity to manage the resources available in a given territory.” The model for sustainable development was based on four premises:

- Broad and effective participation by all stakeholders of the Juruti municipality;
- A territorial approach which recognizes that the impacts and outcomes of the project will extend beyond Juruti’s municipal borders;
- “Dialogue with reality”, emphasizing alignment with the local context; and
- The “internalization of sustainability” within Alcoa, such that sustainable development efforts are not “an isolated initiative running parallel and detached from overall business strategy”.

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13 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 7.
14 Ibid, 28.
15 Ibid, 8.
16 Ibid, 9.
SUSTAINABLE JURUTI: A THREE-PRONG APPROACH

The three pillars of the model are the local development council, the development indicators, and a sustainable development fund. The goal of the interaction of the three pillars of the model is the creation of a local sustainable development agenda. The council is tasked with creating the agenda, the indicators inform and monitor action taken and the sustainable development fund identifies priority projects based on the agenda presented.

Conselho Juruti Sustentável (CONJUS): Sustainable Juruti Council

CONJUS\(^ {17}\) is seen as the central component and a contribution to creating a democratic public space. The Council was inspired by guidelines from Brazil’s Local Agenda 21, which calls for the creation of a formal institutional space for long-term dialogue and planning, resulting in a local sustainable development agenda for the municipality. Launched in early 2008, CONJUS serves as a “comprehensive dialogue forum intended to set in motion a process to address the issues and challenges facing Juruti, in an organized, transparent and systematic manner.”\(^ {18}\) CONJUS has tripartite representation, in which members represent the three main segments of Juruti society: public authorities and government, such as the municipal administration, private sector organizations, such as Alcoa, and civil society organizations.

Indicadores de Juruti: Sustainable Juruti Development Indicators

The development indicators establish a baseline and monitor social, environmental and economic development in Juruti and the surrounding areas. The indicators are to be used to “influence public policies, private social investment in the region and financial instruments available to the community, improving local planning and continually building the capacity of all stakeholders”\(^ {19}\). Beginning in 2008, FGV, Funbio and Alcoa engaged in public consultation to create the

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\(^{17}\) CONJUS will be referred interchangeably as “the Council” throughout the report.

\(^{18}\) FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 84.

\(^{19}\) Ibid, 96.
Background

indicators and collect baseline data, which was published in 2009 in an official publication and website.20

_Fundo Juruti Sustentável (FUNJUS):_ Sustainable Juruti Fund

FUNJUS was created to provide financial and material resources to invest in program activities based on the priority issue areas identified—through CONJUS—its forum for community dialogue. Alcoa provided the initial seed money for FUNJUS. Funbio manages and oversees its technical and administrative operations in coordination with the FUNJUS Board, a compilation of one member from Alcoa (the only current funder), one from Banpará (the financial intermediary) and five members from the Executive Board of CONJUS, responsible for project selection and oversight.21 The first call for projects for FUNJUS’s Pilot Program was in May 2009, and support for selected projects began in January 2010.22 FUNJUS is currently monitoring funded projects, adapting lessons learned for its next funding cycle and seeking to raise additional funds from other donors to expand the Fund’s governance and operations.

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20 FGV, Funbio, and Alcoa, _Sustainable Juruti: A Proposed Model for Local Development_ (São Paulo, 2008), 121.
PURPOSE AND SCOPE OF EVALUATION

Since the implementation of the Sustainable Juruti Model in September 2008, Alcoa has agreed with the Universidade de São Paulo’s (USP) Instituto de Relações Internacionais (IRI) and Centro de Estudos das Negociações Internacionais (CAENI) on the importance of an independent assessment of the design, initial implementation and future prospects of the multi-stakeholder process at the Juruti site. In November 2009, IRI and CAENI invited a team from Columbia University’s School of International and Public Affairs (SIPA) to assist in carrying out an independent review.

Research Partners:
Instituto de Relações Internacionais (IRI):
Created in 2004, IRI aims to promote academic and policy research, consolidate an academic network with national and international institutions and further the public’s understanding of world affairs. It currently offers undergraduate, master-level and doctoral degrees in international relations in collaboration with USP’s other social science departments.

Centro de Estudos das Negociações Internacionais (CAENI):
Established in 2001, CAENI seeks to build an interdisciplinary resource pool of high-level research in the fields of international relations and trade negotiations. In addition to conducting research, CAENI holds training and research seminars and produces a variety of publications. It is affiliated with the Departamento de Ciência Política at USP.

School of International and Public Affairs (SIPA):
For more than 60 years, Columbia University’s SIPA has been educating professionals who work in public, private and nonprofit organizations, offering master degrees in international affairs and public administration. Through training in analytical methods and practical management skills, SIPA’s graduates and faculty work on policy issues in the areas of social services, human rights, financial markets, the environment, peace and security, and international development.

Objectives: The SIPA team has been requested by IRI and CAENI to: 1) Conduct an independent review of Alcoa Brazil’s system for multistakeholder dialogue and collaboration to address environmental, social, economic and governance issues related to the Juruti bauxite-mining project; 2) Make recommendations for strengthening this institutional arrangement in order to ensure more consistent and effective outcomes.

Scope: The SIPA team is focused on assessing the institutional arrangement of the local council, Conselho Juruti Sustentável (CONJUS), the Council for Sustainable Juruti. The results of the evaluation will also allow IRI and CAENI to better understand and assist civil society efforts to strengthen corporate accountability across a variety of sectors of multinational investment in Brazil. Furthermore, the evaluation will provide Alcoa with critical feedback on the Council's institutional design, implementation and effectiveness.

Purpose and Scope of Evaluation

RESEARCH QUESTIONS

The research questions underlying the project objectives include:

- Is CONJUS effectively incorporating all relevant and affected stakeholders in the municipality of Juruti?
- Does CONJUS serve as an effective forum for voicing, addressing and resolving the concerns and objectives of all its stakeholders?

Methodology

Desk and Literature Review

- **Literature Review**: The SIPA team reviewed relevant literature on corporate social responsibility, sustainable development, inclusive stakeholder engagement, social license to operate, and environmental issues as related to extractive industries, particularly focusing on these topics in relation to mining in Brazil. Furthermore, the literature review summarized information on the local socio-economic context, indigenous rights and land tenure as well as regulatory and environmental issues in the Brazilian Amazon and the state of Pará.

- **Informant Interviews**: The SIPA team in collaboration with the USP team conducted qualitative, semi-structured interviews with informants from academia, the private sector and NGOs on corporate social responsibility and extractive industries, environmental issues as related to mining, indigenous rights and stakeholder engagement (See Appendix 1 interview list).

Field Research

- **January Fieldwork**: During the first field visit in January, four members of the SIPA team, accompanied by one student from USP and Professor João Paulo Cândia Veiga of CAENI, conducted semi-structured interviews in Juruti with the members of CONJUS, Alcoa employees, and community leaders to evaluate the levels of local participation in the Council and resulting outcomes (See Appendix 1 Interview list).

- **March Fieldwork**: During the second field visit in March, three members of the SIPA team, accompanied by two students from USP and Professor João Paulo Cândia Veiga of CAENI, conducted semi-structured interviews in Juruti with CONJUS members, municipal government officials, and Alcoa employees. The team also conducted semi-structured interviews in Pará’s capital city, Belém with state government officials and Alcoa management staff (See Appendix 1 Interview list).

Risks and Sampling Bias

The team explained their affiliation and purpose in conducting interviews and gained informed verbal consent of all interviewees. However, some interviewees thought the team was affiliated with Alcoa. This perception may have biased or resulted in reserved answers to corresponding questions as a result of Alcoa’s position in Juruti. The team used a combination of targeted and chain sampling methods, such that interviewees were asked for additional contacts to interview.
RESEARCH FINDINGS & ANALYSIS

SUMMARY

Our research findings are divided into three levels of analysis:

I. International and National Context: How CONJUS Developed as an Answer to Shifting Paradigms of Corporate Social Responsibility

Over the past 30 years, there has been an emergence of standard CSR practice at the international level. In the extractive industries, international standards around social license to operate, sustainable development, stakeholder engagement and community relations have compelled companies throughout the industry to change their mode of operation. At the national level, there has also been corresponding public and government pressure for companies in the extractive industries, such as Alcoa, to adhere to more responsible business practices in the communities in which they operate. As a result of these trends at the international and national level, Alcoa has been compelled to develop a more holistic model of sustainable development and community engagement, through the institution of CONJUS, at its new mine site in Juruti, Brazil.

II. CONJUS: Actors, Interests and Strategies

This analysis of findings identifies the major actors involved in CONJUS—Alcoa, the Juruti municipal government, and civil society. This tripartite model has been laid on a foundation of pre-existing relationships of actors within Juruti with limited input from these actors into its design, informing their interaction within CONJUS. It also looks at how their interests and strategies have created an environment in which Alcoa was compelled to create and support the Sustainable Juruti model, particularly CONJUS. The Council is seen by the municipal government as a duplication of many existing government structures, inhibiting needed government support. Alcoa previously met community demands through numerous individual negotiations. While CONJUS serves to consolidate these demands, community members have divergent expectations of CONJUS’s objective and purpose as a result. These constrained relationships create challenges in the Council’s current organizational structure, management and effectiveness.

III. CONJUS: Organizational Structure, Management and Activities

While the tripartite membership base is a strength of CONJUS’s organizational structure, each of the three segments of this membership base have entered CONJUS and are operating within its structure with varying incentives and hence expectations. There are several resulting challenges in the Council’s operational management and effectiveness. This analysis of findings is based on seven criteria, selected as fundamental aspects of CONJUS as an institution: organizational structure, objective and purpose, representation, participation of council members, decision-making process, financing and accountability. The final criterion is a brief analysis of the prospects for the long-term institutional development of CONJUS.
In order to assess Alcoa’s proposed model for sustainable development in Juruti, focusing on the institutional arrangement of CONJUS, it is necessary to acknowledge evolving trends in CSR initiatives over the past 30 years. The growth of international CSR principles and standards has catalyzed these issues into the public sphere, increasing public pressure on companies to contribute to sustainable development.\textsuperscript{25} Companies, like Alcoa, have prioritized issues of sustainability in their corporate mandate and strategies, leading to an emphasis on developing innovative models for local sustainable development.

### Shifting Paradigms of International of CSR

According to economist Milton Friedman in the 1960s, the company is a purely economic institution, whose overriding goal is to maximize returns to investors.\textsuperscript{26} Today, companies are actively managing the impact, beyond legal obligations, that they have on society and the environment in order to enhance the company's reputation, mitigate risk, and increase its actual or perceived value to shareholders and other stakeholders—employees, suppliers, customers and communities.\textsuperscript{27}

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\textsuperscript{27} Ruth Lea, “Corporate Social Responsibility: IOD Member Opinion Survey” (London: Institute of Directors Publication Department, November 2002), 10.

sustainable development are the integration of three pillars—economic growth, social development and environmental conservation. At the 1992 Rio Summit, Agenda 21 was launched as a global action plan for prioritizing sustainable development into the 21st century. Agenda 21 states that responsible behavior in the private sector is a prerequisite to achieving sustainable development, emphasizing corporate environmental management.\textsuperscript{29}

\textbf{CSR and the Mining Industry}

Public outrage from incidents—such as the 1989 Exxon Valdez oil spill, the 1993 killing of human rights activist Ken Saro-Wiwa in the protests against the Shell Oil Company in Nigeria, and the implication of the diamond industry funding the 1991 civil war in Sierra Leone—has forced companies in the extractive industries, in particular, to address demands for greater transparency, accountability and responsibility.\textsuperscript{30} Today, the historical model of company-community interaction, such as the company-town model, is no longer valid. In 1928, Henry Ford established Fordlândia, a prefabricated industrial town in Pará, Brazil to source rubber for the Ford Motor Company's automobile manufacturing operations in the United States. Ford created an idealized American town in the middle of the Amazon. Unfair labor conditions for the local workforce resulted in community and government protest, which shut down operations in Fordlândia.\textsuperscript{31}

In addition to the company-town model, a \textbf{paternalistic or philanthropic model of CSR} has also traditionally prevailed in the extractive industries. This model is based on the assumption that governments, not companies, are responsible for local development. Local governments lack resources to provide social infrastructure and the company operating in the community fills that infrastructure gap at its discretion. The company provides social services such as housing, healthcare and education to facilitate its operations, often creating a cycle of paternalistic dependence by the community on the company. Even if the company focuses on activities that are charitable and not connected to shaping the company's core local operations, it can be seen as paternalistic. This is in contrast to an approach that treats stakeholders as legitimate rights-bearers with a right to make claims that affect the company's practices.

Questions of local development, community integration, transparency and the sustainable use of the environment and natural resources oblige companies to seek out new models of company-community relations. Companies are adopting a more \textbf{strategic or integrated CSR model}, based on a partnership of all relevant stakeholders (community leaders and members, government, NGOs and others) to create a mutually beneficial environment to maximize benefits to society as well as corporate profits.\textsuperscript{32}

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\textsuperscript{32} CSRQuest, "CR Theoretical Background." http://www.carquest.net/?articleID=13126&heading=The%204CR%20Framework.
I. CSR: Alcoa in the International and National Context

International Principles and Standards of CSR in the Mining Industry
There has been a proliferation of international standards and principles over the past decade, such as the United Nations Global Compact International Organization for Standardization (ISO) Corporate Social Responsibility Standards and the Dow Jones Sustainability Index. Corporate adoption and adherence to these principles is voluntary, and therefore there is no legal requirement enforcing compliance of companies that are signatories.

In the mining industry, a wide range of industry standards focusing on transparency and accountability have resulted, including:33

- Global Mining Initiative (1998)
- Mining, Minerals and Sustainable Development Project (2002)

Sustainable Development and Mining
Mining companies have been progressively incorporating sustainable development—social, economic and environmental improvements—as a pillar of their CSR strategy from mineral exploration and operation to mine closure. The International Council on Metals and the Environment (ICME) states that "in order to achieve long-term viability of the mining industry and local communities, mining companies must now pursue their interests in a way that also promotes those of the local communities in the regions where they are operating."34 Yet, the mining industry is a unique setting for a sustainability agenda. A temporary endeavor, mines operate as long as it is economically viable to extract and process minerals and produce negative environmental externalities.35 Sustainable development in mining exists along a spectrum from purely environmental conservation to managed extraction, which seeks an integration of different aspects of development. Revenues generated need to be invested in developing social capital in the communities in which a company operates.36

33 See Appendix 2 for more detailed information about the initiatives and standards listed.

35 Ibid., 75.
I. CSR: Alcoa in the International and National Context

SOCIAL LICENSE TO OPERATE
A social license to operate is earned by a company acquiring free, prior and informed consent from indigenous peoples, and local communities. It is acquired through mutual agreements giving the communities leverage to negotiate conditions with the companies, and serves as the means by which the community monitors the practices of the mining company. While mining companies are increasingly expected to gain a social license to start operations or to continue accessing resources in existing projects, this is an ideal process that is not often realized in practice but rather serves as a means for a company to mitigate social and environmental risks once it is already operating in a community.

Stakeholder Engagement and Community Relations
Companies have adopted several measures for stakeholder involvement, including social impact assessments, community consultations and public hearings to inform communities of positive and negative impacts of operations. Companies have also utilized more formalized and longer-term institutional arrangements, such as community forums, councils and development foundations, to engage relevant stakeholders and communities. Community forums and councils facilitate dialogue and consolidate the demands of the community on the company. Community development foundations, typically a philanthropic arm of the company, serve as a means for companies to contribute to needs and development of the communities.

These activities aim to enable a company to obtain a social license to operate by linking companies and communities through a space for dialogue. There have been successful examples of direct interaction where companies such as Rio Tinto and Diavik Diamond have signed agreements with communities to outline terms of operations. Companies, however, typically resort to a much more vague process of “dialogue” once an investment deal is already completed or if the company has been operating in an area for a long time. The company, in these cases, assumes that no prior consent is needed and dialogue is a means for mitigating the company’s social risk and maintaining a good reputation, ignoring stakeholder rights to have decision-making authority in a company’s operations.

There has been the development of standards and guidelines for stakeholder engagement with AccountAbility’s AA1000 Stakeholder Engagement Standard. Defining corporate accountability as transparency (accounting to stakeholders), responsiveness (responding to stakeholder concerns), and compliance (complying with legal requirements, standards, codes, and principles), the standard also promotes inclusivity, giving stakeholders the right to be heard, and companies the obligation to account to them.


A MODEL OF STAKEHOLDER ENGAGEMENT: THE TRI-SECTOR PARTNERSHIP

One of the more successful concepts that has been used to facilitate dialogue and partnership between companies and stakeholders is the tri-sector partnership. This is a voluntary partnership between the company, the government and civil society. The strength of a tri-sector partnership, in principle, is that all the partners bring their different resources, knowledge and skills to a forum with the objective of addressing the issues surrounding social, environmental and economic development in the community. The partnership consolidates and moderates the expectations and demands of the community on the company. With cross-sector participation, this institutional arrangement can help to define priorities for investments in community development. There have however been challenges to the concept, such as guaranteeing the longevity of the partnership, incentivizing partners to share ownership of development initiatives, and maximizing the use of a company’s core competencies for sustainable development.40

ALCOA’S CSR PLATFORM

As a result of this shift in paradigms in the international arena, Alcoa has made a commitment to developing a multinational CSR platform and prioritizing sustainable development and stakeholder engagement throughout its global operations. Alcoa publicly has declared support or become a member of the following initiatives:

- International Aluminum Institute Sustainability Principles
- ISO 14001 Certification (85 of Alcoa’s locations certified as of 2008)
- OHSAS 18001 Certification (11 of Alcoa’s locations certified as of 2008)
- SA 8000 Social Accountability Standard (3 of Alcoa’s locations certified in 2008)
- Dow Jones Sustainability Index (Named a component of North America Index in 2002)

In 2000, Alcoa launched its 2020 Strategic Framework for Sustainability, a comprehensive roadmap with short- and long-term metrics and targets in six focus areas: economic benefit; respect and protection of employees; respect and protection of communities; safe and sustainable products and processes; efficient resource use; and accountability and governance.41 The company is dedicated to stakeholder engagement, establishing a Community Development Framework, which outlines an integrated company-wide approach in which to share the benefits of its extractive activities among stakeholders. It uses company-developed metrics to measure the company’s contribution to long-term sustainable development. Alcoa implements its CSR platform in a decentralized manner. While there is a reporting system to Alcoa headquarters on these issues, any local subsidiary, such as Alcoa Brazil, is responsible for adapting and implementing these activities within the local operating context, especially with regards to community development standards.

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40 Peter Newell, "Citizenship, Accountability and Community: The Limits of the CSR Agenda," International Affairs (81)3 (2005), 544-5.
Mining and CSR: The Landscape in which Alcoa Operates in Brazil
The previously discussed context of international CSR standards of stakeholder engagement and social license to operate has informed the development of Alcoa’s CSR platform at the multinational level. However, it is within the regulatory and social context at the country level in which Alcoa Brazil implements the company’s policies on establishing a social license to operate and community relations. This is the context in which the Sustainable Juruti Model and CONJUS were developed.

Government Regulation of the Brazilian Mining Industry
The Brazilian government seeks to regulate the corporate activities most explicitly through environmental legislation. In 1981 the first National Policy for the Environment was passed, establishing the Sistema Nacional de Meio Ambiente (National System for the Environment) with four main aspects considered in the Constitution:42

1. The firm’s obligation to have an environmental impact study before setting up any activity with a potentially hazardous effect on the environment;
2. The firm’s obligation to rehabilitate degraded environments;
3. The establishment of penal and administrative sanctions for the degraders independently of their obligations concerning rehabilitation; and
4. Legal responsibilities for damage caused to the environment.

Environmental Licensing Process in Brazil
The most important regulation in the Brazilian mining industry is the environmental license. A mining company must obtain a license to operate from the Secretaria de Estado de Meio Ambiente (the State Ministry for Environment). There are three major steps in the licensing process: (1) pre-license for project planning (2) installation or construction licensing, and (3) the operations or mining license. At each phase, a company must secure a license for each component of its activities such as transportation and infrastructure development, mineral extraction, and mineral processing activities. While the requirements outlined in these licenses are largely related to the management of the company’s environmental impact, the environmental license provides the only formal legalized mechanism for placing demands on the company in terms of its operations. As a result, activities to meet the social needs of the community have been negotiated into this contract as a means for enforcing accountability.

Alcoa Brazil procured an environmental license from the State of Pará for the Juruti mine site in the pre-license phase after carrying out a mandatory environmental impact study, the construction phase and most recently in the operations phase. The company also staged a series of meetings and hearings with the local community and government. It has four separate licenses for the port, railway, processing plant and bauxite extraction. Alcoa self-monitors and reports to the state government on the mostly environmentally-related conditionalities in the operations license, which the company must renew each year.

I. CSR: Alcoa in the International and National Context

Sustainable Development: Local Agenda 21
The Brazilian Agenda 21 was signed in 2002 by President Fernando Henrique Cardoso, in preparation for the World Summit on Sustainable Development. While not recognized as an official government document, it was created through years of extensive consultation across all sectors of society, and is consequently classified as a "social pact". It demands participation and "co-responsibility" from the legislative branch at the municipal, state and federal levels of government and all of civil society. Local Agenda 21 consists of six priority issues: natural resources management; sustainable agriculture, sustainable cities, infrastructure and regional integration, reduction of social inequalities and science and technology for sustainable development. One of the major objectives is community development and local capacity building, in order to better monitor and foster sustainable development practices at the local level. The Agenda calls for the creation of a local forum to identify and discuss major development problems at the municipal level and to propose and pursue integrated solutions.

At the regional level, the Sustainable Amazon Plan (PAS) was created in 2003 and implemented in 2008 as a series of federal and state government policies to identify development strategies for the Amazon region of Brazil. Strategies identified include sustainable production, social inclusion, universal access to healthcare, education and welfare programs in the region, infrastructure development and environmental management. The Sustainable BR-163 plan was created in 2004 in collaboration with the state governments of Pará, Amazonas and Mato Grosso, municipal governments and civil society. The Plan addresses four issue areas: territorial planning and environmental management; support for production activities; infrastructure, and social inclusion and citizenship. "It also includes actions to strengthen civil society, mechanisms for participation and public oversight." 

Has Alcoa Brazil Established a Social License to Operate?
The Brazilian government does not mandate any form of "social license to operate" from companies in the extractive industry. However through Law 9784, established in 1999, citizens can exercise public civil inquiry on corporations by convening a public hearing of concerning issues related to the company’s operations in a particular community. This is facilitated by the Ministério Público (the state Public Prosecutor’s Office). Alcoa in particular claims that it has gone further than the legal demands in Brazil, "thus ensuring that it achieves positive integration as far as the town’s community and the environment are concerned and that it operates in line with the highest of standards, considering the best practices where it operates."

44 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 65.
46 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 60.
However, media reports indicate inconsistencies between the company’s principles and its practices on the ground. Brazilian federal and Pará state prosecutors sued Alcoa Brazil in 2005 in an effort to halt the construction of the Juruti mine, saying the company had circumvented the law by not applying for a federal permit and instead seeking a license from the state of Pará. The suit is still pending after four years of negotiation. Alcoa maintains that a federal license is not required to operate in Brazil.\textsuperscript{49} Community members in Juruti reported concerns, during the FGV study in 2006, about the impacts the project would have on their environment, the culture and way of life in the area. Members of the local community also expressly protested any development on Juruti land. In particular, one segment of the municipality, Juruti Velho (Old Juruti), represented by the Community Association of the Juruti Velho Region (ACORJUVE), strongly opposed the Alcoa project through protests, road blockages, and an invasion of the mine site in January 2007.

\textsuperscript{49} “Alcoa Razes Rain Forest in Court Case Led by Brazil Prosecutors,” Bloomberg, Aug 3, 2009.

KEY FINDINGS:

There has been an increasing trend of CSR in the mining industry. Previous models of community engagement, such as the company-town model and corporate paternalism, are no longer acceptable. Mining companies are now engaging more strategically with the communities in which they operate in order to increase benefits to shareholders and community stakeholders alike. As a result of international pressure, mining companies have been forced to prioritize sustainable development, social license to operate and community and stakeholder engagement in their company mandates. Community engagement strategies such as the tri-sector partnership between government, company and community, have become successful new models in the industry.

It is in this context that Alcoa has made a commitment to developing a multinational CSR platform that prioritizes sustainable development and stakeholder engagement throughout its global operations. However, the implementation of its CSR framework is highly decentralized. Alcoa’s Brazilian subsidiary has adapted the company’s CSR strategy to serve in the local context.

In Brazil, the government regulates mining companies most explicitly through the environmental licensing process, which has come to include social in addition to environmental conditionalities. Alcoa’s new Juruti mine project has faced community protest and legal intervention by the State Public Prosecutor’s Office, questioning Alcoa’s established “social license to operate”. It is within this setting that Alcoa partnered with FGV and Funbio to create the Sustainable Juruti Model and CONJUS.
The strength of one pillar of the Sustainable Juruti Model, CONJUS, relies on the interaction of its tripartite membership base of government, civil society and the private sector, represented by Alcoa, in Juruti. The Sustainable Juruti Model has been overlaid on a foundation of pre-existing relationships between these actors within Juruti that informs their interaction within CONJUS. While the model is well planned in principle, it was developed and implemented in a reactive way on the part of Alcoa. Alcoa engaged FGV and Funbio to create the Sustainable Juruti Model after there were community protests and a change in government leadership in the municipality. And while the model’s development was informed by surveys and discussions with stakeholders in the local community, input in the model’s design—from both the municipal government and local civil society—appears to be minimal. As a result, the three tripartite member groups of CONJUS are working under varying interests, incentives and expectations. In this section, the analysis will review the interaction of the Alcoa and the local municipal government leading up to the construction and inauguration of the Juruti mine site. The analysis will also explore the relations between Alcoa and the civil society in Juruti at two levels—the Ministério Público (the Public Prosecutor’s Office) and local community stakeholders in the same timeframe.

THE RELATIONSHIP BETWEEN ALCOA AND LOCAL GOVERNMENT

Until 2000, Juruti was a relatively underdeveloped municipality on the edge of the Amazon. Juruti has since become the site of one of Alcoa’s most ambitious projects, creating economic opportunities as well as considerable development challenges. The population and commerce boom accompanying Alcoa’s arrival has placed significant stress on local infrastructure, government services and natural resources. However, Juruti’s Prefeitura (Municipal City Hall) has lacked the financial and technical capacity to effectively respond to the spike in demand. To address the externalities created as a result of Alcoa’s presence, the company and the government have partnered on such initiatives as the Agenda Positiva (Positive Agenda), in which Alcoa has provided funds to the municipal government for physical and social infrastructure projects to help meet increased demand. While Alcoa sees itself as a partner of the government, this dynamic is problematic as it blurs the boundaries of where Alcoa’s responsibility to the community ends and where the government’s role begins. CONJUS provides a mechanism for both the government and Alcoa to consolidate demands and serves as a more formalized, transparent mechanism for collaborating on meeting those demands.
The Political Climate in Juruti: The Rise of the Partido dos Trabalhadores (PT)

In 2002, Brazil experienced the rise of the PT or Worker’s Party at the national level with the election of Luiz Inacio “Lula” da Silva as President. There was also a corresponding election of many state and municipal level officials of the PT party throughout the country in the 2002 and 2004 elections. In 2000, the year that Alcoa arrived in Juruti, Isaias Batista Filho, a member of the Brazilian Democratic Party (PMDB) was elected as Mayor of Juruti. Manoel Henrique Gomes Costa, a member of the Workers’ Party (PT) was elected mayor of Juruti in 2004. In the 2004 and 2006 elections, the PT party gained an increasing number of seats in the Câmara Municipal de Vereadores de Juruti, the municipal legislative branch. And in 2006, Ana Júlia Carepa (PT) was elected Governor of the state of Pará just as Alcoa was breaking ground on the construction of the Juruti mine.

According to field interviews, Mayor Filho supported Alcoa’s mining operations in the municipality during his term. However, the municipal government’s support for Alcoa weakened once the PT came to power. Founded in 1980, the PT party developed its base of support from the country’s working classes and unions and was known for defending and politically supporting union strikes and other grassroots social movements. The PT party’s platform has been one of inclusive democracy, emphasizing a need to create dialogue among members and institutions of all economic classes. As a result, the rise of the PT party has provided increased visibility to popular actors, forcing government and the private sector to be more responsive to their collective voice and demands. Given this context, the current mayor, Manoel Henrique Gomes Costa, has been critical of Alcoa and its operations in Juruti.

Alcoa’s Arrival: Population Growth and Increased Demand for Social Services

Since Alcoa began the planning and construction of the Juruti mine in the beginning of the decade, the municipality has seen considerable population growth. Newcomers have included Alcoa employees and others coming in search of new economic opportunities. According to the most conservative estimates, Juruti’s population
increased to 35,530 inhabitants in 2009, up from 31,198 in 2000.\(^1\) However, the true extent of growth may be underrepresented. Several interviewees cited Juruti’s current population at closer to 45,000 inhabitants.

Perhaps the most acute pressures on Juruti’s infrastructure have occurred in the areas of health and education, which account for 15% and 25% of municipal government expenditures, respectively.\(^2\) Since the company’s arrival, there has been an explosion in the demand for health- and education-related services. For examples, see Figures 5 and 6 above.

**Agenda Positiva: A Limited Framework for Public-Private Partnership**

In 2007, Alcoa and the PT-led municipal government forged a new partnership—*Agenda Positiva*. In addition to required royalties and taxes, Alcoa has allocated 50 million reais through *Agenda Positiva* to invest in priority actions, identified and defined in collaboration with the municipal government.\(^3\) With a focus on promoting government ownership and long-term sustainability, these actions focus on areas of education, health, security and justice, urban and rural infrastructure and involve a mix of local and regional human resources for implementation.

**EXAMPLES OF PROJECTS UNDER AGENDA POSITIVA**

- Juruti Community Hospital
- Cultural center
- 16 new public school classrooms
- Expansion of local police station
- Paving urban and rural roads

*Agenda Positiva* is not without limitations. First, the initiative’s scope to date has been largely limited to making hard infrastructure improvements in the municipality’s center. Aside from improving roads linked to the mining site, the Agenda features little in the way of developing the municipality’s remote rural areas. Government interviewees identified that the costs of maintaining and staffing all the projects financed by Alcoa, such as the construction of roads or schools, was problematic and beyond the government’s financial capacity, limiting effectiveness in the future. Secondly, according to several interviews, the Agenda has not met everyone’s expectations, showing slow progress. Three years after the Agenda’s implementation, the community hospital still has not been completed, and many service-related demands remain unmet. And thirdly, any collaborative progress that has been made is often to the credit of Alcoa and not the municipal government.

\(^1\) Fundação Getulio Vargas (FGV). *Indicadores de Juruti: Para Onda Caminha o Desenvolvimento do Município.* (São Paulo, Brasil: NeoBand, 2009), 72.


\(^3\) In 2006, the Juruti Prefeitura collected 1.5 million reais in taxes levied on Alcoa’s operations. This figure has risen considerably since the inauguration of the mine in 2009. Through the Financial Compensation for Mineral Extraction (CFEM) law, 65% of tax revenues, which are tied to Alcoa’s operations are transferred to the Prefeitura, 23% to the government of Pará and 12% to the federal government. See: Alumina Limited. "Sustainability: Case Studies." [www.aluminallimited.com](http://www.aluminallimited.com).
Alcoa’s mining operations, with an estimated lifespan of 40-60 years, will be a long-term fixture in Juruti. As the municipality continues to develop, Alcoa and the Prefeitura will face continued pressure to manage its evolution together, regardless of which political party is in power. As a result, the blurring of lines between public and private responsibility will likely persist in defining Alcoa’s relationship with the Prefeitura in the future.

Alcoa and Local Government: Partners or Competitors?
There is a point at which Alcoa’s support and involvement in local development undermines the government’s authority and promotes a cycle of paternalism. However, a lack of financial and technical support on the part of Alcoa leaves it open to criticism. These blurred boundaries of responsibility reveals the underlying differences in interests that guide both government and corporate actors, while at the same time underscoring the need for a well-defined partnership in providing sustainable solutions to Juruti’s challenges.

As a result, the blurring of lines between public and private responsibility will likely persist in defining Alcoa’s relationship with the Prefeitura in the future.

Alcoa has demonstrated its commitment to integrating CSR into its long-term corporate strategy in a way that benefits both business and society. However as a profit-driven company entrusted to uphold its shareholders’ interests, any partnership with the government would need to produce tangible results that can be presented to shareholders and used to protect the company from reputational risks. The Prefeitura, on the other hand, has a social contract to deliver public services and is ultimately accountable to its constituency. Therefore, both have a vested interest in putting their stamp on and receiving credit for social welfare activities.

The Boundaries of Responsibility: Alcoa’s Challenge in Contributing to Local Development
While Alcoa’s operations have increased demand of government services, it is an infeasible and unsustainable alternative that the company takes over the role of government and shoulders these responsibilities alone. Not only can this perpetuate weak governance and a lack of government accountability, it also can open the company to misdirected grievances and demands from the community. Further, the company has faced challenges in how to appropriately and effectively contribute to the local development. For example, if the company were to transfer resources directly to the government, it risks liability, accusations of being opaque and exposes itself to reputational damage—both locally and with shareholders—if funds are handled corruptly.

To address certain issues, Alcoa has hired third-party organizations and companies from outside Juruti to provide programs and services. As noted in field interviews, the Alcoa
Foundation brought in Fundação Esperança (Hope Foundation) to work with the municipality's Health Department to address the increase in cases of sexually transmitted diseases and AIDS. While targeting sex-workers for safe sex education and condom use, the real problem, later realized, was a lack of sexual education among the youth population. This type of third-party service delivery runs the risk of misdiagnosing context-specific issues due to lack of knowledge about the local environment, rendering service delivery ineffective. Moreover, outsourcing service delivery may create a duplication of efforts and challenges in achieving coordinated development objectives.

**CONJUS: Meeting the Need for Public-Private Partnership**

Addressing these developments invariably requires a successful public-private partnership between Alcoa and the Prefeitura. Such a partnership, which loosely refers to any arrangement “in which the private sector supplies infrastructure assets and services traditionally provided by governments”, can take a variety of forms. The real challenge lies in bridging the gap between the public-private ethos and finding a workable model. The creation of CONJUS provides a formalized and transparent forum for both Alcoa and the government to consolidate and address public needs and demands as well as from each other.

“It’s not our intention to transfer the responsibilities of the city authorities to the private sector. However, we would like to show Alcoa all of the difficulties faced by the city in its work, some of them aggravated by the arrival of people attracted by the opportunities offered by the installation of the project, and motivate the company to partner in more crucial investments in the city.”

- Juruti Mayor Manoel Henrique Gomes Costa

The Challenges of Public-Private Partnership in CONJUS: Issues of Legitimacy

According to several interviews, it was largely perceived that Alcoa had minimal dialogue with the Prefeitura during the very early phases of the planning and construction of the Juruti mine. As a result, the Sustainable Juruti Model, and in particular CONJUS, are not necessarily considered the most desired and effective solutions by the municipal government.

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II. CONJUS: Actors, Interests and Strategies

There are already nine other municipal councils being managed by the mayor’s office in Juruti. In the view of some government members of CONJUS, the role attributed to CONJUS overlaps with that of existing government councils. These councils are governed by municipal law and managed by the mayor’s office, while CONJUS does not have legal status as a municipal council. The existing municipal councils in Juruti include:

- Municipal Council for the Development of Basic Education and Improvement of Teaching
- Municipal Council of School Meals
- Municipal Council of Health
- Municipal Council of Social Assistance
- Municipal Council of Women’s Rights
- Municipal Council of Rural Development
- Conselho Tutelar (Municipal Guardianship Council)
- Municipal Council of Children’s and Adolescent’s Rights
- Municipal Council of Development
- Sustainable Juruti Council (CONJUS)

There is a lack of clearly defined expectations by this stakeholder group in their participation in CONJUS. Legalization would be problematic as it would imbalance the tripartite management structure of CONJUS, giving more executive authority to the municipal government. However, some government stakeholders interviewed wanted CONJUS to become legalized. CONJUS is not viewed as institutionally legitimate without any mechanism for control and accountability on the part of the municipal government, particularly as there were concerns that CONJUS is not institutionally independent from Alcoa.

Some government representatives of CONJUS perceive that projects resulting from CONJUS activities are used by Alcoa for its own corporate gain. While the government and civil society have provided a significant contribution to the development of sustainable development projects with Alcoa, some interviewed government members of CONJUS stated that ALCOA was taking all the credit by publicizing collaborative activities for their own corporate marketing strategies.

**KEY FINDINGS: ALCOA’S RELATIONSHIP WITH GOVERNMENT**

Increased demand for social services resulting from Alcoa’s operations has blurred the line of responsibility between Alcoa and the municipal government. CONJUS serves as a means of consolidating demands and mediating dialogue between the company and the government to address those demands. Success in this public-private partnership greatly depends on the government’s support, yet CONJUS was a model implemented with seemingly little input from one of its tripartite segments—the government. As long as many municipal government representatives view CONJUS as a duplication of existing municipal government structures and lacking legitimacy as a result of its non-legal status as an official municipal council acknowledging CONJUS as a legitimate of other effective councils, institutionalization as well as the agency of the Council will be limited.
II. CONJUS: Actors, Interests and Strategies

THE RELATIONSHIP BETWEEN ALCOA AND CIVIL SOCIETY

The company’s engagement with Juruti’s robust civil society proved to be a challenge upon the company’s arrival, with multiple interest groups with varied degrees of organization pressuring the company through two different channels. CONJUS served as means for consolidating demands from the community, but the precedent of bilateral negotiations between the company and individual community stakeholders has fostered divergent expectations among community members in CONJUS.

Alcoa Engages Civil Society at Two Levels: the Ministério Público (MP) and the Community

While Alcoa and the local government are entrusted with guiding Juruti’s development, civil society plays an important role in both establishing the company’s legal duties and affirming its social sphere of influence. Considering Juruti has a long history of strong civil association and mobilization, Alcoa has had to interact with two different facets of civil society: the Ministério Público (MP), the Public Prosecutor’s Office, and the local community, represented by residents and organizations of Juruti. As the two levels of engagement with civil society require different strategies of engagement, Alcoa is currently facing challenges engaging with the civil society at large. See Figure 7.

MP: Civil Society’s Advocate in Government

The first facet of Alcoa’s engagement with civil society is the company’s relationship with the MP on both the state and federal levels. The MP is the branch of government responsible for protecting the interests and welfare of civil society at large. Brazil’s 1988 constitution grants the MP the right to file legal actions against private individuals, public or private enterprises, as well as municipal, state and the federal government on behalf of civil society. The MP is defined by its autonomy and discretionary power. This combination enables the MP to transform any debate in civil society into a judicial matter. The power of the MP is particularly relevant and unique to Brazilian democracy as it ensures that any institution

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7 Fábio José Kerche, “Ministério Público: Autonomia e Controles” (Seminar at the Faculdade de Filosofia, Letras e Ciências Humanas da Universidade de São Paulo (USP), São Paulo, Brazil, April 8, 2010).
public or private, which does not have its members chosen by direct elections, be accountable to civil society for its acts. With respect to Alcoa, the MP is a formal, legal channel for protecting community interests and enforcing requirements on Alcoa through the environmental license.

The MP and Alcoa have begun a tenuous relationship as the MP considered the initial environmental impact study to be poorly done. The asymmetry of information in these environmental studies can be partly attributed to the fact that the studies are often conducted based on research carried out in São Paulo headquarters. In contrast, a field assessment would have been the most accurate and appropriate method. The original environmental impact assessment excluded the effect on the Juruti Velho (Old Juruti) region. The MP has raised the question of whether this exclusion was a premeditated plan by the company in order to reduce transaction costs, responsibilities and obligations to this community. In 2010, the MP demanded that the company’s operation license be revoked, claiming that Alcoa and its contractors 'invaded' the areas in Juruti Velho and prohibited river access for the residents.

Projects in the Corporate Social Sphere: Legal Obligations vs. Voluntary Acts
The environmental license is a powerful tool that supports certain environmental and social projects. While the majority of the environmental license outlines Alcoa’s required responses to environmental issues, it is the only legal mechanism for enforcing conditionalities on Alcoa, and thus over time certain social programs have been included in the scope of the license. With Alcoa’s operation license requiring annual renewal, there is an opportunity for the MP to challenge company operations and advocate for more legal demands on the company.

“There is no public forum for discussing issues as related to resource extraction, and therefore environmental licensing provides the only mechanism for public discussion.”

- Kathryn Hochstetler
Author of Greening Brazil

Several of the environmental and social projects outlined in the license were initiated by Alcoa voluntarily and then later incorporated into the license as formal legal requirements. As a result, there has been an increase in the number of legal conditionalities Alcoa is required to provide in Juruti with each of the construction, operations and renewal licenses. For example, the following projects conditionalities in the current operations license:

- Program for the protection of Amazonian turtles
- Financing local activities such as re-vegetation, community manioc plantation, and chicken raising farms
- Program to promote cultural heritage
- Supporting a local development council

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II. CONJUS: Actors, Interests and Strategies

This provides an important form of legal compliance placed on Alcoa for meeting social needs and demands. However beyond this, Alcoa does support a number of voluntary projects within the community as well. The company highly publicizes all of these projects, both required and voluntary, on its website and in its annual CSR reports in order to enhance its social license to operate.

The Growth of a Robust Civil Society: Social Movements in Juruti

There are numerous civil society organizations that have been working in the community for decades and representing various interests, including land ownership and land rights, the protection of women’s rights, human rights, rural workers’ rights, the protection of traditional livelihoods and the conservation of the environment.

The arrival of Alcoa in Juruti raised many concerns about the effects of mining on the community and livelihoods. While many civil society organizations supported Alcoa’s operations, and welcomed the potential economic opportunities it provided for the municipality, there was also opposition by civil society groups to the construction of the mine site in Juruti.9 There was widespread concern surrounding the issue of land ownership and the potential for resulting conflicts between community members and the company.10 Furthermore, there were community concerns about how mining operations and the introduction of the industry would impact Juruti, particularly in terms of the corresponding effects on the local environment and economy.

In particular, one segment of the municipality, Juruti Velho (Old Juruti), represented by the Association of Communities of the Juruti Velho Region (ACORJUVE), strongly opposed the Alcoa project through protests, road blocks, and an invasion of the mine site in January 2007, demanding direct negotiations with the company. According to field interviews, two actors—the Landless Workers’ Movement (MST), a grassroots social movement, and the National Institute of Colonization and Agrarian Reform (INCRA), a government agency—supported ACORJUVE in their protests and demand for royalty payments from Alcoa. INCRA gave the community members of Juruti Velho the titles to the land in the area in order to give the community and its representative ACORJUVE legal recourse in claiming royalties from Alcoa. Thus, the pressure created by various interest groups and movements set the stage for FGV,

The pressure created by various interest groups and stakeholders set the stage for Alcoa to develop the Sustainable Juruti Model, particularly CONJUS, as a means for the company to dialogue with community, local government, business and representatives, consolidate community demands and address larger concerns.

9 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 19.

10 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 18.
II. CONJUS: Actors, Interests and Strategies

Funbio and Alcoa to propose the creation of CONJUS as a pillar of the Sustainable Juruti Development Model as a way for the company to dialogue with local public, business and community representatives and address their larger concerns.

“The Council got up and running very quickly. It started from top to bottom, since Alcoa created it and invited members. It wasn’t bottom to top, like a tree. So it started the wrong way.”

- CONJUS Member

Alcoa’s Engagement with the Community: Relationship of Paternalistic Dependence?
Prior to the formation of CONJUS, Alcoa received numerous individual demands from various community stakeholders directly as a result of the existing highly mobilized and organized civil society in Juruti. This forced the company to engage in individual bilateral negotiations to address demands and concerns from the community. While Alcoa seeks to avoid being paternalistic, community investments through bilateral negotiations, voluntary CSR projects and the contribution to the Agenda Positiva could be perceived as paternalistic in practice. In turn, the community has transferred many of the responsibilities of the municipal government onto Alcoa, having high expectations for its contribution to Juruti’s development.11

“We can’t be a successful company in a society that’s not doing well. We have to help develop it without creating a relationship of paternalism and dependence. It may be 10 or 200 years, but one day the company’s no longer going to be there and the positive product of our presence there today is going to remain in the region.”

-Nemércio Nogueira, Alcoa Brazil

CONJUS: Meeting the Need for Public-Private Dialogue through Consolidating Demands
Addressing these needs requires a forum for public-private dialogue between Alcoa and the Juruti community in which it is operating. The creation of CONJUS in conjunction with the Sustainable Juruti Fund provides a formalized forum to consolidate community demands and to eliminate the pressure for bilateral negotiations with individual community stakeholders.12 As this system was costly and time-consuming, CONJUS provides Alcoa with an attractive mechanism for reducing transaction costs in its negotiations with the community as well as establishing its social license to operate. CONJUS also provides the


12 FGV, Funbio, and Alcoa, Sustainable Juruti: A Proposed Model for Local Development (São Paulo, 2008), 104.
community with a formalized channel to consolidate demands and receive more holistic support from the company and the government.

**The Challenges of Public-Private Dialogue in CONJUS: Issues of Divergent Expectations**

Although CONJUS has an official statute, the organizational structure and mandate is still being constructed through a constantly evolving partnership between Alcoa, the municipal government and community representatives. While currently developing the local sustainable development agenda, which is targeted to be completed this year, CONJUS has yet to formally present the prioritized needs and demands of the community.

CONJUS was established as an independent public forum charged with identifying and discussing Juruti’s socioeconomic development with the participation of all stakeholders. Therefore, Alcoa maintains a position that it is just one member of CONJUS. In many ways, the company has not only consolidated community demands but also divested those demands onto an independent, public forum that does not necessarily have the capability of making demands on Alcoa directly.

Alcoa has funded the start up and operational costs of certain civil society members of CONJUS. Furthermore, Alcoa has been financing many civil society organization’s individual projects outside of CONJUS’s formal structure. The company has been supporting civil society organizations to ensure that the membership base of CONJUS has the capacity to actively and productively participate in CONJUS dialogue and activities. Without this additional support, there is a risk that CONJUS members would not have the technical or human resources to commit to CONJUS, and therefore pose the risk that CONJUS would be rendered ineffective. While necessary to support CONJUS in its formative early years, this strategy has negative consequences as well. Instead of becoming less dependent on bilateral negotiations through the creation of CONJUS, Alcoa has continued to maintain some of these arrangements. In trying to ensure CONJUS’s short-term survival, Alcoa is inadvertently undermining the establishment of an independent and efficient CONJUS in the long run, as certain members are dependent on Alcoa.

“Individual interests are always present...and sometimes it does overtake this institutional responsibility. People misrepresent their institution, because they are representing personal interests.”

- CONJUS Member

The result has been a divergence of expectations among civil society members. Within CONJUS civil society members, there are two main types of community representatives: (1) members who are committed to CONJUS as a means for funding development projects and the work of community organizations, and (2) members who are committed to the success of the institutional arrangement as a forum for
II. CONJUS: Actors, Interests and Strategies

KEY FINDINGS: ALCOA’S RELATIONSHIP WITH CIVIL SOCIETY

The Sustainable Juruti Model, and in particular CONJUS, has been overlaid on a complex political and social context in Juruti. Presented as a product of negotiation in the Sustainable Juruti: A Proposed Model for Local Development report, the reality is that in many ways CONJUS was “born out of conflict” and therefore premised on the converse of its intended purpose. Prior to CONJUS, Alcoa previously met community demands through numerous individual negotiations. CONJUS serves to consolidate these demands, however Alcoa’s often paternalistic relationship with community members has created divergent expectations of CONJUS’s objective and purpose as well as Alcoa’s role in the Council as a result. Alcoa has significantly contributed to the organizational set up of CONJUS, but also maintains that CONJUS is independent from the company’s oversight and control, creating ambiguity in its role in the Council. As a result, there remains a constrained relationship between the CONJUS actors that challenges the Council’s ability to effectively collaborate.

discussion. While these characteristics of members are not mutually exclusive, each member bases their involvement in CONJUS on particular incentives and self-interests. This divergence of expectations hinders the ability to create a cohesive vision and consensus among members of the objectives and purpose of CONJUS.

As the original benefactor, Alcoa has stated that it is highly committed to helping CONJUS in its efforts to be a self-sufficient institution. The company also relies on its institutional success to continue to maintain its social license to operate. According to some interviews, there is some perception among members that Alcoa has undue influence and control over the strategy and objectives of CONJUS, causing tension among members striving to consolidate objectives, independent of the company. However, there is a fine line between supporting an independent CONJUS without controlling it. Alcoa in many respects is trying to do both at the same time.
III. CONJUS: ORGANIZATIONAL STRUCTURE, MANAGEMENT AND ACTIVITIES

The pre-existing relationships between CONJUS government, community and corporate members have created challenges in its organizational management and effectiveness. The following analysis of CONJUS's activities is based on eight criteria, selected as fundamental aspects of CONJUS as an institution: organizational structure, objective and purpose, representation, participation of council members, decision-making process, financing, accountability. The final criterion is a brief analysis of the prospects for the long-term institutional development of CONJUS.

1. ORGANIZATIONAL STRUCTURE
CONJUS has a complex and clearly defined organizational structure with delineated roles and responsibilities, as outlined in the Council’s formal statutes and internal guidelines (see Figure 8). There is an Executive Board composed of 15 representatives (nine from civil society, three from local government and three from private sector, including Alcoa). There is an Executive Secretary that provides administrative support to CONJUS, responsible for organizing meetings, taking meeting minutes, publicizing the work of CONJUS and all other administrative tasks needed by CONJUS in order to operate.

Figure 8: CONJUS Organizational Structure
Currently, Alcoa has contracted and pays a third-party, the Instituto de Estudos da Religião (ISER) or Institute of Religious Studies, to serve as the Executive Secretary of CONJUS. There are eight Câmaras Técnicas (Technical Chambers), tasked with having the more substantive and in-depth discussions on particular issue areas, such as health, education and the environment. These are also the committees that are responsible for drafting the Council’s local sustainable development agenda.

2. OBJECTIVE & PURPOSE: CONSULTATIVE VS. DECISION-MAKING

KEY FINDINGS:

- Lack of clarity over CONJUS objectives and purpose
- Ongoing debate among members
- Capacity issues hinder CONJUS from being decision-making
- Mixed levels of member satisfaction about a consultative CONJUS

In order for an organization to operate effectively, its function must first be clarified and understood by participating members. There is overall consensus among stakeholders that the goal of CONJUS is to identify and respond to priority development-related issues in Juruti and foster overall sustainable development throughout the community. However from interviews with CONJUS members and government officials, there is a lack of clarity among members and other stakeholders as to whether CONJUS is a consultative or decision-making body. The purpose of the former type of council would be to advise other bodies (government, NGO and private sector) on priority development issues in Juruti. A decision-making body, in contrast, would have the authority and capability—access to both financial and technical capacity—to independently make decisions and execute development initiatives and projects.

Varying Stakeholder Perceptions of CONJUS’s Objective and Purpose

According to Alcoa’s website, the Council is "a consultative body and will observe the activities being promoted for the sustainable development of Juruti, whether by companies or public authorities, including Alcoa’s own mining" project. The focus is on observation and consultation, and neither on decision-making nor producing concrete action on any particular issue.

“It is not clear what CONJUS is. Is it decision-making or consultative? No one knows what CONJUS really is.”

- CONJUS Member

The CONJUS statute identifies its own objective as promoting "a permanent public space for dialogue and collective action," the latter of which implies more than a merely consultative role as an organization. The statute continues

2 CONJUS, “Estatuto do Conselho Juruti Sustentável,” (Juruti, Brazil, 2008), Article 2.
to state that “to fulfill its purpose, CONJUS will act via the direct execution of projects, programs or action plans, donation of physical, human or financial resources, and intermediate rendering of services” to other non-profit organizations and public sector agencies. According to this view, CONJUS’s function within its statutes would be to serve as more than just a consultative tool in the community, but a body charged with enacting and delivering concrete solutions to the problems the organization identifies.

“CONJUS is a space for information sharing about what is going on in the community.”

- CONJUS Member

Interviews with CONJUS members exposed diverging perceptions of the Council’s role, providing no consensus on its organizational capacity across its membership base. There is a lack of clarity about the Council’s role in terms of what it was set up to do and what stakeholders want it to be. One interviewee identified the Council’s principal objective as providing a discussion forum, rather than functioning as a decision-making body. Others demanded and expected CONJUS to fund projects to address the development issues the organization identifies in its meetings and activities. Several CONJUS members interviewed believed that the purpose of CONJUS was to bring problems to government to encourage and lobby for fiscal and technical support in project implementation.

Among the executive power representatives of the Prefeitura, the main understanding and expectation is that CONJUS is and should remain only a consultative forum, directing the diverse social demands to other institutions to execute and fund. According to some government representatives interviewed, there is a lack of clarity of the purpose and function of CONJUS as it potentially duplicates the objectives and responsibilities of already existing government structures and service provision in Juruti.

Lack of Capacity Prevents CONJUS from Acting as a Decision-Making Council

There was a common view, in field interviews conducted, that Alcoa or the Prefeitura would be the actual implementers of community development solutions identified by CONJUS. One interviewee stated that “CONJUS talks and talks, but for decisions everyone goes to Alcoa.” Other members perceived CONJUS as a mechanism for encouraging or pressuring the government to address certain issues in the community. Certain procedures or obstacles were cited as reasons CONJUS is, in practice, solely consultative. For example, one interviewee said that Council members bring issues to CONJUS, which in turn brings those issues to the government to devise and implement solutions. Ultimately, these viewpoints implied that the Council does not have the authority or capacity to make decisions, which results from either a lack of formalized decision-making processes, necessary funds, public legitimacy and/or technical expertise.

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3 CONJUS, “Estatuto do Conselho Juruti Sustentával,” (Juruti, Brazil, 2008), Article 3.
“CONJUS doesn’t have any real power. It just dialogues. It doesn’t enforce decisions. This is the weakness of the Council.”

- CONJUS Member

CONJUS is in a formative phase of institutional development, defining its purpose, solidifying its objectives and establishing clear and formalized processes for its activities. This lack of clarity inhibits CONJUS from acting as anything more than a consultative body at this point. Another reason cited for the perception of CONJUS’s solely consultative function was that there was a lack of awareness within the Council’s membership about its decision-making capabilities. The lack of sufficient and consistent participation by members was also cited as a reason for CONJUS being solely consultative. Without organized collective action by its membership base, CONJUS’s ability to act beyond its consultative capacity is inhibited.

Consultative CONJUS: Member Satisfaction
There were mixed feelings among members about CONJUS’s status thus far as largely consultative in nature. Some seemed slightly dissatisfied with the Council serving solely this role, believing that CONJUS would be more effective as a decision-making body, and that consultation alone was insufficient. Nevertheless, members valued the role that CONJUS played as creating a space for facilitating discussion, exchanging ideas, and voicing concerns. Even when no concrete action resulted from particular CONJUS meetings, members still appreciated having such a forum available.

3. REPRESENTATION: WHO IS AND IS NOT REPRESENTED IN CONJUS?

KEY FINDINGS:
- Issues of representation impact legitimacy of CONJUS
- Missing stakeholders in membership base
- Perceived urban bias in CONJUS

The purpose of CONJUS is to promote a permanent public space for dialogue and collective action, involving tripartite representation from the private, civil society, and government sectors. The mission of CONJUS is to be an “inclusive organization” in terms of its membership base reflecting the interests of stakeholders throughout the municipality of Juruti.4

Who Was Invited to Participate in CONJUS?
The extent to which CONJUS is representative of various interest groups and stakeholders impacts its legitimacy. Many stakeholders throughout Juruti were invited to join CONJUS, and Alcoa confirms that all relevant stakeholders were invited. In terms of member perception, many CONJUS members interviewed believed that a majority of community stakeholders were invited and accepted to participate in CONJUS.

Who is Not Represented in CONJUS?
However, there were several stakeholders identified as being underrepresented and even

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unrepresented in CONJUS. A recurring sentiment in many of the field interviews was that Juruti municipality’s rural areas are not represented in CONJUS. This is in part due to issues of difficult access and transport from rural areas to the town center of Juruti, where CONJUS meetings are held. Currently, CONJUS is publishing a community newspaper, with CONJUS member Magnetica Vitæä, to publicize information about CONJUS’s activities. The Executive Secretary of CONJUS plans to organize a series of traveling meetings to encourage increased participation of rural stakeholders in CONJUS. The ability to achieve consistent and active rural participation in the future is inhibited by the aforementioned issues of distance and transportation.

Other non-represented stakeholders identified include the local Catholic Church and ACORJUVE. ACORJUVE, the main community organization working in Juruti Velho, declined an invitation to participate in CONJUS, deeming that acceptance would be condoning Alcoa’s presence and efforts in Juruti. ACORJUVE and many residents of Juruti Velho have a tenuous relationship with Alcoa, having protested the company’s operations on several occasions. As Alcoa is the original benefactor of CONJUS and was closely involved in its creation, there is a corresponding perception, in the community of Juruti Velho, that Alcoa controls CONJUS. These concerns about the company directing or manipulating CONJUS have kept Juruti Velho at a distance from CONJUS activities. Currently, the community is receiving royalties from Alcoa, and therefore has established its own means for voicing its concerns and demands with the company. There are certain segments of the Juruti Velho community who do participate in CONJUS, such as the Cooperativa Mista dos Profissionais de Embarcações Marítimas de Juruti Velho (CMPEMVJ) (Association of Maritime Professionals), indicating that there is not complete opposition to CONJUS within this community.

In addition, the Catholic Church chose not to join CONJUS. It is most active in Juruti Velho as compared to other parts of the municipality, and therefore has not participated for many of previously cited reasons why ACORJUVE remains uninvolved.

**Missing Representation Limits Legitimacy**

The ultimate goal of CONJUS is to assist in the overall sustainable development of the Juruti municipality in its entirety. Under-representation, as a result of choice or neglect, affects the perceived legitimacy, accountability and effectiveness of CONJUS in achieving a sustainable development mandate. In this regard, CONJUS as an organization is not seen as a level playing field, where all stakeholders are equally trained to participate, voice concerns and gain other members’ support. While CONJUS has reached out to and cultivated significant representation across the Juruti community, it still has strides to make to become the inclusive organization it envisions itself to be.
III. CONJUS: Organizational Structure, Management and Activities

4. PARTICIPATION OF CONJUS MEMBERS: WHO IS AND IS NOT PARTICIPATING?

KEY FINDINGS:

- Trade-off between representation and decision-making capabilities
- Regular meetings held but inconsistent attendance
- Opportunity to increase participation with change in leadership in CONJUS
- Municipal government: participation of executive vs. legislative powers
- Divergent expectations among CONJUS members

According to the Sustainable Juruti Model, a “broad and effective participation of all interested parties” is one of the basic premises for the establishment of an local sustainable development agenda for Juruti. There are several issues that inhibit member participation, including the number of actors, previous leadership, the lack of participation of certain members and divergent expectations amongst members.

How Many Members is Too Many?
According to the CONJUS statutes, the organization can have an unlimited number of representatives. Currently, the number of actors that are members in the Council is quite large as compared to other municipal councils in Juruti. There are over 40 members including tripartite representatives and substitutes formally participating in CONJUS (See Appendix 3 for CONJUS Membership List). While a major aim of CONJUS is to facilitate inclusive dialogue among a wide range of community stakeholders concerned with the sustainable development of Juruti, there is a potential trade-off between widespread representation and the ability to effectively make collective decisions.

One of the main premises of CONJUS is to be as inclusive and representative as possible, in terms of the range and types of stakeholders involved. As a result, CONJUS has and will continue to have a relatively large membership base. Its integrity and accountability as a multi-stakeholder institution depends on its widespread membership to provide informed and holistic discussions about development in Juruti. As a consultative institution’s membership base increases, the ability to reach consensus can often become more challenging.

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7 Fundação Getulio Vargas (FGV), Indicadores de Juruti: Para Onda Caminha o Desenvolvimento do Município. (São Paulo, Brasil: NeoBand, 2009), 99.
8 CONJUS, “Estatuto do Conselho Juruti Sustentável,” (Juruti, Brazil, 2008), Article 2.
9 According to Mancur Olson in The Logic of Collective Action: Public Goods and the Theory of Groups, large groups have problems organizing for collective action and are less able to act in their common interest for three reasons (1) each group member has a lower share of the benefits as group size increases; (2) in the absence of collective incentives, the incentive for group action diminishes as group size increases; and (3) organizational costs rise with group size.
especially when there are divergent expectations amongst actors.  

Participation of Members: Meeting Frequency and Attendance
The General Assembly is only required by the CONJUS statute to hold one meeting a year, which is very minimal. The Executive Board meets every two weeks. These meetings are being held regularly and consistently, however attendance across members is inconsistent. As in any voluntary institution, consistency of participation is a challenge. There are those representatives of certain civil society groups as well as Alcoa that are consistently present at meetings. However, certain civil society groups indicated that distance from the meeting place in the ISER office inhibits consistent and regular participation. Furthermore, consistent participation of government representatives has been a challenge in the past.

“The more that come, the better.”

- CONJUS Member

The CONJUS statute states that if a member is absent from more than three Executive Board meetings without adequate justification, the member will be penalized with loss of mandate. However, this rule has not been enforced, mostly in an attempt to retain members and for fear of alienating the current membership base. Therefore, there is no enforced mechanism for creating consistent participation among all members in the Executive Board.

Participation of Members: Change in CONJUS Leadership
In February 2010, the President of CONJUS, José Maria Salgado Vieira Neto of 100% Juruti Movement, resigned. Many of the CONJUS members interviewed believed that this change in leadership would increase participation of government representatives and other members, citing discordance with the previous CONJUS president. Expectations and levels of participation are often highly dependent on the individuals selected to represent any given member. And often, as cited by a handful of CONJUS members interviewed, individual interests can sometimes overtake institutional responsibility, causing individuals to misrepresent their institutions and the community interest they are representing. However in order to ensure that this tripartite arrangement is truly representative, effective and sustainable, CONJUS needs to have consistent involvement and support from all members.

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Government Participation in CONJUS: The Missing Member of the Tripartite
The few state government representatives have very minimal participation, mostly due to their location in the state’s capital of Belém. The analysis of CONJUS reveals a minor role taken by local municipal government, though it has the potential to become a key actor. According to the division within the Brazilian political system, this analysis will divide municipal government participation in two main parts—the executive and the legislative powers.

“The initial idea was to strengthen councils that already exist...not to create a new one like CONJUS. To be honest, I do not see it as a very positive thing because it is not legalized. It is not legal, it wasn’t voted on and there was no law.”

- Representative from a Juruti Municipal Secretary

The Executive Power: The Mayor’s Office and Municipal Secretaries
Through interviews with representatives from the municipal government, it was identified that while several municipal secretaries are still participating in CONJUS, such as the Secretaria do Meio Ambiente (Secretary of the Environment), Secretaria de Produção (Secretary of Production) and Secretaria de Assistência Social (Secretary of Social Assistance), some secretaries who were original members have decided to stop participating in the Council, such as the Secretaria de Educação (Secretary of Education) and Secretaria da Saúde (Secretary of Health). The main reasons cited for withdrawn participation are the duplication of efforts with existing municipal councils, the lack of CONJUS’s legal status as a municipal council, CONJUS’s perceived lack of independence from Alcoa, and the cost and claim of ownership of resulting projects.

The Legislative Power: Câmara de Vereadores (Chamber of Municipal Council Members)
The participation of the vereadores (municipal councilmen) in CONJUS is very limited. Although there is an officially designated vereador representative on CONJUS, their effective participation as a stakeholder group appears quite limited. The main reason for their relative non-participation is an apparent non-prioritization of CONJUS in their agenda. While many of the vereadores interviewed have a generally positive opinion about CONJUS, the limited relationship between the two institutions has never resulted in a shared set of demands and concerns. The major issue identified by the members of the Câmara de Vereadores regarding CONJUS is the lack of awareness of CONJUS activities. This can also be attributed to the stated lack of interest from vereadores in receiving informative reports from their designated representative.
CONJUS Members: Divergent Expectations
While the premise of CONJUS is to bring together the variety of stakeholders in the wider Juruti community to dialogue about the development of the community, there is a lack of cohesion on the vision, purpose and objectives of the organization. For government members of CONJUS, there is a lack of clearly defined expectations as role attributed to CONJUS is perceived to overlap with that of existing government structures. Alcoa sees CONJUS as a purely consultative body that has consolidated the demands of the community.

Finally, civil society members have varying expectations of CONJUS’ capabilities. For those members expecting decision-making action through funding of projects, an inability to meet demands and produce more substantive and concrete results will serve to decrease those members’ willingness to participate over time. Many civil society members of CONJUS interviewed stated that they drafted project proposals, individually on behalf of their respective organizations, that were not approved by Funbio. Writing a proposal requires time and energy, which often creates a disincentive for future participation, especially if projects are repeatedly rejected for support. Without a consensus on the organization's purpose, objectives and vision, incentives for participation and effective action resulting from participation are limited.

5. DECISION-MAKING PROCESS: LACK OF A FORMALIZED SYSTEM

KEY FINDINGS:
- Executive Board seeks consensus on shaping CONJUS objectives
- Decision-making process is not fully developed or understood by CONJUS members
- Lack of clear rules on agenda-setting
- CONJUS lacks any outlet for having its dialogue transformed into action without creating a local sustainable development agenda
- Unclear role of the Câmaras Técnicas vis-à-vis the other arms of CONJUS

While CONJUS is considered a very new institution, the system and process for decision-making has not been fully developed yet, despite the formal CONJUS statute establishing a wide variety of rules in this area of organizational management. Based on interviews with various CONJUS members, the decision-making process is not completely agreed upon nor understood by all of its members. According to Agenda 21 guidelines described in the Sustainable Juruti Model upon which CONJUS is premised, the effectiveness of a forum’s decision-making process may be analyzed across three characteristics: 1) the search for consensus, 2) clear rules of
participation, and 3) diversity and inclusiveness of all stakeholders.¹²

The Search for Consensus: The Role of the Executive Board

In the organizational structure of CONJUS, the Executive Board has a central role “to describe the strategic directives of the Council, deliberate on projects and areas of action and accompany the implementation of the Council’s decisions.”¹³

In other words, the Executive Board is designated authority over all executive decisions made by CONJUS. According to the CONJUS internal guidelines, the decisions of the Executive Board should be taken by consensus of the board. If consensus is not reached after four meetings, the guidelines outline that the decision will be reached by qualified majority, two-thirds of those present, in a fifth meeting. The search for consensus on the objectives, goals and activities of CONJUS is a primary goal of its membership. The regular Executive Board meetings demonstrate a strong effort in reaching a consensual decision, which is an important source of debate for the construction of common values and understandings.

The Agenda-Setting Process: Lack of Clear Rules of Participation

The CONJUS statute and internal guidelines present relatively clear rules of participation and decision-making. However, it became evident during field interviews that these rules were not well known or understood by all CONJUS members. The most significant issue in the decision-making process is the absence of clear rules for agenda-setting—how issues are raised, presented and discussed within CONJUS. This lack of specification may be a possible source of institutional instability and future disagreements.

CONJUS’s effectiveness can be measured by two types of outputs. The first is more abstract and related to the increasing of social dialogue and consensus-building throughout its membership. In this regard, CONJUS is certainly delivering its objectives. The second type of output is defined by more tangible results, such as projects and verifiable decisions resulting from dialogue within CONJUS. Currently, the main goal of CONJUS is to create the local sustainable development agenda. In the current organizational structure, the Câmaras Técnicas are central in the identification of priority development needs and solutions for the agenda.

However within CONJUS, there is no set process map for how this plan will be finalized. It is unclear if the Executive Board will have final approval, if the General Assembly will discuss and vote, or if the Câmaras Técnicas will be solely responsible for finalizing this local sustainable development agenda. Without including these substantive discussions occurring in the individual Câmaras Técnicas in the general assembly debates or in Executive Board meetings, it becomes difficult to achieve diversity and inclusiveness of all the members in the Council's decision-making process.

As outlined by the CONJUS internal guidelines, there is a designated coordinator of each Câmara Técnica with the role of facilitating

communication between the Technical Chambers and the Executive Board. The Câmaras Técnicas are assigned to a Technical Advisory, which provides greater feedback and input from other members in CONJUS. This line of communication between the Câmaras Técnicas, the Executive Board, and the wider membership of CONJUS has been fairly absent as found through interviews with CONJUS members.

**Câmaras Técnicas Working in Silos: Challenges of Raising Substantive Issues**

There are eight Câmaras Técnicas (Technical Chambers), tasked with having more substantive and in-depth discussion in the following issue areas: rural economic development, children and youth, environment, health, infrastructure and sanitation, education, culture and tourism and security. These committees are responsible for drafting CONJUS’s local sustainable development agenda. Several issue areas that the Câmaras Técnicas are responsible for have corresponding municipal councils as previously presented.

The Câmaras Técnicas are working in silos from each other and the rest CONJUS. Certain Câmaras Técnicas were seen as working more effectively and efficiently, such as those working on environmental or education issues. This was largely attributed to more active participation by government representatives in the corresponding secretaries, who were providing more technical assistance and expertise to these planning efforts. There is no current system for sharing of best practices between these better-performing Câmaras Técnicas and the other committees.

“The success of CONJUS is measured by the creation of this local sustainable development agenda by all the key institutions. What is missing is this plan.”

- CONJUS Member

Many CONJUS members did not know what was being discussed in the Câmaras Técnicas, especially if they did not sit on the committee. Therefore there was a lack of clarity and knowledge about the substantive issues that CONJUS is discussing. This also fosters a lack of coordination between Câmaras Técnicas as well as between members within and outside the Câmaras Técnicas in identifying priority issues in the municipality and developing corresponding initiatives to address those issues. While Alcoa has provided seed funding for FUNJUS, it unclear the role it plays in directing substantive issues being discussed. Until the local sustainable development agenda is presented, it is difficult to evaluate if the substantive issues being raised within the Câmaras Técnicas are in fact the highest priority issues and if these issues are best suited to be addressed by CONJUS. This will be integral for measuring future institutional relevance, promoting the Council’s core competencies and implementing effective action.

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6. CONJUS’S FINANCING STRUCTURE: ISSUES OF LEGITIMACY

KEY FINDINGS:

Administrative Budget
- Existing arrangement of Alcoa solely financing administrative costs raises issues of legitimacy and accountability

Project Funding
- CONJUS has no direct access to financial resources to fund identified priority development projects

There are two key issues in the area of financing: (1) lack of institutional ownership of administrative costs of CONJUS’s operations, and (2) lack of financial capacities for financing development projects.

Lack of Institutional Ownership of CONJUS’s Administrative Budget:
Currently Alcoa finances the cost of administrating CONJUS, by paying the contract for ISER, the NGO contracted as the Executive Secretary, as well as for the rental space of its office directly. On the one hand, this provides CONJUS with a certain level of independence from Alcoa, in terms of a third-party consultant contracted to serve as the essential administrative capacity of the Council. On the other hand, CONJUS, as an independent organization, has no financial control or authority over its own administration. This arrangement is problematic for the legitimacy and sustainability for the Council. Several CONJUS members interviewed stated that many members and people in the community believe CONJUS lacks credibility because the Executive Secretary of the Council is contracted or “employed” by Alcoa. Additionally, the decision to hire ISER was not voted on by the members, and therefore not seen as a legitimate management system.

Without financial control over ISER, there is no mechanism for accountability to the Executive Board or General Assembly of CONJUS. In this respect, ISER is responsible to a single member of the Council, Alcoa. This undermines the legitimacy of CONJUS as an independent institution, operating in the community. It fuels the perception by some members that Alcoa has undue influence and control over the operations of CONJUS and can manipulate and direct its trajectory.

“The council has a flaw in origin because it was born with a dependence on Alcoa.”
- CONJUS Member

The current ISER contract is scheduled to finish in July of 2010. Alcoa, ISER and CONJUS members recognize that ISER’s services are still needed at this critical stage of development of the council. Therefore, it is likely that this contract will be renewed. However, there is a lack of clarity as to who will be responsible for the administrative function of CONJUS in the future. It is possible that a CONJUS member,
group of CONJUS members, or CONJUS-hired third party could provide this administrative capacity in the future. However, limited financial and human capacities are challenges for such an arrangement. CONJUS membership is voluntary, and this would be a significant responsibility for any single member or small group of members to take on in addition to their other roles in the community. Furthermore, CONJUS lacks independent financial resources to hire and pay an independent contractor for these services at this time. Therefore, there is a dependence on the existing arrangement, in which Alcoa provides the financial resources for administrative management and capacity.

**Lack of Financial Capacity for Supporting Development Projects**

As outlined by the Model for Sustainable Juruti, CONJUS is supposed to work in conjunction with the other two components of the tripod approach to sustainable development, the Sustainable Juruti Indicators and FUNJUS. FUNJUS serves as the financial mechanism in the model by funding projects that are identified by CONJUS and the community as priority areas for development. As previously mentioned, CONJUS has yet to complete and provide the local sustainable development agenda to FUNJUS or other community organizations or institutions. The Câmaras Técnicas of CONJUS are currently working to identify and consolidate priority development areas into an overall development plan by July 2010. Yet, there is lack of clarity and confidence that this target will be met.

FUNJUS has already forged ahead to establish itself and fund projects. The first call for projects for the Sustainable Juruti Fund Pilot Program was issued in May 2009, and support for selected projects began in January 2010. Of the 67 grant applications received in the first stage of the selection process, 41 were transformed into effective projects that were presented to the Fund, of which 21 were selected. FUNJUS has created a manual for implementing projects, which includes how the funds are to be used, reporting requirements and other monitoring and evaluation activities.¹⁵

Currently FUNJUS is developing best practices, evaluating first round projects as they are implemented and completed, to influence the direction and management of the fund in future funding cycles. However, these projects are largely related to environmental sustainability and community needs as identified by Funbio, Alcoa and the FUNJUS Executive Board. As of now, FUNJUS is largely working in a silo without the input of either the Sustainable

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**EXAMPLE 2010 PROJECTS SELECTED BY FUNJUS:**

- Supporting poultry breeders in São José do Curumucuri community
- Generating income for rural family production by rearing hens in the São Pedro community and
- Setting up family vegetable gardens in the communities of the Santo Hilário region

Indicators or CONJUS in shaping its funding strategy thus far.

At the moment, CONJUS has no direct access to financial resources to fund priority development projects identified through its local sustainable development agenda. While Alcoa provided the initial seed money for FUNJUS, the company will most likely not financially support projects developed by CONJUS’s local sustainable development agenda directly. Several members interviewed stated that CONJUS has the ability to bring priority issues and solutions to other entities in order to secure funding, such as other organizations or the government. For example, *Terra Meio Ambiente* has funded projects identified in the environmental Câmara Técnicas. In this regard, it only has the capacity currently to be a body for dialogue and nothing more. It has no direct influence over the projects in which FUNJUS funds without a local sustainable development agenda completed. As a result, CONJUS lacks an outlet for having its dialogue implemented into effective action. The Council has no tangible outcomes that can be attributed to its process of dialogue, resulting in a lack of accountability and means for evaluating its effectiveness. While several members see CONJUS’s role as a funder of development projects in the community in the future, the direct ability to fund identified priority projects would change the trajectory of CONJUS’s organizational development.

### 7. CONJUS PERFORMANCE AND PUBLIC ACCOUNTABILITY

**KEY FINDINGS:**

**Performance accountability**
- Lack of systems and processes to monitor and benchmark progress
- Preliminary steps taken for internal monitoring

**Public accountability**
- Lack of public awareness of and participation in CONJUS
- Communications plan is in place to raise awareness

CONJUS has a broad mandate, and therefore requires continual internal and external monitoring and evaluation to establish effective activity. There is currently a lack of systems and processes to monitor and benchmark progress and performance of CONJUS as an organization. The Sustainable Development Indicators serve to inform CONJUS’s identification of priority areas. However, these indicators are not designed to track the progress and direct effect of CONJUS on the community, but rather overall development of the municipality. Furthermore, there is a lack of public accountability as there is little public awareness about CONJUS and its operations.
III. CONJUS: Organizational Structure, Management and Activities

Performance Accountability of CONJUS

CONJUS has taken some preliminary steps to begin the process of monitoring its own internal performance. The focus of CONJUS’s December 2009 General Assembly meeting, was for members to evaluate CONJUS activities thus far. In early 2010, ISER sent out a questionnaire to all members in order to evaluate perceived satisfaction and member evaluation CONJUS effectiveness. The questionnaire seeks to consolidate the impressions, opinions and perceptions of CONJUS members in terms of representativeness, levels of participation, efficiency of dealing with demands of members and the overall role of CONJUS in the sustainable development of Juruti. The questionnaire is a combination of questions with open-ended answers and scaled response choices.16

Currently, there is a lack of defined objectives and hence processes for decision-making and implementation of decisions. As the objectives and processes of CONJUS are more clearly defined, more concrete systems for regular monitoring of CONJUS's activities needs to be established in order to benchmark progress.

Public Accountability: Lack of Public Awareness of CONJUS

Currently there is a lack of awareness in the community and even in the government officials, such as vereadores in the Prefeitura, about the objectives and function of CONJUS. ISER has developed a communications plan for 2010 to increase public awareness about CONJUS throughout Juruti. Throughout 2010, ISER plans to produce an informational brochure, community printed newsletter, posters, banners, radio spots, stickers, and shirts. These will all function to promote and advertise CONJUS in terms of what the council is and what it is doing. Other activities under the communications plan include a report on the activities of CONJUS in 2009, development of a press office to produce press releases and coordinate with local media outlets, and to develop a website that will serve to promote the history, objective and function of CONJUS as well as publicize its meetings, news and activities.

“The main role of CONJUS is to spread information.“

- CONJUS Member

There is a lack of legitimacy of the Council as an effective organization in the public eye as a result of the lack of public awareness of CONJUS. This prevents more stakeholders from joining and participating in CONJUS. As one interviewee stated, the lack of public awareness of CONJUS means that community issues are not brought to the Council for discussion, because there is a lack of awareness of the Council's role and function to assist in solving these problems. In order for CONJUS to achieve its aim of establishing local development priorities, the Council needs to garner and receive widespread support. Furthermore a greater public presence, such as through the website, could potentially create greater public accountability as the community becomes increasingly aware of CONJUS in terms of its goals, function and actual activities.

16 ISER, “Questionario de Avaliacao trimestral do CONJUS” (Juruti, Brazil, 2010).
All meetings of CONJUS’s General Assembly are open to the public. However, there is a lack of publicity of those meetings. In Juruti, there is a culture of formal invitation to events. Without a formal printed invitation, many community members do not feel it is appropriate to attend CONJUS meetings. ISER is working to create generic paper invites that can be handed out by CONJUS members. There is an effort to increase awareness about CONJUS through member networks. CONJUS has developed a communications plan, including promotional materials as well as a website to promote meetings and encourage more widespread public participation in the future. Without public attendance and participation in meetings, CONJUS will not be seen as a transparent and open organization, which is essential for increasing legitimacy and reach in Juruti.

8. LONG-TERM INSTITUTIONAL DEVELOPMENT OF CONJUS

In this formative stage, CONJUS is still defining its objectives and processes for organizational management in the short- and medium-term. However, the preceding analysis identifies constraints in establishing solid institutional development in the long-term, as a result of divergent perspectives and expectations of Council members, inconsistent member, lack of clearly defined decision-making processes and procedures for monitoring and evaluation, and the lack of financial independence and capacity of CONJUS.

The tripartite arrangement, with participation from representatives of the corporate, civil society and government sectors, is one of the strongest characteristics of CONJUS’s organizational structure. However, the historical relationships between Alcoa and the municipal government and Alcoa and the local community have informed the interaction among these members within CONJUS. Pre-existing tensions have constrained CONJUS’s ability to integrate into the existing public and social infrastructure in the municipality. Without increased participation and support from the government as a member and facilitator in the larger community, CONJUS’s goal of holistic community development is challenged by the Council’s lack of financial resources and limited technical capacity.

CONJUS has a unique position in the social and political landscape of Juruti. It is the only formal institution that brings members of civil society and the local municipal government to the table with Alcoa for the purpose of discussion about meeting community needs and demands. Alcoa’s relationship with the local community has been paternalistic at times. And while financially supporting CONJUS in the development of its organizational structure, the company in many ways has used its status as only a single member in the Council to maintain a distance from engaging in the more substantive discussion of priority development needs that CONJUS serves to facilitate. However, CONJUS may serve as the only formal mechanism for consolidating, directing and maximizing Alcoa’s overall contribution to the Juruti municipality. This may come as a trade-off between greater partnership of CONJUS with Alcoa, and resulting decreased legitimacy as an independent organization in the short- to medium-term, but may be required to establish a tangible and meaningful impact that will solidify CONJUS’s longer-term institutional development.
RECOMMENDATIONS

To build institutional capacity and strength, CONJUS must address issues in six priority areas:

1. SHARED VISION & PURPOSE
   - Consultative vs. decision-making body: varying stakeholder perceptions of CONJUS’s objectives and purpose
   - Organizational structure: lack of clarity in determining roles and responsibilities of members for achieving objectives

2. REPRESENTATION & PARTICIPATION OF MEMBERS

3. DECISION-MAKING & AGENDA SETTING

4. FINANCING

5. ACCOUNTABILITY

6. INSTITUTIONAL DEVELOPMENT

Goals

- To achieve long-term institutional development, CONJUS members must establish a shared vision of purpose and objectives
- To clarify members roles in order to achieve objectives in the local sustainable development agenda

Action Items for Issues of Shared Vision and Purpose

- Hold a series of workshops with the entire CONJUS membership to establish an understanding of the divergent and common interests, expectations and roles to be played by members.
- Strengthen the Executive Board so it can steer membership into establishing a shared vision and understanding.
- Discussions or workshops should be held to facilitate CONJUS members in mapping out interests, expectations, perceived roles and core competencies for creating a shared vision and contributing to achieving sustainable development objectives. The Executive Secretary, Executive Board and possibly a third-party consultant, such as FGV or USP, will need to assist with research, planning and input to determine an appropriate facilitation plan.
Recommendations

2. ISSUES OF REPRESENTATION AND PARTICIPATION

- Lack of rural representation
- Inconsistent participation of members
- Government is the missing member of the tripartite model

Goals

- To increase rural representation
- To facilitate greater member base participation
- To clarify roles and responsibilities of members
- To increase government participation

Action Items to Increase Rural Representation

- CONJUS must continue outreach to rural communities via media (radio and newspapers).

- Promote mobile outreach meetings to inform rural communities about CONJUS’s existence and purpose in order to enable non-represented rural communities to choose if and how to participate in the Council.

- Subsidize transportation for rural members to attend regular in-town meetings.

Action Items to Increase Participation

- To facilitate greater member participation, CONJUS should change annual General Assembly meetings into bi-annual or quarterly meetings.

- As meetings are always held at the ISER office in the Juruti town center, there could be a rotation of Council meeting locations at more accessible and central venues in the municipality.

- Current CONJUS members should conduct bi-annual or quarterly mobile outreach meetings with rural members. Meetings would inform of CONJUS activities and present the local sustainable development agenda. Conversely, contributions to the discussion of priority development could be reported back to the General Assembly and Executive Board.

- CONJUS should create subcommittees/working groups of the various job functions of the Council. CONJUS has already established a communications and marketing working group, but other groups such as fundraising, agenda-setting, administration, and rural outreach, could provide opportunities for more directed member participation.

- To increase government participation, the Executive Board needs to prioritize strengthening the relationship with the municipal government.
3. ISSUES OF DECISION-MAKING AND AGENDA-SETTING

- Decision-making process: lack of clear rules for agenda-setting

Goals

- To ensure participatory decisions are made, such that voices of all CONJUS members are heard and taken into account in decision-making processes

- To promote better dialogue and coordination over substantive issues within CONJUS

Action Items

- Formalize CONJUS’s agenda-setting process, ensuring it is known by all members and there is greater participation in the decision-making process.

- The Câmaras Técnicas should inform, at regular intervals, the Executive Board and the General Assembly on their discussions and priority issues identified for the local sustainable development agenda.

- For this agenda to be established as a result of a fully participatory process, and the General Assembly needs to be included in the deliberation and final decision-making finalized agenda items through a vote.

- Create a system for sharing best practices between Câmaras Técnicas, such that “better working” committees invite the other committees to observe meetings and resulting activities.

4. ISSUES OF FINANCING

- Lack of institutional ownership of CONJUS’s administrative budget
- Lack of financial capacity for supporting development projects
- Varying financial implications depending on what is established as the nature of CONJUS

Goals

- To have financial control over its administrative budget to increase CONJUS’s legitimacy
- To present tangible results from CONJUS’s advisory function as a consultative body or implementing function as a more authoritative decision-making body

Action Items for Establishing an Independent Administration

- Seek outside grants or require membership dues in order to pay ISER’s contract, to fund the hiring another administrative agency, or to train Council members to serve in an administrative function.

- Exercise Article 34, Paragraph 3 of the Council's statutes call to instate a membership fee, thereby sharing the administrative balance under a contribution scale reflecting members' ability to pay. Dues in this context include monetary, in-kind contributions, and voluntary labor contributions to be reassessed on a yearly basis. The advantage of such a scheme is that all members take ownership in CONJUS’s operations.
Recommendations

ISER’s contract renewal in July 2010 should be submitted to extensive debate and vote in CONJUS’s General Assembly. ISER should not be present at the meeting where Council members vote on the contract renewal.

If Alcoa continues to finance ISER as the Executive Secretary, then funds for such purposes could be channeled through CONJUS as a restricted donation and administered through CONJUS directly to ISER as a means of increasing accountability.

Regardless if CONJUS chooses to become a consultative or decision-making body, it will need to establish a formalized process of and clear procedure of engagement in order to present tangible results of its advisory or implementing function. Recommended action items will differ depending on CONJUS’s determined function.

Action Items for a Consultative CONJUS

- Once the local sustainable development agenda is completed, CONJUS must strengthen ties with FUNJUS to establish a formalized process and clear procedure for project selection and funding that address the priority issues outlined in the agenda.

- CONJUS’s local sustainable development agenda can inform and be integrated into the municipal, and potentially the regional, development planning process to secure financial and technical support for projects.

Action Items for CONJUS as a Decision-Making Body

- If CONJUS chooses to become a stronger decision-making body, where it implements projects independently, CONJUS will need to explore outside sources for securing financing in the form of soft loans and grants on a project-by-project basis.¹

- Implementing and funding projects will require extensive planning, coordination, and formalization of procedures within CONJUS to select, fund and monitor projects.

¹A strong candidate is The Oil, Gas and Mining Sustainable Community Development Fund (CommDev), a funding mechanism established by the International Finance Corporation (IFC) to promote trilateral partnerships among communities, local governments, and extractive industry companies to develop not only immediate win-win-win benefits but strategic, sustainable solutions that effectively reduce poverty over time.
Recommendations

5. ISSUES OF ACCOUNTABILITY

- Lack of internal accountability for CONJUS objectives and activities
- Lack of legitimacy due to limited public awareness about CONJUS throughout Juruti

Goals

- To improve performance accountability by monitoring CONJUS’s internal processes and activities and impact in Juruti according to its pre-determined objectives
- To increase CONJUS’s authority and legitimacy through raising public knowledge and awareness about the Council, its purpose and capacity

Action Items for Performance Accountability of CONJUS

- Establish clearly defined processes and tools for monitoring and evaluating CONJUS’s internal processes and activities as well as measuring its direct impact in Juruti.
- CONJUS could engage relevant outside expertise, such as a university like FGV or USP, to work with the Executive Board and other Council members to create a more formalized monitoring and evaluation system, identify performance indicators, and strengthen the expertise and capacity of CONJUS members to implement a monitoring and evaluation system.

Action Items for Public Accountability of CONJUS

- The current communications plan, which is utilizing marketing materials and public calendars, and launching a website, is an important mechanism for increasing awareness and knowledge about CONJUS. The communications plan should continue to be a priority action area for CONJUS in the next year.

6. ISSUES OF LONG-TERM INSTITUTIONAL DEVELOPMENT

- Lack of clearly defined and organizational objectives and management processes
- Pre-existing relationships between Alcoa, the government and local community constrain long-term institutional development

Goals

- To clearly define CONJUS objectives and management processes
- To achieve long-term institutionalization, CONJUS needs to plan its engagement strategically with the other actors in Juruti to establish, support and achieve its sustainable development goals
Recommendations

Action Items for Achieving Long-term Institutional Development of CONJUS

- CONJUS needs to integrate into the public and social infrastructure of Juruti in order to establish long-term institutionalization.

- The municipal government has the resources and technical capacity to contribute to creating and implementing the local sustainable development agenda that CONJUS creates. Therefore, CONJUS must engage with the municipal government in order to increase input and support. This can be accomplished through consultation on its local sustainable development agenda. CONJUS should seek to have a representative in public meetings of other municipal councils to increase coordination of sustainable development objectives in the municipality in the short-term.

- Once the sustainable local development agenda has been created, CONJUS will need to prioritize publicizing the agenda in the wider community to increase awareness and public accountability. This could be done through a series of well-advertized town meetings and smaller forums with government officials, companies and community organizations and individuals that are in the Council and in the greater community in order to create widespread support. The public will then have the opportunity to hold CONJUS accountable through expressing concerns or unaddressed agendas.

- CONJUS must identify its core competencies in terms of where it brings the greatest value-added to Juruti, whether in terms of the strength of partnerships it can facilitate in a specific issue area or CONJUS or serving as a formal mechanism for engaging, consolidating and targeting Alcoa’s overall contribution to and investment in the Juruti municipality in a strategic way that maximizes benefits for Alcoa and most importantly the people of Juruti.
REFERENCES


References


Instituto de Estudos de Religião (ISER). “Questionario de Avaliacao trimestral do CONJUS.” Juruti, Brazil, 2010.


Kerche, Fábio José. “Ministério Público: Autonomia e Controles.” Seminar at the Faculdade de Filosofia, Letras e Ciências Humanas da Universidade de Sao Paulo (USP), Sao Paulo, Brazil, April 8, 2010.


Appendix 1: List of Interviews Conducted

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Organization Represented by interviewee</th>
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<td>29 Jan. 2010</td>
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<td>Kathryn Hochstetler (Author of Greening Brazil)</td>
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<td>Alcoa Foundation</td>
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### Appendix 2: International Principles and Standards of CSR in the Mining Industry

<table>
<thead>
<tr>
<th>CSR Standard</th>
<th>Description</th>
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<tr>
<td><strong>Global Mining Initiative (1998)</strong></td>
<td>Nine of the largest mining and metals companies launch the GMI in order to prepare the sector for the World Summit on Sustainable Development (WSSD) in 2002.¹ The aim of the GMI program was to ensure that the mining, minerals and metals industry contributes positively to society’s shift to sustainable development.</td>
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<tr>
<td><strong>International Council on Mining and Metals (ICMM) Sustainable Development Framework (2001)</strong></td>
<td>The ICMM is a CEO-led industry group that addresses key priorities and emerging issues within the sector. It seeks to play a leading role by promoting good practice and improved performance throughout the mining industry. The ICMM Sustainable Development Framework contains three components: principles, reporting and assurance. The Framework outlines 10 Guiding Principles for Sustainable Development that adhering companies should use to inform their operations.²</td>
</tr>
<tr>
<td><strong>Mining, Minerals and Sustainable Development Project (MMSD) Report (2002)</strong></td>
<td>The MMSD Project, a two-year consultation process that involved stakeholders in the industry to identify the issues relating to sustainable development in the sector.³ Beginning in 2000, MMSD served four main functions: research and analysis, stakeholder engagement, information and communications, and planning for outcomes, which resulted in the ‘MMSD approach’.⁴</td>
</tr>
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The Global Reporting Initiative’s (GRI) Mining and Metals Sector Supplement (2005)

GRI is a multistakeholder process whose mission is to develop and disseminate voluntary and disseminate Sustainability Reporting Guidelines, which serve as a framework for companies to report on the economic, social, environmental dimensions of their activities, products and services. The Mining and Metals Sector Supplement identifies specific aspects of mining and metals companies’ operations that affect sustainable development but are not captured by the reporting indicators in the 2002 Guidelines.


EITI is a global standard that aims to strengthen governance by improving transparency and accountability in the extractive industries. It promotes a methodology for monitoring and reconciling company payments and government revenues at the country level in the extractive industries.


Incorporate in 1972, the IAI is the Global Forum of the world's Aluminum Producers. Through the IAI, the aluminum industry aims to promote a wider understanding of its activities and demonstrate its responsibility in relation to all key sustainability issues, such as the environment, health, safety and recycling. The IAI Sustainability principles are a set of thirteen voluntary objectives that seek to improve sustainability in all key phases of aluminum’s life cycle.

APPENDIX 3: CONJUS Membership List (as of April 2010)

<table>
<thead>
<tr>
<th>CIVIL SOCIETY MEMBERS</th>
<th>Juriti Trade and Business Association</th>
<th>Juruti Association of Handicapped People</th>
<th>Juruti Folklore Association</th>
<th>Union of Male and Female Rural Workers of Juruti</th>
<th>Children’s Care Organization</th>
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<th>100% Juruti Movement</th>
<th>Cooperative of Professional Boat Marine of Old Juruti</th>
<th>Municipal Guardianship Council</th>
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**PRIVATE SECTOR MEMBERS**

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<td>National Service for Industrial Learning</td>
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<td>Tema Meio Ambiente</td>
<td>Environmental Theme</td>
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<td>Brazilian Lutheran University</td>
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**GOVERNMENT MEMBERS**

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<thead>
<tr>
<th>Secretaria Municipal de Assistência Social</th>
<th>Municipal Secretary of Social Assistance</th>
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<tr>
<td>Secretaria Municipal de Educação</td>
<td>Municipal Secretary of Education</td>
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<td>Secretaria Municipal de Planejamento</td>
<td>Municipal Secretary of Planning</td>
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<td>Secretaria Municipal de Agricultura</td>
<td>Municipal Secretary of Agriculture</td>
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<td>Secretaria Municipal de Saúde</td>
<td>Municipal Secretary of Health</td>
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<td>Secretaria Municipal de Cultural</td>
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<td>Municipal Secretary of the Environment</td>
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<td>Secretaria de Governador</td>
<td>Secretary of Government</td>
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<td>Secretaria Municipal de Boras</td>
<td>Municipal Secretary of Works</td>
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<tr>
<td>Prefeitura Municipal de Juruti</td>
<td>Juruti City Hall</td>
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<tr>
<td>Presidente da Câmara Municipal</td>
<td>Leader of the Local Legislative Power</td>
</tr>
<tr>
<td>Empressa de Assistência Técnica e Extensão Rural do Estado do Pará – EMATER</td>
<td>Pará Company of Technical Assistance and Rural Extension</td>
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<td>Polícia Militar</td>
<td>Military Police</td>
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<tr>
<td>Agência Defesa Agropecuária do Estado do Pará – ADEPARÁ</td>
<td>Pará State Agriculture and Livestock Farming Defense Agency</td>
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<td>Instituto Chico Mendes de Conservação da Biodiversidade – ICMBIO</td>
<td>Chico Mendes Institute of Conservation and Biodiversity</td>
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