



COMPREHENSIVE CHECKLIST

COMMUNITY BENEFIT AGREEMENT NEGOTIATION

A Practical Tool for Community Negotiators

By Thomas Gaultier

How to Use This Checklist

This checklist covers four phases: Pre-Negotiation Preparation, Agreement Provisions Review, Enforcement Mechanisms, and Implementation Planning. Use it to ensure no critical element is overlooked. Check off items as you address them, and use the notes columns to record specifics for your situation.

PROJECT INFORMATION

Project Name:	
Company Name:	
Community/Communities:	
Negotiation Start Date:	
Lead Negotiator(s):	
Technical Advisors:	

PHASE 1: PRE-NEGOTIATION PREPARATION

1.1 Define Your Objectives

Protection from Harm

- Identified all potential negative impacts (environmental, social, economic, cultural)
- Defined specific, measurable protection standards for each impact area
- Established water quality standards (specify parameters and limits)
- Established air quality/dust control standards
- Defined noise and vibration limits
- Identified sacred sites, cultural areas requiring protection
- Defined no-go zones and buffer areas
- Specified operational restrictions (blasting hours, traffic routes, etc.)

Fair Compensation

- Identified all losses requiring compensation
- Established land compensation at full replacement cost
- Defined crop and agricultural compensation methodology
- Specified livelihood restoration requirements
- Defined relocation support (if applicable)
- Established compensation for business/economic disruption
- Identified vulnerable households requiring enhanced support

Shared Benefits

- Defined employment targets by job category
- Defined local procurement targets by category
- Identified priority infrastructure investments
- Established revenue sharing expectations
- Defined community development fund parameters
- Identified training and education programs needed

1.2 Identify Non-Negotiables vs. Tradeable Interests

- Limited non-negotiables to 1-3 truly fundamental issues
- Clearly documented why each non-negotiable is essential
- Identified all tradeable interests and acceptable alternatives
- Ranked tradeable interests by priority
- Identified potential trade-offs between interests

Document Your Non-Negotiables:

#	Non-Negotiable Issue	Why It Cannot Be Compromised
1		
2		
3		

1.3 Understand and Strengthen Your BATNA

- Clearly defined what happens if negotiations fail completely
- Assessed strength of current BATNA (strong/moderate/weak)
- Identified ways to strengthen BATNA before/during negotiations
- Built alliances with NGOs, legal organizations, solidarity networks
- Developed media contacts and public campaign capacity
- Documented everything for potential regulatory complaints
- Identified project financing sources (potential ESG leverage points)
- Researched regulatory requirements and permitting vulnerabilities

1.4 Internal Community Preparation

- Community is unified on priorities (internal consensus achieved)
- Legitimate negotiators selected with clear authority
- Negotiation team has diverse representation (gender, age, affected groups)
- Consultation procedures established for decisions during negotiations
- Communication plan in place to keep community informed

- Secured technical advisors (legal, environmental, financial)
- Established documentation and record-keeping procedures
- Identified interpretation needs (if applicable)

1.5 Set Preconditions for Negotiation

- Required information disclosure from company
- Confirmed decision-makers will participate (not just local staff)
- Agreed on neutral venue for negotiations
- Established clear process rules and agenda-setting procedures
- Secured interpretation services if needed
- Agreed on documentation and minute-taking procedures
- Established reasonable timelines (resist pressure to rush)

PHASE 2: AGREEMENT PROVISIONS REVIEW

Use this section to evaluate any proposed agreement or draft your own provisions.

2.1 Employment Provisions

Targets and Definitions

- Specific numerical targets set for each job category (unskilled, semi-skilled, skilled, management)
- 'Local' defined precisely with geographic boundaries
- Residency requirements specified (e.g., 3+ years before project announcement)
- Tiered priority system established (Tier 1: directly affected villages, Tier 2: district, etc.)
- Verification process for 'local' status defined

Training and Advancement

- Minimum training enrollment numbers specified annually
- Training programs are accredited/lead to recognized certifications
- Training linked to guaranteed employment (graduates offered jobs within X months)
- Company covers all training costs (transport, materials, stipends)
- Promotion targets for local workers specified
- Management development pathway defined
- Succession planning requirements for expatriate positions

Reporting and Enforcement

- Quarterly reporting requirements specified

- Reports include names, positions, residence, hire dates
- Community verification/audit rights included
- Financial penalties for non-compliance specified (\$ per percentage point below target)
- Clear timeline for achieving targets

Record Employment Targets:

Job Category	Target %	Timeline	Penalty for Shortfall
Unskilled			
Semi-skilled			
Skilled/Technical			
Supervisory			
Management			

2.2 Local Procurement Provisions

- Category-specific procurement targets established
- 'Local business' defined precisely
- Contract unbundling requirements included
- Advance notice of procurement opportunities required (minimum days specified)
- Business development/capacity building support committed
- Access to finance facilitation included
- Favorable payment terms for local suppliers (30 days, not 90)
- Joint venture facilitation with larger contractors
- Reporting requirements specified

Record Procurement Targets:

Category	Target %	Timeline	Notes
Food/Catering			
Transportation			
Construction Materials			
Maintenance Services			
Other:			

2.3 Infrastructure Provisions

- Community needs assessment conducted (not company-chosen priorities)
- Specific facilities/infrastructure identified with detailed specifications
- Construction timelines specified
- Staffing commitments included (who provides personnel?)
- Equipment and furnishing commitments included
- Operating cost commitments specified (who pays, for how long?)

- Maintenance responsibilities assigned
- Integration with government systems planned
- Handover plan to government/community defined
- Quality standards and inspection rights included

Record Infrastructure Commitments:

Facility	Completion Date	Staffing By	Op. Costs By	Handover Date

2.4 Revenue Sharing Provisions

- Payment model selected (gross revenue %, per-unit, trust fund, equity)
- Payments based on production/revenue, NOT profits (profits easily manipulated)
- Payment calculation methodology clearly defined
- Verification rights included (access to production records, independent audit)
- Payment timing specified (monthly, quarterly, annually)
- Inflation adjustment mechanism included
- Trust fund governance structure defined (if applicable)
- Community representation in fund governance
- Transparent decision-making processes for fund
- External audit requirements

⚠ WARNING: Avoid profit-based payments. Companies can manipulate profit calculations through transfer pricing, management fees, and cost allocation. Gross revenue or production-based payments are transparent and verifiable.

2.5 Environmental Protection Provisions

- Standards exceed regulatory minimums
- Specific water quality parameters and limits defined
- Air quality/dust control standards specified
- Noise and vibration limits set
- Independent monitoring established (not just company self-reporting)
- Community monitors trained and paid to participate
- Testing frequency specified
- Immediate incident notification required (within X hours)
- Public reporting of all monitoring results

- Remediation requirements and timelines specified
- Closure and rehabilitation standards defined
- Financial assurance for closure (bond, trust account) required
- Community involvement in closure planning

2.6 Resettlement Provisions (If Applicable)

- Resettlement avoided where possible
- If unavoidable: replacement housing meets or exceeds current standards
- Community input on housing design
- Equivalent or better land provided (independently verified)
- Livelihood restoration is outcome-based (not just 'support provided')
- Restoration targets specified with long-term monitoring
- Enhanced support for vulnerable households
- Disturbance/transition allowance provided
- All relocation costs covered
- Grievance mechanism for resettlement issues established
- Long-term monitoring period specified (minimum 5 years)
- Correction requirements if restoration targets not met

PHASE 3: ENFORCEMENT MECHANISMS

3.1 Governance Structure

- Joint Implementation Committee (JIC) established
- Equal representation from company and community on JIC
- JIC meeting frequency specified (monthly or quarterly)
- JIC decision-making authority defined
- Designated liaison personnel identified for both parties
- Communication protocols established

3.2 Reporting and Verification

- Reporting frequency specified for each commitment area
- Report format and required content defined
- Community verification rights included (site access, record audits)

- Independent external monitoring for key commitments
- Public disclosure of progress reports

3.3 Escalation Procedures

- Graduated escalation ladder defined:

Level	Action	Verified in Agreement? (Y/N) + Notes
1	Informal reminder to liaison	
2	Formal written notice	
3	JIC formal review	
4	External/independent review	
5	Public reporting	
6	Suspension of reciprocal obligations	
7	Legal remedies (court/arbitration)	

3.4 Penalties and Consequences

- Financial penalties specified for key commitments
- Penalty amounts are meaningful (not token amounts)
- Penalty payment mechanism defined (to community fund, not government)
- Escalating penalties for repeated non-compliance
- Specific provisions can be revisited if persistent failure

3.5 Legal Framework

- Agreement is legally binding (not just MOU)
- Governing law specified
- Dispute resolution mechanism defined (mediation, then arbitration)
- Arbitration location and rules specified
- Successor clause binds future owners/operators
- Agreement duration matches project lifecycle
- Review and amendment procedures defined
- Termination provisions and surviving obligations specified

PHASE 4: IMPLEMENTATION PLANNING

4.1 Build Community Monitoring Capacity

- Community monitors identified and trained
- Documentation procedures established (photos, logs, minutes)
- Secure record storage established (with backup copies)
- Technical advisors available for interpreting company reports
- Regular community meetings scheduled to review progress
- Communication channels to broader community established

4.2 Documentation Systems

Establish tracking systems for:

- Meeting minutes (all meetings with company)
- Monitoring data (environmental, employment, procurement)
- Incidents and complaints
- Company commitments and their status
- Community condition reports (health, economic, social changes)
- Photographs with dates, locations, and descriptions
- All correspondence with company

4.3 Grievance Mechanism Strategy

- Internal company grievance mechanism understood
- Response timeframes documented
- External mechanisms identified:

External Mechanism	Applicable? (Y/N)	Contact Info
IFC Compliance Advisor Ombudsman (CAO)		
OECD National Contact Point		
National Human Rights Institution		
Environmental Regulator		
Other DFI Accountability Mechanism		
Other:		

4.4 Escalation Readiness

- Media contacts established
- NGO/advocacy allies identified and relationships maintained
- Legal counsel identified for potential future needs
- Investor/lender contact information compiled
- Documentation organized for potential complaints

FINAL REVIEW: BEFORE SIGNING

Complete this final review before signing any agreement.

- All provisions have specific, measurable targets (no vague language)
- All key terms are precisely defined
- Timelines are realistic and clearly specified
- Responsibilities are clearly assigned
- Reporting requirements are comprehensive
- Verification rights allow independent confirmation
- Meaningful consequences exist for non-compliance
- Agreement duration matches project lifecycle
- Successor clause binds future owners
- Community has received independent legal review
- Community has had adequate time to review (no pressure to rush)
- All community members have been consulted
- Agreement is in community's language with accurate translation
- Community retains copy of signed agreement

► RED FLAGS: Do Not Sign If...

- Language like 'maximize,' 'best efforts,' or 'where practicable' without specific targets
- Revenue sharing based on profits (not production or gross revenue)
- No definition of 'local' or vague geographic references
- No enforcement mechanisms or penalties for non-compliance
- Agreement expires before project ends
- No successor clause (obligations don't bind future owners)
- Community waives rights (to protest, to legal action, etc.)
- Confidentiality clause prevents community from discussing agreement
- You are being pressured to sign quickly without adequate review time

CHECKLIST COMPLETED BY:

Name:	
Role:	
Date:	
Signature:	