

Benefit sharing and community development

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Introduction

In addition to addressing the negative impacts caused by resettlement activities, companies should support affected communities to benefit from opportunities arising from the mining project. Although the concepts of compensation and sharing benefits often overlap in practice, they are conceptually different. Compensation is focused primarily on redressing loss or damage that can be attributed to the impacts of a project (eg loss of access to land and assets). Benefit sharing on the other hand aims to promote broader economic participation in projects, for example through royalty streams linked to production, provision of employment, business opportunities, and community development projects that strengthen community cohesion and provide sustainable community-led services.

The International Finance Corporation's strategic community investment booklet defines strategic community investment as "voluntary contributions or actions by companies to help communities in their areas of operation address their development priorities, and take advantage of opportunities created by private investment in ways that are sustainable and support business objectives" (International Finance Corporation 2010). Strategic community investment should focus on community development activities and not just compensation payments.

