

7. SOCIAL IMPACT ASSESSMENT

7.1 INTRODUCTION

7.1.1 A social impact assessment (SIA) has been undertaken in line with the requirements of the International Finance Corporation (IFC) / World Bank, the Equator Principles and the corporate social responsibility (CSR) procedures of the Project partners.

7.1.2 The aims of this SIA report are to:

- evaluate the effects of the Qatalum Project on the communities living in the area of influence of the Project and within Qatar;
- to consider the socio-economic impacts on standard of living / quality of life of individuals in their day-to-day activities; and
- to determine Qatari perceptions and values in relation to the Project.

7.1.3 The research to fulfil the aims of the SIA required interviews with key personnel at the concerned Ministries in Qatar, collation of published data and material on the MIC area and current planning systems, field visits and interviews with local officials and workers from businesses already established at MIC.

7.1.4 The full SIA report is presented in Appendix G; the remainder of this section summarises the main findings of the SIA and the ensuing recommendations.

7.2 PERCEPTION ASSESSMENT

7.2.1 As part of the SIA, a perception assessment was undertaken; this involved a consultation process with national and local organisations and local businesses and stakeholders to establish the local stakeholders' perceptions of the Project and to feed into the understanding of the social sensitivities of construction and operation of the Project. The perception assessment identified a series of key issues regarding the construction and operation of the Project as outlined below:

- overall, there was little considered understanding of the likely impacts of the Project in the Mesaieed area, although in general, people were happy to see industrial development as a way of providing wider employment opportunities for locals and had few concerns for the likely scale and type of activities or of environmental or social impacts;
- there were widespread expectations that the MIC Management Authority or QP would act to sort out problems;
- male and female respondents were adamant that local Qataris would be interested and willing to work in construction and operational jobs;
- both men and women appreciate that the planned development will offer increased opportunities for business expansion of shops, restaurants, and coffee houses, service provision to offices and factories and in hotels, hostels, and tourism;

- people are aware of the difficulties associated with having influxes of expatriate labour into the area but view it as an inevitable consequence of development and increased opportunity. The major contention is to isolate expatriate single workers in camps away from family households, to reduce problems of contact with local women;
- attitudes to working conditions were relatively liberal, women make up 1 in 5 people employed by the private sector and there are well established practise of men and women working together. However, women would not work after 7 pm or before 7 am, although night working for men does have precedents in the country and region. Men and women would expect to have separate facilities in the workplace – restrooms including both eastern and western style facilities, eating facilities and prayer rooms;
- attitudes towards the future are split along age lines. Older people are more attached to traditional occupations. Younger people are more likely to be highly literate, to want to have a job and to be less involved in traditional occupations; and
- attitudes towards change are most liberal amongst the wealthier and more highly educated households.

7.3 SOCIAL IMPACT ASSESSMENT

7.3.1 Overall, the social impact of the Project was determined to be positive for the local population and the country as a whole. The need for employment of locals is relatively high; the development is segregated from residential areas and is located at sufficient distance from existing settlements to avoid serious impact on residents. Given the increased critical mass of workers associated with the Project, the Project will enable a higher level of community facility development within the existing Community Area of MIC to take place. The wider economic benefits can be summarised as:

- more than 16,500 man-years of construction employment;
- approximately US\$200 million expenditure on construction materials and services in the Qatar economy, which could be equivalent to 2,000 safeguarded jobs in addition to on-site construction workers;
- approximately 1,000 operational jobs through direct employment by Qatalum and the opportunity for substantial number of on-site contract jobs;
- direct GDP enhancement of US\$1.5 billion per annum or 5.5% of prevailing GDP and potentially double that when the impacts of downstream or economic diversification of the Project are taken into account;
- 700 indirect and induced jobs when issues of supply chain and the impact of household spending in the local economy;
- spin-off benefits or downstream employment, which could amount to 2,400 jobs over the next twenty years;
- industrial cluster development of engineering and assembly based activities; and
- enhancement of the image of Qatar as an emerging manufacturing based economy.

- 7.3.2 Difficulties may arise if too high a proportion of employees have to be recruited from overseas, such that that long distance commuting becomes necessary, or that there is wholesale influx of people to the area from elsewhere in Qatar, seriously overloading facilities in the MIC.
- 7.3.3 Qatalum will encourage the opportunities for local employment recruitment via the Ministry of Labour Affairs, recruitment agencies, schools, colleges and QP Training Centre in order to promote maximum local employment in both construction and operational phases.
- 7.3.4 There may be initial onsite and offsite language difficulties with workers without Arabic language skills. Qatalum will operate in English and information should be provided in both English and Arabic in its work procedures, notices, and other communications. The initial elements of training will be to teach the locals the technical language used within the plant.
- 7.3.5 The rapid growth of the population, and in literacy, means that very many more young Qataris are seeking work. It is increasingly recognised that the wealth from natural resources cannot provide a living for all Qataris and that most must work. Qatalum will, in this context, represent an opportunity for employment.
- 7.3.6 In the absence of adequate income distribution data it is difficult to accurately predict social equity impacts. Most impacts equally affect all households in the Community Area by virtue of proximity.

7.4 CUMULATIVE IMPACTS

Construction

- 7.4.1 It is estimated that approximately 16,500 man years of work will be required to construct the Qatalum Site (including the Power Plant), at an average rate of 5,500 man years per annum, over a 36 month construction period, with a peak of over 6,500 workers on site at the height of construction activity.
- 7.4.2 An area the size of Mesaieed, with approximately 12,000 people, can cope with an additional 1,000 expatriate workers with minor difficulties and adjustments for the operational aspect of the Project. The likely scale of construction workers for the Qatalum Project (and up to 35,000 for the MIC area as a whole), in the short-term, represents a more significant challenge. The problems of absorbing so many additional people are multifaceted and appropriate management and mitigation is necessary throughout the construction process.
- 7.4.3 In order to manage this process effectively and efficiently it would be appropriate to establish an information forum, open to all organisations involved in the construction process, to disseminate information and provide guidance on best practice.

Operation

- 7.4.4 Given the relatively low labour intensity of all of the additional planned activities within the MIC Industrial area, cumulative social impacts associated with operation of the Qatalum Project are expected to be relatively minor compared with those from construction.

7.5 RECOMMENDATIONS ON SOCIO-ECONOMIC IMPACT MITIGATION

Minimise Negative Impacts

7.5.1 Overall, the main social impacts of the Qatalum Project are positive for local people, the region and the economy of Qatar, provided that Qatalum makes positive efforts to employ local people in as many jobs as possible and sources services and supplies from local companies where possible. Further positive impacts would be achieved by being seen to promote the employment of women in the private sector.

7.5.2 Good relations with local community leaders and the public should be cultivated through the various fora offered by MIC. By developing relationships and by taking proactive steps to acknowledge and deal with complaints and difficulties as they arise Qatalum will be able to build good relations.

Optimise the Presence

7.5.3 Qatalum needs to create a positive business image in Qatar. It is vital for the company to adapt its approach to local conditions and emphases in order to develop good relations with the Government and local administrations and to be perceived as sympathetic to Qatari culture and national development. Qatalum has opportunities to promote good local and national relations through support to cultural and educational institutions.

Project Contribution to Viability

7.5.4 The Project is designed to last for at least 40 years. Qatalum's commitment to Qatar is therefore intended to be long-term and needs to develop harmoniously from the outset.

7.5.5 Stakeholder engagement from the outset is vital. This SIA report identified the groups that would need to be engaged in this process at national and local level. Contact with these groups has been made and should be maintained and developed as the Project progresses.

7.5.6 Contact should also be maintained with the Qatari partners of other projected industrial developers to promote discussion of issues of mutual concern and interest and collaboration on support service components. This is currently being undertaken through monthly meetings with the MIC Authority, which involve all industrial developers; however, Qatalum and MIC will assess together if this may need to be intensified when the construction phase approaches.

7.5.7 The SIA report seeks to explain social attitudes and behaviour as it affects the development and viability of business in Qatar and the proposal for the Qatalum Project in particular. These factors require Qatalum to:

- work within Qatari working practices;
- train and retain high-quality Qatari employees, promote interest in working for the company and become the "company of choice";
- promote local employment;
- promote the company name in cultural, environmental, social and educational fields; and

- promote academic research into areas of relevant company experience and needs.

7.6 MONITORING AND EVALUATION

7.6.1 The Qatalum Project is large scale, complex and will be complicated to deliver efficiently and effectively. There is the potential for social impacts to develop throughout the construction and operational phases of the Project. In order to effectively monitor these impacts it will be necessary to have in place monitoring programmes to gather data and evaluate information in a timely manner. Table 7.1 sets out the monitoring and evaluation procedures that will be considered during the construction phase of the Project.

Table 7.1 – Monitoring and Evaluation

Performance Indicator	Method of Monitoring	Organisation Involved in Monitoring	Monitoring and Evaluation Period
Standard of worker accommodation	Audits and workers' feedback mechanisms	Qatalum	Quarterly
Standard of worker catering	Audits and workers' feedback mechanisms	Qatalum	Quarterly
Worker quality of life	Audits and workers' feedback mechanisms	Qatalum with Labour attaché from Embassies and EPC contractor	Quarterly
Worker quality of life	Worker accommodation suggestion box	Qatalum and EPC Contractor	On-going

7.7 SOCIAL ACTION PLAN

7.7.1 A basis for a Social Action Plan (SAP) has been provided in Table 7.2. This will be taken forward by Qatalum, in consultation with and through MIC, as part of the process of constructing and operating the Project.

7.8 IMPLEMENTATION MECHANISM

7.8.1 The Social Action Plan will be an on-going programme of community involvement. An effective implementation mechanism to manage the process will be assessed.

7.9 CONCLUSION

7.9.1 Overall, the social impacts associated with the Qatalum Project were determined to be positive for the local population and the country as a whole. None of the social issues identified in the SIA report are so serious as to affect implementation of the Project.

Table 7.2 – Basis for Social Action Plan

Impact/Issue	Mitigation / Intervention	Responsible Authority	Implementation Mechanism
Need to disseminate information on the Project in a timely manner	Public Disclosure Strategy.	Qatalum	The dissemination of information to the Project through a process of public notification and open house meetings.
Skills shortage	Training courses in educational requirements.	Qatalum	Direct training by QP at Mesaieed Training Centre.
Construction worker living conditions	Incorporate international best practice into design and operation of construction worker accommodation.	Qatalum	Design, build and operate tender for principal Contractor.
Minimising social frictions between construction workers and locals	On-site construction worker recreational programme.	Qatalum	Provide leisure and recreational facilities on site to reflect the interests and pastimes of the nationalities to be involved in the construction process as part of the design, build and operate tender for principal Contractor.
Minimising social frictions between construction workers and locals	Managed construction worker off-site recreational programme.	Qatalum	Provide managed recreational transport operations for construction workers as part of the design, build and operate tender for principal Contractor.
Contract substitution for construction workers	Incorporate contract clauses with EPC Contractor to employ expatriate workforce through reputable recruitment agencies in host countries.	Qatalum	EPC Contract clauses to ban worker contract substitution by EPC Contractor and to seek recruitment of expatriate workers through reputable recruitment agencies in host countries.
Construction worker payment by EPC Sub-contractors	Incorporate contract clauses with EPC Contractor which require timely payment of Sub-contractor employees at an appropriate level.	Qatalum/EPC Contractor	EPC Contract clause to ensure commitment to paying minimum wage levels to workers in a timely fashion and avoid back-to-back payments of Sub-contractors. Additionally, encourage EPC Contractor to adopt similar terms with sub-contractors.
Spread of contagious disease amongst construction workforce	Health centre provision on-site for construction workers.	Qatalum	Provide appropriate health services on site to enable response to construction worker health problems.
Need for MIC Business Co-operation in Construction & Operation	Extension of existing Business Forum.	Qatalum/MIC	Dialogue with MIC on continuation of the business forum currently in operation, but with intensification of meetings related to worker camps, transport and community area development.

Impact/Issue	Mitigation / Intervention	Responsible Authority	Implementation Mechanism
Need to identify on-going impacts and mitigation with construction workers	Regular meetings / audits.	Qatalum/EPC Contractor	Through regular meetings enable construction workers to identify concerns and receive information on the process of the construction of Qatalum.
Need to identify on-going impacts and mitigation with operational workers	Regular meetings / audits.	Qatalum	Through regular meetings enable workers to identify concerns and receive information on the process operation of Qatalum.
Academic Centres for R&D and training in the Aluminium Sector	Support permanent training and education centre to develop competence in production of aluminium as well as application of aluminium in various uses.	Qatalum/Qatar Foundation	Support for the centres with delivery of teaching resources and research programs.
National Human Rights	Support training programmes for human rights awareness building.	Qatalum / Qatari National Human Rights Committee	Direct revenue funding to sponsor human rights awareness through the Qatari Human Rights Committee.