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## LEARNING NOTE

# Critical minerals in fragile and conflict-affected settings

## Mining company partnerships with communities

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# Introduction

Critical minerals that are essential for commodities like batteries, electronics, wind turbines and aerospace components are often found in fragile and conflict-affected settings (FCAS), for example cobalt, lithium, rutile, ilmenite and zircon. Geopolitical and economic competition, alongside the green transition, are driving governments and companies towards these minerals - creating both grave risks and rare opportunities. In some ways, FCAS are unpredictable and challenging for mining companies to navigate – unless managed in a conflict sensitive way, mining can fuel violence and undermine supply chain resilience.<sup>1</sup> In contrast, conflict sensitive mining in FCAS can be a catalyst for both peace and commercial success: a win-win for communities, companies and governments.

Community partnerships are key to conflict sensitive and sustainable mining. Community partnerships have helped mining companies and their investors navigate complex environments, avoid roadblocks, increase predictability and achieve commercial growth.

These partnerships also boost local economies and benefit communities, for example by enabling corporate social responsibility (CSR) activities and sustainability initiatives. Importantly, collaboration between companies and communities builds trust and local support for mining projects, and social cohesion between community groups. The key is getting past surface level consultation and towards deep engagement, granting communities genuine agency to participate in decision-making that impacts them.

Against this backdrop, this learning note will unpack practical lessons to help mining companies and communities to work together amid the accelerating rush for critical minerals. It responds to common company dilemmas such as who to engage with, how and to what end. The lessons come from a real and locally rooted example by the company Base Titanium in Kwale county, Kenya. They also draw on decades of work by the peacebuilding sector with communities in FCAS.

## Why community partnerships work

Successful community partnerships are good for business. The incorporation of community voice platforms (e.g. shared decision-making, board representation) has been demonstrated to lower risk, improve financial outcomes, and boost environmental, social and governance performance. An empirical study of 101 Norwegian mining firms found that community partnerships made for better innovation on sustainability, which improved companies' financial outcomes.<sup>2</sup> For investors, meeting community development targets through sustainability-linked loans can reduce interest rates by 5-15%.<sup>3</sup>

Community engagement is recognised in international standards such as the [United Nations Guiding Principles on Business and Human Rights](#), [OECD Due Diligence Guidance for Responsible Minerals Supply Chains](#), and [Voluntary Principles on Security and Human Rights](#). It is required by the International Financial Corporation Performance Standards and the World Bank's Multilateral Investment Guarantee Agency for political risk insurance and is becoming increasingly relevant in regulatory frameworks.



In May 2025, the Council of the European Union (EU) adopted the Omnibus revision of the [EU Corporate Sustainability Due Diligence Directive](#). As a result, large companies (with a net turnover of €750 million) operating or based in the EU will have to tailor their due diligence checks and stakeholder engagement to account for conflict dynamics in FCAS. Companies will look for clear guidance from regulatory bodies and insurers on what is required.

International Alert's experience shows that business operations in challenging FCAS environments are more successful when they meet what local people need and that bring them along inclusively.

## Case study

This note takes a broad definition of FCAS to incorporate a wide range of settings, from intrastate war to situations of unrest or instability. Dynamic by nature, these environments are characterised by multiple interconnected actors, drivers and motivations. In many instances, the absence of armed conflict is only the illusion of peace. Under the surface, less visible social, political and economic tensions manifest in social unrest or cycles of violence.

Even when violence isn't obvious, all land issues here are highly sensitive. This is common to other developing and fragile contexts where different groups and authorities make claims over land ownership.

## Base Titanium

Base Titanium is the local Kenyan subsidiary of the Base Resources group, an Australian-based, African-focused mineral sands producer and developer. It operated Kenya's largest mine in Kwale County, 50km south of Mombasa. It processed ore to recover rutile, ilmenite and zircon for the export market. The company operated in a context where grievances over land are commonplace and there are high levels of poverty.

### Key conflict sensitive steps

- Invested in trust-building processes, including transparency and access to information for community members, and promoted understanding of the company's operations to mitigate speculation.
- Established community liaison committees to facilitate direct, two-way engagement with local communities. These committees continue to serve as platforms for addressing grievances, identifying development priorities, and ensuring participatory decision-making.
- Nurtured relationships with community structures such as land resettlement committees to settle any disputes arising from land acquisition processes.
- Established a community-led information centre and project site tours to facilitate access to information.
- Communicated transparently about land transfers to strengthen the communities' awareness of their rights and the actions available to them.
- Built and maintained a social licence to operate through rapport with communities, including local civil society networks, to better understand community concerns and demonstrate accountability.

Base Titanium started its mining operations in 2013, taking over operations from another company. The previous company had a strained relationship with communities, which the new company inherited. In a conflict-affected setting, perceptions are everything, and the distrust affected the company's social licence while also increasing the risk of community violence and unrest.

Despite initial challenges, Base Titanium invested in trust-building processes. This included providing transparent access to information that helped community members understand the company's operations and prevented room for speculation and manipulation. The company did this by establishing a community-led information centre and providing periodic information tours around the project site.

When Base Titanium began closing mining operations and started post-mining processes, they communicated transparently with the community about the land transfer back to the government, which was outside the company's control. This enabled the communities to lobby the government to be included in the post-mining land use committee (a structure that the government is legally obliged to establish), rather than creating conflict with the company. Through a legal process, the community was included in the post-mining land use committee. This enabled communities to collectively influence the decisions and actions of the post-mining land use peacefully and constructively, while strengthening government accountability.

## Lessons

The following lessons provide insight to companies, project developers, regulatory bodies, investors, insurers and governments on what good practice looks like. These lessons are gleaned from Base Titanium's experience above and International Alert's peacebuilding work with other companies and communities in FCAS.

- **Companies can manage risk in FCAS by taking time to understand and respect the local conflict context.** This recognises that the relationships among communities, and with a company in FCAS, exist within a conflict system that affects a much wider area beyond a mining concession. In this context, sustainable operations start with building a clear understanding of both horizontal (between communities) and vertical (between communities and government) relationships within the society, and the community dynamics. Conflict analysis conducted by peacebuilding partner organisations is a common tool, in addition to community dialogues that cover individuals and groups both within and around the project site. These processes can otherwise be part of the heightened due diligence process for pre-identified projects. Providing the company acts upon risks, the cost of this analysis and dialogue could be paid for by reductions in risk premiums and growth in the project value.
- **Community engagement is more effective when companies know what they want to achieve from it.** Rather than engaging for engagement's sake, careful interactions with communities can directly address tensions. In the case of Base Titanium, community engagement was carefully designed to build consensus, understand people's needs and priorities, and create common benefits. This resulted in better trust within the communities and between communities and the company. Even in times when communities felt their needs were not being met, structures and processes were established that ensured these needs were communicated and resolved. It became cost-effective in the value it created.

- **Transparent access to information helps manage expectations and improves community perceptions.** The establishment of the community-led information centre helped the company create a very productive relationship with the community. This worked because the company and community collaborated to ensure the right information and perception were created. In addition to the information centre, the company provided periodic information tours that ensured key representatives from the community were updated on what was going on and could communicate this to other community members.
- **Community consultation does not equal meaningful engagement.** Rather than ad hoc conversations, the company established committees and structures of deep engagement. These included community liaison officers and resource centres to support information dissemination. These structures enabled all community groups to participate in decisions around project benefits, especially minority groups, women and youth whose voices might otherwise not be included. They worked because they were not simply tokenistic or one-sided. Rather, they gave community members some leadership in deciding how their benefits were used.
- **Involve communities across conflict divides and tensions.** Some companies, working with the government and local civil society, have helped communities establish an implementation committee for benefit sharing that brought groups together across divides and tensions. This directly reduced conflict risks by improving inter-group engagement across lines of division and intercommunity fractures.
- **Anticipatory actions can prevent risks before they materialise and build human capital in the community.** A proactive approach helps address potential challenges early, responding to risks that companies identify in their conflict analysis and community dialogues. Some companies have designed measures that improved stability for both the community and the company's operating context. These measures include environmental monitoring and coordinating with local committees to respond when vulnerable wildlife species are present, as well as those that are important culturally for communities. Additionally, for a context that is vulnerable to climate impacts, CSR initiatives have been designed for climate adaptation that help communities get ahead of these risks.
- **Companies can reduce tensions through investing in people's skills, education and job opportunities.** Some companies have used benefit sharing structures to understand community aspirations and provide educational support. This helps to foster local talent and expertise and create employment opportunities. It has also prevented tensions or conflicts that often emerge when people outside the community occupy jobs and do not provide adequate livelihoods to the communities. The creation of meaningful employment, especially for young people, is considered an important way of reducing the potential for manipulation and recruitment into violence, including political violence that would have negative impacts on the operations of the company.
- **Community partnerships help with responsible exit and transition.** Base Titanium successfully managed community expectations and avoided violence or backlash around the transfer of mining land back to the government. It did this by clearly communicating to the community which decisions were within the company's power, and which decisions would be made by the government. These messages were well received by the community thanks to the trust that had been built. The communication enabled the community to hold the government to account on post-mining land use.

# Conclusion

Global demand for critical minerals is rising. To be sustainable, new mineral exploration must learn from the past and be designed for partnership and fair benefits. Conflict sensitivity is one way of achieving this in mineral sourcing, complementing other measures to achieve equitable and ethical value chains globally.

The experiences of Base Titanium, though still evolving, highlight the importance of understanding local conflict dynamics and using inclusive partnership mechanisms with communities. This includes planning for potential transitions in company operations and eventual exit strategies.

Peacebuilding approaches like conflict analysis, dialogue and benefit sharing are essential tools, and the peacebuilding sector can advise on best practice and lessons. In the challenging global economic and geopolitical context, the question of how to do business responsibly in FCAS, while securing supply chains, really matters.

Governments and companies alike have an interest in setting clear expectations for business, creating incentives for sustainable supply chains and ensuring the benefits reach those who need them. Communities are critical partners.

## Endnotes

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- 1 P. Ateyo, Fuelling conflict: The impact of the green transition on peace and security, International Alert, 2022, <https://www.international-alert.org/publications/fuelling-conflict-the-impact-of-the-green-energy-transition-on-peace-and-security/>
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Cover: Community members rehabilitate mined areas in Kwale, Kenya, supported by Base Titanium © Base Titanium