



CASE STUDY

# Community Infrastructure



We identified that most of the local communities surrounding our Olaroz Lithium Facility did not have a common use space for meetings, training or large school activities. Many communities required funding and support to build spaces that would encourage the development and well-being of their people. Orocobre's Community Infrastructure project was initiated to support local communities construct buildings and infrastructure for community use. Projects were identified through collaborative discussions with community members to identify the associated direct and indirect benefits of proposed infrastructure projects in each of the communities.

Strategic alignment to

**SUSTAINABLE DEVELOPMENT GOALS**

Shared Value Pillar



Empowerment

Direct Contribution



Indirect Contribution



**SDG Target 11.3:** Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.

**SDG Target 11.7:** Provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities.

**SDG Target 11.c:** Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilising local materials.

## Background

The Community Infrastructure project began in 2018 with collaborative discussions between Orocobre and the 10 local communities surrounding our Olaroz Lithium Facility to identify, and better understand specific community needs. In some cases, funding was needed to complete previous projects that had been not been completed (community halls with no solid roofs; unfinished walls, bathrooms, and kitchens) and in other cases, the financing was allocated to build new facilities.

## Proposal

Orocobre facilitated the decision-making process with local communities to identify the specific infrastructure projects that should be funded based on the direct and indirect impacts associated with each proposed development.

The decision process for each project had several stages:



For each project identified, Orocobre facilitated the involvement of local suppliers, governments and consultants to build quality infrastructure, encouraging empowerment, well-being and social and economic inclusion for each community involved. All management and administration decisions are made by the local communities and we respect the autonomy of each community in this regard. Upon completion, each community assumes responsibility for the use and maintenance of their facilities.

We contributed to funding construction activities with an initial budget of AR\$ 2million (approximately US\$ 52,000) for each project.

The projects identified are within the following local communities:

- Pastos Chicos
- Huancar
- San Juan de Quillaques
- Catua
- Puesto Sey
- Olaroz
- Jama
- El Toro
- Susques
- Coranzulí

## Barriers faced

During 2020, the Preventive and Mandatory Social Distancing measures established by authorities in response to the COVID-19 pandemic, have considerably affected the completion of the 3 projects still in progress. The restrictions on cross border travel have prevented the movement of materials and personnel. Construction is expected to restart as soon as access to communities is restored.

## Partnerships

Orocobre facilitated several cross-sectoral partnerships among communities, suppliers, municipal committees, provincial government and a local architecture and construction consultant to carry out these projects.

## Project Update, Outcomes, and Indicators

The community infrastructure project has an extensive scope, positively impacting over 2,500 people across the ten communities surrounding our Olaroz Lithium Facility. The project has become the largest investment made by any company in the area. The links with the Provincial Government, Municipal Governments and local institutions fulfilled the objectives of all the parties involved, empowering each community to make decisions and take ownership of their new infrastructure facilities.

Of the 10 initiatives planned, 7 were completed in 2019 and 3 are still under construction.



Local communities have also benefited from construction activities associated with these projects with 9 of the 10 companies responsible for construction belonging to members of communities within the district of Susques.

In many cases, these facilities have already provided suitable venues for Orocobre to provide further training programs for the communities on topics such as health and safety, entrepreneurship, recycling of wood pallets (furniture construction), fibre spinning and production. A description of progress on each of the ten projects is included below.





### OLAROZ

In Olaroz, 320 community residents have benefited from the construction of a music hall and a chemistry lab. This big common space is used not only by community members but also by contractors and their families who are living in the area while they work at the Olaroz Lithium Facility. This space is also used to train and support the personal development of people from neighbouring communities that wish to pursue a secondary education program specialised in chemistry.

### PUESTO SEY

The community of Puesto Sey had two projects: the construction of additional classrooms for the children of the 50 families living in the area, and the installation of a fence to protect the “Piedra de los Deseos” (The Stone of Desires), a local attraction that was being vandalised by tourists. The Stone of Desires is an important symbol for the 160 community members. Tourists can now view the attraction but also keep a safe distance and not inflict damage.

### SAN JUAN DE QUILLAQUES

In San Juan de Quillaques, a construction project abandoned over 20 years ago was revived and inaugurated, providing the community with a valuable multi-purpose centre. A new roof was added, as well as a kitchen, offices and bathrooms, positively benefitting the 25 families that make up this community. The space was designed to host training sessions, assemblies, and other local events.

### JAMA

Located near a border crossing between Argentina and Chile, Jama proposed that the gas network servicing the region be extended to reach the community. Through collaborative engagement with the government, the community, and the gas network provider it was possible to support the community of Jama in securing new access to energy. 280 people now have direct access to gas at home and in community facilities. The project was financed by both the local government and Orocobre.



### PASTOS CHICOS

In Pastos Chicos, a community of 150 people, the infrastructure project involved extending and renovating the existing community hall. A kitchen, bathroom and offices were added to the facilities, and significant work was done to renovate and revive the existing common space.

### HUANCAR

In Huancar, a community of 430 people, the existing community hall was repaired, renovated, and extended so that it could be used to host activities with larger groups of people.

### CATUA

In Catua, a community of 450 people, a new community hall was constructed with two bathrooms, an office, and an additional multi-purpose room. Surplus funds were used to renovate other community buildings.

Three infrastructure projects are under construction but not yet completed. The project in **El Toro** Community, with AR\$ 2 million investment is at 90% progress. The remaining 10% left to be completed is delayed due to travel restriction associated with the COVID-19 pandemic. The project in **Susques**, is estimated to be completed during FY21. AR\$1.5 million has been invested so far, and progress is at 75%. Works on the **Coranzulí** project were stalled due to changes in local government and delays in decisions by community members due to COVID-19 restrictions in place during the year. Works are expected to resume as soon as restrictions end.

Indicators related to this initiative are being further developed and will likely include for example: total funds invested by the Company in each project, number of agreements in place, number of meetings and assemblies held, number of stakeholders involved per project, number of total infrastructure projects completed, number of infrastructure projects in progress, total local suppliers hired, total number of beneficiaries, and total number of events held in new buildings.